IBERSOL – SGPS, SA

Publicly Listed Company

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4150 – 146 Porto

Share Capital: 46.000.000 €

Registered at the Porto Commercial Registry Office under registration and tax identification number 501669477

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS 2021

(to be approved at AGM 2022)

1. Message from the Chairman of the Board

The past year of 2021 was one of resilience, due to the ability to outdo ourselves and recover from adversity. Our expectations regarding the results of the Covid-19 pandemic were of uncertainty, and these were borne out during the year.

For starters, the restaurant sector had to undergo even more restrictions during the first semester than it had at the beginning of the pandemic. Comparing the lockdowns of the first semesters of 2020 and of 2021 one can see that the latter lasted longer and that when it ended, in June, new restrictions were introduced that lasted until after the semester was over.

During the second semester, when vaccination levels in the Iberian Peninsula were very high, restrictions on movement and on retail opening hours were partly lifted, so that the summer holiday season was relatively normal for most residents, although tourism suffered substantially. The group had to adapt to the circumstances, and benefited from a rise in consumer optimism that permitted a higher rate of recovery of the activity.

It was in this atmosphere of slow, but steady recovery that Ibersol carved out a path of dynamic resilience. First, the group recovered its street and shopping centre restaurants business, and then its travel segment, although the latter was slower, given restrictions on mobility due to the pandemic.

During this recovery process Ibersol maintained and increased its social sustainability profile as a large job creating group, marked by social cohesion. In that sense it managed to protect jobs in Portugal and in Spain, through a combined strategy of making use of the state support mechanisms at its disposal, and a consistent policy of opening new restaurants of different Group brands, namely Burger King, Taco Bell, KFC, and Pizza Hut units.

One should highlight the fact that although the policy of refurbishing and openings was affected, it never stopped and can even be described as very energetic. Ibersol added six new KFC restaurants to its portfolio, which were opened over the year, plus seven new Taco Bell units. I would also point to the good performance registered by Pizza Hut, which reacted brilliantly to the challenges of the pandemic, both in terms of delivery, and in-house, having even opened five new units. The Ibersol Group showed itself to be the driving engine of the growing presence of Burger King in Portugal. In 2021 it opened 12 new Burger King restaurants and closed the year with a total of 119 group operated units in Portugal, out of a total 150 in Portugal.

To support the challenges resulting from the impact of the second year of the pandemic and, also, to strengthen itself for the required investments, the group underwent a share capital increase, aimed at shareholders, which endowed it with the necessary means to carry out the strategic guidelines and, especially, to keep up the normal rate of investment and expansion and, thereby, sustain and increase business market share. This operation was successful and showcases the trust felt by shareholders with total demand standing at around 146% of supply. This resulted in a net financial increase of 40 million euros.

2021 was also a year in which the group's environmental sustainability policies stood out, and there I would like to point to the partnerships that allowed us to make use of 170 electrical motorcycles for the delivery services of the Burger King and Pizza Hut brands. The Group estimates that it achieved a reduction of over 500 thousand kilos of CO_2 emissions, and 400 thousand litres of fuel spent annually through the use of these electrical vehicles in delivery services.

In environmental terms, the Ibersol Group continued to intensify best practices policies in resource and residue management practices, as well as in separating and reusing generated residues, investing in renewable energies with a strong reduction of energy consumption and the subsequent impact in the decrease of CO_2 emissions, preventing the emission of 10 thousand tonnes. To this end, the Group restructured the teams, the energy consumed, supplies, products, waste and, above all, it internalised a high concern with process changes and forms of operation which translates into an active adoption of sustainability and a circular economy.

Ibersol expects 2022 to be a year of great challenges, both due to the effects of the pandemic on consumer behaviour and their confidence, and due to geopolitical tension and its global economic impacts. These is why we have a determined outlook on the future, viewing the circumstances and subsequent readjustment from a strategic and tactical perspective.

2022 will be a very challenging year, with very high levels of uncertainty. Once again, we have the strength, determination and means to demonstrate our resilience, which is why we are counting on the support and dedication of all those who have demonstrated their recognition and preference for our Group. This includes all our stakeholders, customers, staff, partners, suppliers, investors, and civil society.

2. Economic Framework

Global Situation

According to figures from the European Central Bank, the world economy recovered significantly during 2021, although the persistence of bottlenecks on the side of supply, rising prices of raw materials, and the appearance of the Omicron strain of Covid-19 in the fourth quarter weighed down growth forecasts.

At the beginning of 2022 the economic recovery of the eurozone was boosted by the fading of the impact of the Omicron strain of the coronavirus (Covid-19). Supply bottlenecks showed some signs of letting up and improvement of the labour market accelerated. Inflation continued surprisingly high, rising to 5.8% in February, reflecting the transmission of the higher prices of raw material and pressure on production costs because of disturbances to global supply chains.

This scenario of sustained recovery was strongly shaken by the beginning of the war in Ukraine.

The Russian invasion of Ukraine is expected to have a relevant impact on economic activity and on inflation due to rising prices of energy products and raw material, global trade disturbances and a drop in the confidence of economic agents. The scope of these effects will depend on how the conflict evolves, the impact of current sanctions and subsequent measures that might be implemented.

Situation in Portugal

Following an historic drop in GDP in 2020 (-8.4%), in 2021 the Portuguese economy continued the recovery trajectory that it had begun in the third quarter of 2020, drawing close to pre-pandemic levels. Recent figures from the Bank of Portugal point to a 4.9% increase of GDP in 2021, with forecasts for similar growth in 2022 and a reduction in the following years (2.9% in 2023 and 2.0% in 2024), a downward revision, due to the impact of the Russian invasion of Ukraine.

After a chain reduction in the first quarter of 2021, GDP more than recovered in the second, and continued to grow in the following quarters, although at a lower rate, reflecting the fact that the pandemic was under control, as well as advances in vaccination coverage. The expansion of economic activity translated into increased job rates and a reduction of unemployment.

Inflation increased to 0.9% in 2021 (-0.1% in 2020), with a forecast of significant growth in 2022 (4%) and a drop to 1.6% in 2023 and 2024. The rise in inflation in 2022 is linked to increases in prices of raw materials, in the fields of energy, and persistent constraints on global supply chains.

The forecasted economic activity will benefit from greater influx of European Union funds and prolonged favourable financial conditions, even though the market is expecting a gradual increase in interest rates. In June, 2021, the European Commission approved Portugal's Resilience and Recovery Plan, a temporary recovery tool worth over 800 billion euros and aimed at helping repair the economic and social damage caused by the Coronavirus pandemic, to make post-Covid-19 Europe greener, more digital, more resilient, and better prepared for current and future challenges.

Situation in Spain

Recent figures from the Bank of Spain indicate that the Spanish economy contracted more sharply than the main eurozone economies in the first semester of 2020 and, since then, it has also proved slower at recovering. Among the demand components that help to explain this more negative relative performance, private consumption and, above all, tourism exports, which in the case of the Spanish economy has seen comparatively slower recovery, stand out.

The Spanish GDP growth rate reached 2.2% in the fourth quarter of 2021, 0.4 percentage points lower than the previous quarter. The epidemiological situation, marked by a peak of infections due to the expansion of the Omicron strain of Covid-19, conditioned the evolution of activity in the last few months of last year, although less intensely than with previous waves of infection. Therefore, the growth of GDP in the fourth quarter benefited both from net external demand – although to a lesser degree than the previous quarter – and from internal demand.

The more recent macroeconomic framework points to an average GDP growth rate of 4.5% in 2022. Over the next two years forecasts predict that activity will continue to be very dynamic, which will lead to 2.9% and 2.5% growth of the Spanish economy in 2023 and 2024, respectively. In this scenario, recovery to pre-pandemic levels should occur in the third quarter of 2023.

Situation in Angola

Recent IMF figures indicate that the economic impact of the pandemic in 2021 – in the internal market and in commodity imports – began to diminish. Higher oil prices and the relaxation of more disruptive internal containment measures strengthened Angola's financial situation and supported the recovery of the non-oil sector. Although the number of confirmed Covid-19 cases reached a new high in October, infection rates fell rapidly with tailored restrictions and the acceleration of the vaccination process.

In the first half of 2021 the growth of non-oil GDP accelerated to 5.7%, whereas oil production contracted by 15.5%. The agricultural sector proved resilient to the severe drought of the beginning of the year, accompanied by strong growth of the fishing sector. Trade recovered above pre-pandemic levels, although the construction sector has been recovering more slowly.

Inflation reached 26.6% in September, year-on-year, boosted by factors on the side of supply, with monthly inflation still increasing. Inflation began to rise in early 2020, with the sharp devaluation of the Kwanza during the year. Following the stabilisation of the Kwanza, in 2021, pressure on the side of supply kept inflation high, mostly because of the price of food products, which, in turn, was pressured by the increase in import prices, disruptions of supply, and transport restrictions, worsened by pandemic-related restrictions.

Angolan authorities continued to be firmly committed to their agenda of economic reform. Beginning with the National Development Plan, showed a strong commitment to difficult, yet critical reforms, including fiscal consolidation with the implementation of VAT to fluctuating interest rates, and took some bold steps, despite the challenging environment of the Covid-19 pandemic, to achieve sustainable, inclusive, and diversified growth.

At the end of 2021 the Kwanza increased 20% in value compared to the main currencies, a trend which has carried into 2022.

Final comment

The Russian invasion of Ukraine at the end of February led to a deterioration of global economy growth forecasts in the short run, and greater inflationist pressures. The conflict also caused a sudden rise in oil and gas prices in the international markets, which reflects the importance of Russia in the supply of these raw materials. It also meant increased uncertainty and geopolitical risk, with negative effects on financial markets and agents' confidence. The conflict could cause new disruptions to global supply chains, especially those that depend on Russian produced raw materials, or regional transport of goods. The recent surge in Covid-19 cases in some Asian economies and the imposition of restrictions could aggravate these disruptions.

3. Main Events

Despite an overall improvement, 2021 was marked by the spread of new strains of Covid-19 which led to new waves of infection that affected our activity, especially in the first semester, conditioning operations and delaying the full recovery of tourism.

In this context we witnessed a new lockdown period, with all the restrictions this entails, and the Ibersol Group was only able to begin to reopen its restaurants, gradually, from 19 April onward, although these were subjected to limitations and restrictions. Later, during the third quarter, the pandemic situation improved substantially due to the rise in the rate of vaccinations. The Group also contributed to this, supporting the Board of Health in its campaigns to call attention to the importance of vaccination in fighting the pandemic.

From the summer onwards we saw lifting of restrictions on movement and retail occupancy rates and opening hours, which gave residents an increased feeling of normality, allowed for the beginning of the recovery of tourism, an increase in consumer trust levels and a higher rate of recovery of activity.

In this challenging and atypical context, the Ibersol Group maintained the course set the previous year, reacting and responding to challenges and keeping up its refurbishing and remodelling plan.

The year of 2021 was also marked by a strong commitment of the Ibersol Group to the concept of a circular economy and environmental sustainability. In this regard one should highlight the measures which allowed for the effective reduction of 62 tonnes of plastic, through the elimination of some containers and their components, as well as the replacement of natural fibres for plastic in packaging and bags, food containers, drinking and ice-cream cups, lids and dishes.

In October 2021 Spain passed Law 13/2021, which had a very important impact on rent contracts for restaurant and retail trade establishments located in airports run by AENA. According to this law, and traffic estimates reviewed according to Eurocontrol forecasts, the minimum guaranteed value of rent due for the durations of contracts was estimated downward by about 59 million euros [CONFIRMAR EN].

4. Consolidated Financial Performance

In order to allow for comparisons with other companies from this sector, and with previous financial years, the group uses operational performance indicators, as mentioned throughout this section, whose definitions can be found in the glossary.

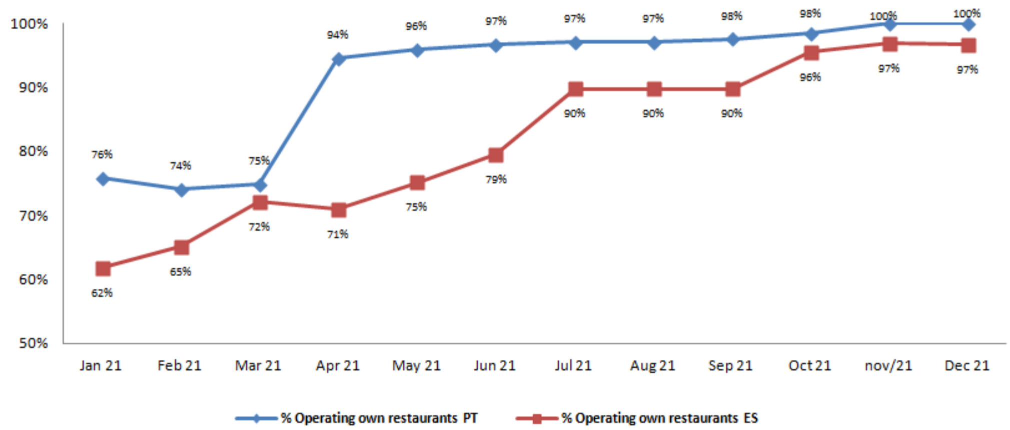
Sales and Provision of Services

The year was marked by continued uncertainty regarding the pandemic, but also the softening of restrictions on mobility, due to the effects of the vaccination programme in Europe, which allowed for significant recovery of activity, especially in the second half of the year.

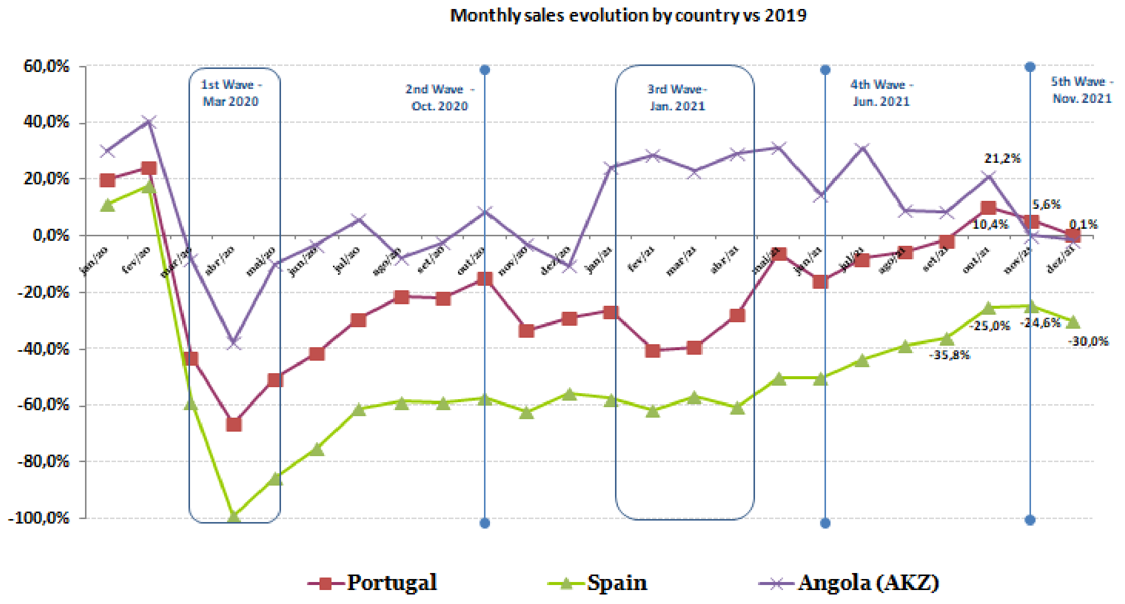
Consolidated business volume totalled 357.3 million euros by the end of the year, compared to 288.9 million euros in 2020, which represents 23.7% growth.

Turnover (euro million)	2021	2020	Var. 21/20	2019	Var 21/19
Sales of Restaurants	348,6	281,9	23,7%	469,5	-25,8%
Sales of Merchandise	7,2	5,8	23,8%	12,3	-41,8%
Services Rendered	1,6	1,2	32,0%	3,6	-55,2%
Turnover	357,3	288,9	23,7%	485,4	-26,4%

The gradual reopening of most restaurants during the second half of the year – despite some restrictions – meant that by the end of the year Ibersol had most of its self-owned restaurants operational. At the end of December, only 5 restaurants, located in Spanish airports, were still closed.



The evolution of monthly sales since 2019 shows the effect of the restrictions that were imposed since the beginning of the pandemic in the different countries in which we operate, as well as the periods during which these were relaxed. Activity clearly picked up due to improvements in demand and the adaptation of the businesses to the current situation.

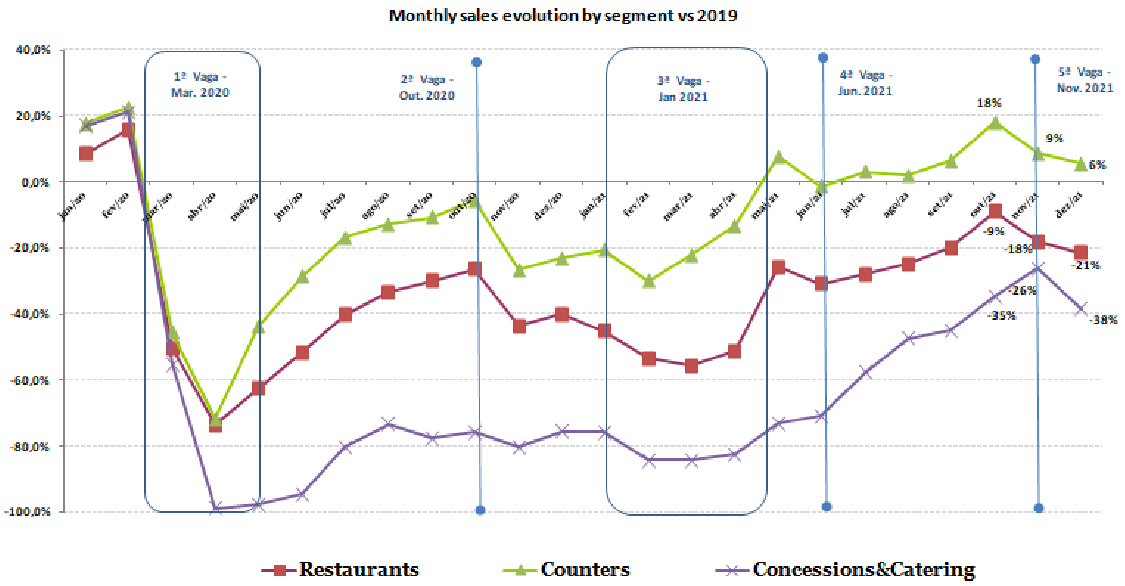


The fourth quarter of 2021 was marked by the fifth wave of infections, brought on by a new and more infectious strain, which led to the lockdown of a significant percentage of populations due to increases in the number of infected people.

This fact led to a slowing of the recovery that had become noticeable since the end of the summer, October having shown the best relative performance, with Portugal surpassing sales of 2019 and Spain reducing losses to 25%, directly related to the positive evolution of traffic at airports, especially in more tourism-dependent locations and a smaller number of restaurants with drive-thru services.

Sales in Angolan restaurants reflect the evolution of the local currency – which does not take into account the impact of currency exchange – and continue to be the least affected by the effects of the pandemic.

The evolution of sales by segment illustrates the different impacts of the various waves and restrictions in place over the past two years, as compared to the same period of 2019.



Despite still being the most badly affected, the concessions and catering segment showed significant recovery in the second half of the year due to lifting of air-traffic restrictions and limitations, which had been imposed in November due to the irruption of the new strain.

In Spain, where the group owns restaurants in nine airports, traffic fell in the fourth quarter by 32% (46% in the third), when compared to 2019. The airports in the Canaries and Baleares islands were less badly affected than those on the mainland. In Portugal, losses in the airports where the group in present amounted to 30% in the fourth quarter (45% in the third), which reflects the recovery of passenger confidence levels as well as the intention to recover habits and behaviours that were interrupted by the pandemic.

SALES IN RESTAURANTS (euro million)	2021	2020	Var. 21/20	2019	Var 21/19
Restaurants	73,1	67,2	8,9%	109,7	-33,3%
Counters	220,1	175,8	25,2%	226,8	-3,0%
Concessions&Catering	55,3	38,9	42,2%	133,0	-58,4%
Total Sales	348,6	281,9	23,7%	469,5	-25,8%

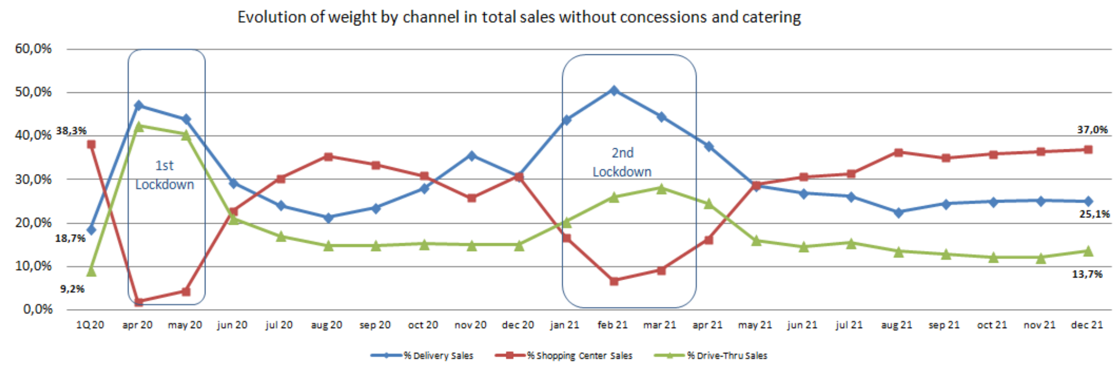
The recovery of table service restaurants that had been occurring since the summer was also interrupted in November, this segment having closed the year with a growth of 8.9% in relation to 2020 and 33.3% below 2019, having suffered from limitations to occupancy rates and reduced opening hours that were gradually eliminated as vaccination progressed and infection rates decreased by region.

The counter segment showed greater resilience to restrictions aimed at fighting the pandemic, having registered fewer losses when compared to the same period of the previous year and higher recovery rates. Three factors contributed to this:

(i) the impact of expansion, namely of the Burger King, KFC, and Taco Bell brands, which took place in the second half of 2019 and the fourth quarter of 2020;
(ii) the fact that restaurants continued to operate with delivery services and take-away during the state of emergency periods;
(iii) the positive performance of restaurants with Drive services (operated by Burger King and KFC), which surpassed losses due to closure of their dining rooms.

Delivery sales, which partially made up for restrictions on restaurant and counter operations during the lockdowns, tend to decrease with a gradual return to normality, but nonetheless represented around 25% of sales in the last quarter – excluding concessions and catering sales – and ended the year six percentage points above the first quarter of 2020, before the effects of the pandemic began to be felt.

As with delivery, the drive-thru channel saw an increase in demand during the lockdown periods, and became part of our customer's routines, which led to its increase in relative importance. At the end of 2021 it represented 13% of retail losses, compared to 9% in the first quarter of 2020.



Despite the decrease in recovery due to higher transmission levels of the Omicron strain, sales in the fourth quarter point to a recovery to pre-pandemic figures during 2022.

SALES IN RESTAURANTS (euro million)	Q4 21	Q420	Q419	Var. 21/20	Var 21/19
Restaurants	23,9	17,9	32,5	33,7%	-26,4%
Counters	68,0	48,5	61,9	40,3%	9,8%
Concessions&Catering	21,1	6,9	32,0	206,8%	-33,9%
Total Sales	113,0	73,2	126,4	54,3%	-10,6%

In compliance with the strategy to expand brands that showed higher resilience during the pandemic, the group opened 30 new restaurants in 2021 (24 in the fourth quarter, in addition to the six opened in the first nine months of the year).

In this period 11 new BK, six KFC, five Taco Bell, and two PH were opened in Portugal.

Nº of Restaurants	31.12.2020	Q1	Q2	Q3	Q4	Closures 2021	31.12.2021
PORTUGAL	**362**	**2**	**2**	**2**	**24**	**9**	**383**
Equity Restaurants	**361**	**2**	**2**	**2**	**24**	**9**	**382**
Pizza Hut	97		1	2	2	2	100
Okilo+MIIT+Ribs	4						4
Pans	42					2	40
Burger King	107	1			11		119
KFC	35				6		41
Pasta Caffé	4					2	2
Quiosques	8						8
Taco Bell	4	1	1		5		11
Coffee Shops	27					2	25
Catering	10					1	9
Concessions & Other	23						23
Franchise Restaurants	**1**						**1**
SPAIN	**248**	**0**	**0**	**0**	**0**	**23**	**225**
Equity Restaurants	**160**	**0**	**0**	**0**	**0**	**8**	**152**
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					6	52
Franchise Restaurants	**88**	**0**	**0**	**0**	**0**	**15**	**73**
Pizza Móvil	8					3	5
Pans	48					6	42
Ribs	20					3	17
FrescCo	5					1	4
SantaMaria	7					2	5
ANGOLA	**10**		**0**	**0**	**0**	**0**	**10**
KFC	9						9
Pizza Hut	1						1
Other Locations - Franchise	**3**	**0**	**0**	**0**	**0**	**0**	**3**
Pans	3						3
Total Equity Restaurants	**531**	**2**	**2**	**2**	**24**	**17**	**544**
Total Franchise Restaurants	**92**	**0**	**0**	**0**	**0**	**15**	**77**
TOTAL	**623**	**2**	**2**	**2**	**24**	**32**	**621**

In the same period 32 units were closed, 15 of which franchises, in Spain.

The closing of 17 self-owned restaurants is explained by the option not to renew leases of four restaurants, the conversion of two Pasta Caffé units to Taco Bell, and the end of concession contracts in the Madrid, Bilbao, and Fuerteventura airports, as well as the service station on the A8.

At the end of the year, we operated 544 self-owned units, 382 of which in Portugal, 152 in Spain, and 10 in Angola, as well as 77 restaurants of our own brands operated by third parties as franchises.

OPERATIONAL RESULTS

Leases at Airports managed by AENA

In Spain, on October 2nd 2021, the Ley 13/2021 of October 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 and whose application has a strong impact on the 2021 Financial Statements.

The law determines that:

a) the proportional part of the minimum guaranteed annual rent (RMGA), provided for in these contracts for the period between 15 March 2020 and 20 June 2020, both included, is eliminated and its payment will not be required by AENA;
b) from 21 June 2020, and until the annual volume of passengers of each airport reach the verified in 2019, the minimum guaranteed annual rents of existing contracts are reduced in direct proportion to the variation in passenger traffic compared to those verified in 2019, with AENA being unable to claim the payment of a higher minimum guaranteed annual rent. This reduction in the RMGA is applicable in 2020, as well as in all subsequent years until the annual volume of passengers at airports is the same as it was in 2019.

As a result of the application of the Law, AENA was able to determine the amounts of rent payable for the years 2020 and 2021 (43.3 million euros lower than the contractual rents), with future rents depending on the traffic that may occur. Thus, with the rents being variable until the 2019 traffic is reached again, such rents are no longer applicable for the purposes of applying IFRS16, which determined the derecognition of all lease assets and liabilities at airports managed by AENA on the date entry into force of the new law (1 October 2021).

In terms of the financial position, the application of the law results in a relevant decrease in liabilities and assets, since the lease contributions associated with the contracts with AENA are now recognized as rent expenses since October 1st of 2021.

The impact of the application of the new Ley 13/2021, on October 1st of 2021, on the consolidated results is an operating income of 61.4 million euros resulting from:

- derecognition of non-payable rent lease liabilities referring to 2020 in the amount of 23.1 million euros;
- derecognition of non-payable rent lease liabilities referring to the first nine months of 2021 in the amount of 15.1 million euros;
- difference between the lease liability referring to future rents and the right of use in the amount of 23.1 million euros;

Additionally, in the fourth quarter, the amount of 5.4 million euros was considered in external supplies and services, referring to rents payable under the new law for the period from October to December 2021.

Also as a result of the new rules to be applied to rents and the respective accounting treatment of liabilities, Ibersol group carried out a review of the business plans of the concessions in Spain, with the most recent traffic forecast from Eurocontrol – much lower than the projections that determined the investment-, which provides for a recovery in 2024 of 2019 traffic with the following impacts on the financial statements:

- recognition of impairments in the Gran Canária and Málaga airports UGCs, of 2.1 million euros;
- constitution of a provision for onerous contract, at Gran Canária airport, of other operational costs, in the amount of 1.6 million euros;

To allow an annualized perspective of the impact of the law on the consolidated annual income statement, if the derecognition took place since January 1, 2021, it would result in an Ebitda of 64.5 million euros.

(million euros)	**2021**		**Impact Ley 13 2021 AENA**	**2021 w/ Ley since Jan. 2021**	
External supplies and services	89,9	25,2%	11,6	101,5	28,4%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	83,7	23,4%	-25,3	58,4	16,3%
Other (income)/operating costs	-70,2	-19,6%	59,8	-10,4	-2,9%
Operating Income	**52,2**	**14,6%**	**-46,1**	**6,1**	**1,7%**
margin	14,6%			1,7%	
Ebitda	**135,9**	**38,0%**	**-71,4**	**64,5**	**18,1%**
margin	38,0%			18,1%	

Notwithstanding the foregoing, it is necessary to take into account events after the end of the financial year mentioned in point 14.3 of this report (“Auto nº 68/2022” issued on March 4, 2022 by the court “Audiencia Provincial de Barcelona, Sección 4ª”).

OPERATIONAL RESULTS 2021

In a year that was still heavily affected by the pandemic, during which there were several restrictions on mobility and the normal operation of restaurants, the ability shown by the group's different businesses to adapt, the support received according to employment protection plans and normalisation incentives, and the impact of the application of Ley 13/2021 on Spanish concession contracts, allowed for a recovery of around 103.5 million euros in operational results, compared to 2020.

(Million euros)	2021		2020		var.
Turnover	**357,3**		**288,9**		**23,7%**
Cost of sales	88,4	24,7%	73,7	25,5%	19,8%
gross margin %	75,3%		74,5%		+0,8 p.p.
External supplies and services	89,9	25,2%	69,6	24,1%	29,2%
Personnel costs	113,4	31,7%	106,5	36,9%	6,4%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	83,7	23,4%	94,5	32,7%	-11,5%
Other income/operating costs	-70,2	-19,6%	-4,6	-1,6%	1441,1%
Operational Results	**52,2**	**14,6%**	**-50,9**	**-17,6%**	**202,6%**
margin	14,6%		-17,6%		+32.3p.p.
Ebitda	**135,9**	**38,0%**	**43,6**	**15,1%**	**211,9%**
margin	38,0%		15,1%		+22.9p.p.

Gross margin

The gross margin was 75.3% of turnover, 0.8 p.p. above the previous year (2020: 74.5%), demonstrating, on one hand, the effect of a reduction in losses of perishable raw material in 2020, following an abrupt interruption of restaurant activity and, on the other, the recovery of operations of less aggressive promotional concepts, and thereby with higher margins.

Personnel costs

Costs with personnel increased 6.4%, this item having decreased during the financial year of 2021 to 31.7% of turnover (2020: 36,9%).

During this year, and in order to reconcile reduced activity with job protection, the group's companies signed on to the ERTE and simplified Lay Off in Spain and in Portugal, and to the "Apoio à Retoma Progressiva" programme, which resulted in a reduction of costs with personnel of 9.0 million euros.

In Spain, at the end of December, the group had 10% of its workforce on "ERTE due to force majeure by Covid", mostly in restaurants located in airports, whose recovery pace was most seriously affected by mobility restrictions.

On the other hand, due to the consequences of the impact of the pandemic on the group activity in Spain, an ERE (Employment Regulation Scheme) was applied, within the scope of the business structure support rationalisation programme, which led to the payment of around 1 million euros in compensations to staff.

External supply and services

External Supply and Service costs increased by 29.2%, and now represent 25.2% of turnover for 2021, which is equivalent to a 1.1 p.p. increase in the relative weight of this item compared to the 24.1% of 2020.

The recognition of 5.4 million euros in rents in the Spanish airports in the fourth quarter, contributed to this increase, due to the derecognition of contracts within the scope of IFRS16 since 1st October, as mentioned above.

During the year the group negotiated contracts for the provision of services of a more fixed nature, which allowed for the mitigation of some of the losses caused by the closure of restaurants in the first semester. In the second semester fixed costs tended to return to normal, which when added to the high rates of delivery sales and airport leases from October onwards, led to an increase in the relative weight of this item.

On the other hand, due to the application of the “Amendments to IFRS 16” (processing of previously agreed benefits to the leases), 4.6 million euros of lease discounts have been deducted, due to agreements with lessors celebrated before 31 December and the reduction of minimum rents in Portuguese shopping centres due to the application of “Lei n.4-A/2021” in the period between January and June 2021.

Other income and operational costs

Other income and operational costs amounting to 70.2 million euros represent an increase of 65.6 million compared to the 2020 financial year, mostly explained by the impact of “Ley 13/2021” and Covid-19 pandemic-related government support mechanisms during the period:

- write-off of lease contracts in the Spanish concessions, according to “Ley 13/2021” valued at 61.4 million euros;
- recognition of 7.5 million euros compared to the 1.9 million euros in 2020 within the scope of the “Apoiar” and “Incentivo Extraordinário à Normalização da Atividade Empresarial” programs;
- reduction of costs related to the write-off of assets due to store closure, valued at 1.1 million euros;
- increase of income related to contracts with suppliers of 1.3 million euros;
- reduction of income due to favourable exchange differences in 2020, valued at 2.5 million euros in Angola;

- recording of a provision for onerous contracts, at the Gran Canária airport, in the amount of 1.6 million euros.

Other operational costs also include around 0.9 million euros in fees and taxes.

Amortisations, depreciations, AFT imparity losses, right of use and Goodwill

Amortisations, depreciations and imparity losses for the financial year totalled 83.7 million euros, 49.1 million of which are related to amortisation of rights of use, which translates into a reduction of 11.3 million euros, compared to the financial year of 2020.

Imparity losses due to the effects of the pandemic on the restaurant sector and, in particular, in locations that are more dependent on the recovery of tourism, namely concessions, resulted in the maintenance of the application of distinct risks for the determination of the fair value of tests carried out, depending on the areas of business, with losses in asset recoverability recorded at 6.3 million euros:

- Assets in 7 concessions (two airports and five service stations) – 3.4 million euros
- Tangible assets in 4 restaurants – 1.4 million euros
- Goodwill Frescco – 1.5 million euros;

The forecasts for air-traffic recovery in Europe have been met in recent months, but remain unpredictable, given the impact of the war in Ukraine on the Iberian market. The group adjusted forecasts in the Travel sector to those of airspace regulators, which point to a recovery of 2019 level traffic in 2024 and the consequent adjustment in the minimum guaranteed annual contract rents until this date and under the terms of Ley 13/2021.

EBITDA

EBITDA for the period rose to 135.9 million euros, which represents an increase of 92.3 million euros compared to 2020.

The total EBITDA margin was 38.0% of turnover, compared to 15.1% in 2020.

Financial Results

(Million euros)	2021		2020		var.
Financial Results	**16,9**	**4,7%**	**19,6**	**6,8%**	**-13,7%**
Financial expenses and losses	17,6	4,9%	21,4	7,4%	-17,6%
Financial income and gains	0,7	0,2%	1,7	0,6%	-61,4%

Financial Expenses and Losses and Financial Income and gains

The net financial result was negative by 16.9 million euros, 2.7 million euros less than the loss recorded in 2020.

Financial gains and losses totalled 17.6 million euros which translates into a drop of 3.8 million euros compared to the 2020 (2.0 million of which are the result of the derecognition of lease contracts with AENA since October 1st, which, as such, meant the non-recording of rental interest for the last quarter of 2021). Part of these expenses and losses are due to interest rates from leases valued at 13.4 million euros (16.8 million euros in 2020).

Net interest supported by loans, and commissions related to financing reached a total of 3.2 million euros, which equals an average debt cost of 1.9%. The descending trajectory of the average financing cost is due to the evolution of interest rates in Portugal.

CONSOLIDATED NET RESULTS

Profit/(loss) before taxes

Results before income tax amounted to 35.6 million euros, which represents an increase of 105.7 million euros compared to 2020.

The value of current taxes is 0.5 million euros and deferred taxes are positive by about 3.4 million euros.

Financial Year Consolidated Results

Due to the recovery of activity, the recognition of rent liabilities not payable until September 2021 and the difference between the lease liability and rights of use of the lease in the Spanish airports as income, the consolidated net results for the financial year stood at 31.3 million euros, compared to the -55.3 million euros recorded in 2020.

FINANCIAL SITUATION

Consolidated Financial Position

Consolidated Assets stood at 632,4 million euros as of 31 December 2021, which represents a reduction of 96.4 million euros compared to 728.7 million euros at the end of 2020, the main transactions being:

(i) Reduction of rights of use of the concession contracts in Spanish airports, due to the effects of Ley 13/2021 (around 128.5 million euros)

(ii) Investment in expansion plans, especially with Burger King, KFC, and Taco Bell (around 29.1 million euros)

(iii) Refurbishing and varied investments in Portugal and Spain (around 4.2 million euros)

(iv) Reduction of tangible and intangible Assets due to amortizations and imparities during the financial year (around -34.7 million euros)

(v) Increase in cash and bank deposits valued at 46.4 million euros, following the share capital increase carried out in November.

Consolidated liabilities fell by 168.6 million euros compared to figures from the end of 2020, to the amount of 403.7 million euros in 31 December, 2021. The reduction in lease liabilities associated with the derecognition of concession contracts at airports in Spain due to the application of Ley 13/2021 was 195.2 million euros.

Current liabilities stand at 136 million euros, of which 21.6 million euros are in relation to Lease Liabilities and 26.6 million euros to Current Loans. As at 31 December, the Group had 38 million euros related to commercial paper and credit lines contracted but not used.

As of 31 December 2021, Equity stood at 228.7 million euros, a 72.3 million euros increase compared to the end of 2020.

Consolidated Financial Position (million euros)	31/12/2021	31/12/2020	Var.
Total Assets	**632,4**	**728,7**	-96,4
Total Equity	**228,7**	**156,4**	72,3
Loans	167,0	165,1	2,0
Liability for leases	143,1	329,0	-185,9
Other liabilities	93,6	78,2	15,3
Total Equity and Liabilities	**632,4**	**728,7**	-96,4

The financial autonomy ratio, as a reflection of the reduction in usage rights in parallel with the resumption of the Group's activity and the capital increase, increases to 36.2% in 2021, from 21.5% in 2020.

CAPEX

(million euros)	2021	2020	var.
Fixed assets additions	29,7	24,9	4,8
Intangible assets additions	3,6	3,4	0,2
Capex	33,3	28,3	5,1

In 2021, the CAPEX grew by 5.1 million euros to the amount of 33.3 million euros, which corresponds to investments in:

- expansion: opening of 30 new restaurants (29.1 million euros);
- refurbishing: 16 restaurants in Portugal and Spain (1.3 million euros)
- current miscellaneous investments worth 3.0 million euros.

Net Debt

At the end of the financial year the net debt reached 211.0 million euros, which represents a reduction of 230.1 million euros compared to the debt recorded at the end of 2020 (441.1 million euros).

(million euros)	2021	2020	var.
Total loans	167,0	165,1	2,0
Cash and bank deposits	-97,0	-50,6	46,4
Other current and non-current liabilities	-2,2	-2,4	-0,3
Net Bank Debt	**67,9**	**112,1**	**-44,2**
Liability for leases	143,1	329,0	-185,9
Net Debt	**211,0**	**441,1**	**-230,1**
Equity	228,7	156,4	72,3
Gearing (Net Debt/Net Debt + Equity)	**48%**	**74%**	
Ebitda	135,9	43,6	92,3
Net Debt / Ebitda	**1,6X**	**10,1X**	
Total Interests	16,6	20,4	-3,8
Interest Coverage	**8X**	**2X**	

Consequently, “Gearing”, which stood at 74% in 2020 dropped to 48%.

The “Net debt to EBITDA” indicator at the end of 2021 was 1.6X (10.1X in 2020) and the EBITDA ratio of interest coverage is 8X (compared to 2X in 2020).

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

5. Main Indicators

Social, Environmental and Product Responsibility indicators

Social Indicators

Ibersol Group Staff	
Total	10 528
Women	5 458
Men	5 070
% Women	52%
% Men	48%

Training in Portugal	
Number of Staff Members in Training	7 207
Total Hours of Training	434 193
Average Hours of Training per Staff Member	60
Hours of Training in Work Health and Safety	40 645
Hours of Training in Food Safety	37 749

Environmental Indicators

Selective separation of solid waste and food oils	100%
Recycled container waste – Emissions avoided	+ 11 thousand tCO_2e
Tonnes of oil for Biodiesel	506
Tonnes of waste of containers and single use materials (total)	1 668

Product Responsibility Indicators

Units Certified according to ISO 22000: Food Safety Management Systems	
Portugal	32
Spain	2
Angola	10
External Food Safety Audits	
Portugal:	+ 1000
Spain:	+ 350
Angola:	+ 40
Customer complaints per 100.000 transactions	
Portugal	10,4
Spain	2,8
Angola	0,6
Lab controls	
Portugal	+ 3000
Spain	+ 800
Angola	+ 80
Mystery Client audits (Portugal)	86
Guest Experience Survey (Portugal)	142 998

6. The Ibersol Group

6.1 Corporate Culture

Mission

Ibersol is a multi-brand Group, present in the Iberian Peninsula and in Portuguese speaking countries, that operates in the organised food business, with full respect for the values of Quality, Safety and Environment, based on qualified and motivated Human Resources that are committed to the full satisfaction of the Consumer’s needs, thereby ensuring an adequate return for its shareholder’s investments.

Vision

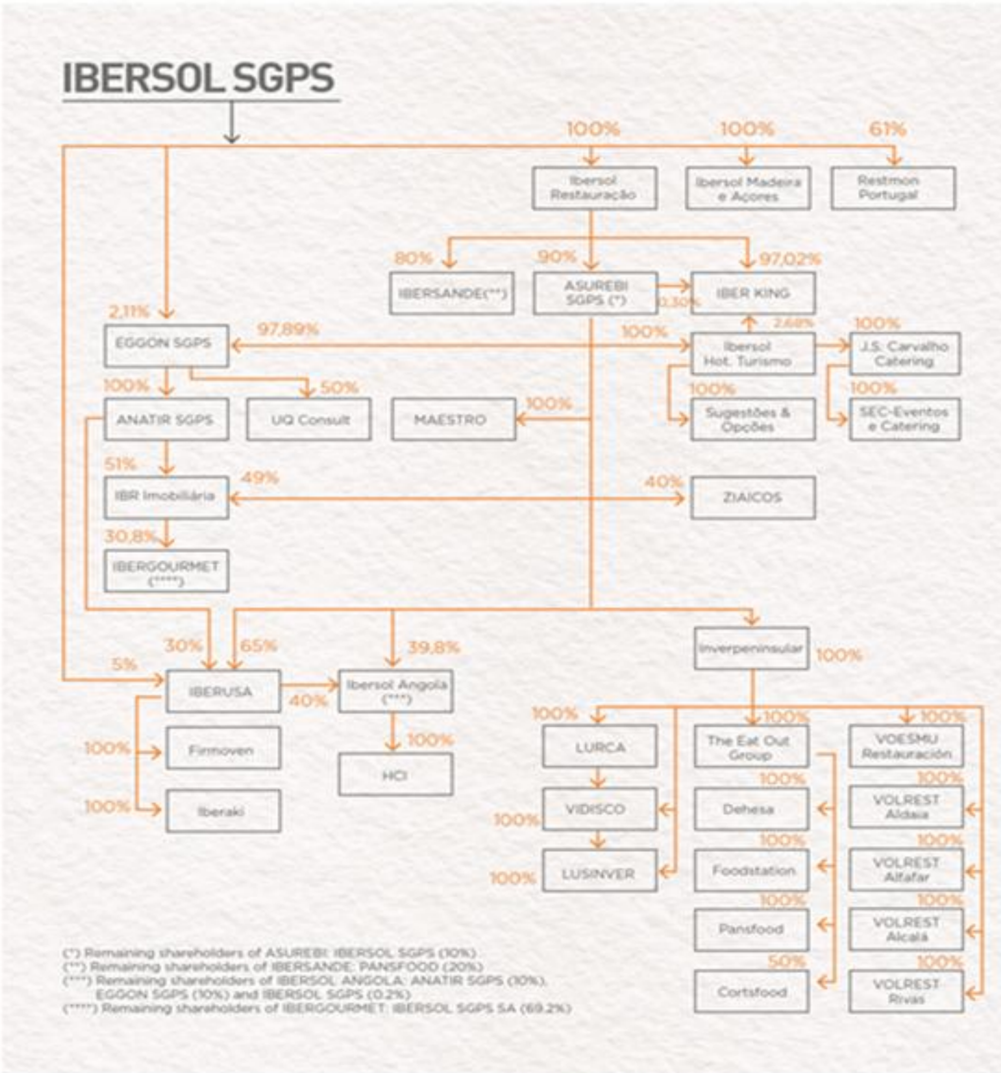
To lead the commercial restaurant business in the Iberian Peninsula and in Portuguese speaking markets, through motivated and service-oriented Human Resources.

Values

- We Believe in and Value Our Personnel
- We Exist for the Client
- Our Joy is in Sharing
- We Always do Better
- We Have Entrepreneurial Enthusiasm

6.2 Share Structure

Legal Structure of Shareholdings on December 31, 2021



6.3 Business Portfolio

Following a year marked by the outbreak of the Covid-19 pandemic, in 2021 the Group showed its capacity to deal with government-imposed restrictions, and to take the most appropriate measures to guarantee the recovery of activity, despite new waves of infection.

The adaptation of the group's business portfolio to new channels and sales formats, as well as the dedication of its teams, are proof of a learning process that built up resilience in a sector that has been severely penalised by successive waves and restrictions.

Therefore, the group followed along its plan to expand on brands that, since the beginning of the pandemic, have shown greater resilience to the crisis, namely BK, KFC, and PH, by opening more restaurants with Drive-Thru, Take-Away, and Delivery, in new locations, as well as going ahead with the opening of Taco Bell restaurants, to maintain and increase the market share of these businesses.

At the end of the financial year, the total number of Ibersol group units – self-owned and franchises – was of 621 restaurants, 271 of which of our own brands.

Business portfolio as of 31-12-2021:

6.4 Group's Strategic Profile

To ensure good experiences and quality of life

Consumers are increasingly demanding in relation to the experiences that brands provide. Which is why we make sure that all our brands have a varied offer, providing consumers with different experiences in terms of quality and flavour. From breakfast to lunch, day in, day out, whatever the meal, whatever the occasion, we provide our customers with well-being and a balanced diet.
Through our "Viva Bem" (Live Well) programme (website and blog), we try to interact responsibly with the customer, providing information on the nutritional composition of Ibersol's products, on allergens and on how to enjoy a balanced diet and healthy lifestyle.

Focusing efforts on customer relations

Customers are the Ibersol Group's *raison d'être*, and so they are given full attention.

We try to satisfy our customers' expectations, predicting trends, addressing needs, and presenting them with increasingly solid value proposals.

Developing and valuing our staff

The Ibersol Group is one of the most important employers in its sector, in the markets in which it operates. In this sense, it considers that its mission is the constant development and valuing of its Staff, through the proposal and implementation of a strategy that promotes the attraction of better skills, their training and continuous development.

With an eye on market trends, the Ibersol Group has increasingly invested in the digitalisation of its Staff management processes, especially regarding their training and development. Therefore, e-learning methods have been gaining ground, and this is the path we will continue to follow over the coming years.

Overall management processes and logistics planning

The Ibersol Group has an organised supply chain which ensures the quality of the products it sells, from supply to sale, including logistics, all the way to the final consumer.

This is a single, homogeneous body, which works efficiently every day through an active quality and certification policy, including NP EN ISO 9001: Quality Management Systems and the NP EN ISO 22000: Food Safety Management Systems standard certificate, covering the management of the food chain of the Group's restaurant operations, based on the activities carried out in the various markets in which it is present.

The centralisation of the supply chain in Portugal, Spain, and Angola, allows for gains in efficiency and productivity both in terms of the processes themselves, and in the relationship with business partners.

One of the group's principles is not to sacrifice quality for the sake of price, ever. As such, through continuous improvements to the processes for managing resources and assets, Ibersol aims to maintain lasting and consistent relations with its suppliers.

Excellence in quality and safety

An active quality, safety, and certification policy allows the Ibersol Group to strengthen its position as a major player in the restaurant sector. Its discipline and thoroughness enable it to continue to carve a path of excellence, and accumulate certifications for the quality of its operations, customer service, and food safety, in Portugal, Spain, and Angola. The certifications confirm and highlight the engagement and dedication of its teams in everything they do.

In 2020 the Ibersol Group remained on this path of continuous improvement, in tune with the principles of the norms according to which it is already certified.

We would like to highlight the certification of IBERGOURMET – Produtos Alimentares S.A. (UCP Modivas), the group's Central Production Unit, according to the very demanding GFSI norm in food safety.

The following certifications were also renewed: NP EN ISO 9001:2015 – Quality Management System; NP EN ISO 14001:2015 – Environmental Management System; NP EN ISO 45001:2018 – Work Health and Safety Management System 3 NP EN ISO 22000:2018 – Food Safety Management System.

An active human resources and environmental management policy

The Ibersol Group aims to ensure the sustainable development of its business and is committed to respect for the environment and a constant search for solutions that help to diminish its environmental impact and to guarantee the protection of the planet.

In 2021 the Group continued to consolidate management policy and practices that contribute to the reduction of its environmental footprint, namely at the level of resource preservation; promotion of a circular economy; use of used food oil waste for biodiesel production; sustainable procedures and relationships with the Customer and the Supply Chain.

These concerns are reflected in the renovation, in 2021, of certification according to Norm NP EN ISO 14001:2015 – Environmental Management Systems, which speaks to the commitment of the whole structure to strengthening its environmental performance in terms of managing the impact of its activity, namely through the optimisation of natural resource use, environmental protection and carbon footprint reduction.

6.5 Group practices (best corporate governance practices)

6.5.1 Governance and Operational Structure

Ibersol – SGPS is a publicly listed company with a share capital of 46.000.000 euros, headquartered in Edifício Península, Praça do Bom Sucesso, n.º 105 a 159, 9.º andar, 4150-146 Porto. Registered at the Porto Commercial Registry Office under the registration and tax identification number 501669477.

The company's Governance is composed of the following governing bodies:

- Shareholder's General Meeting;
- Board of Administrators, made up of three administrators, two of whom are on the Executive Commission;
- Auditing Committee;
- Certified Public Accountant.

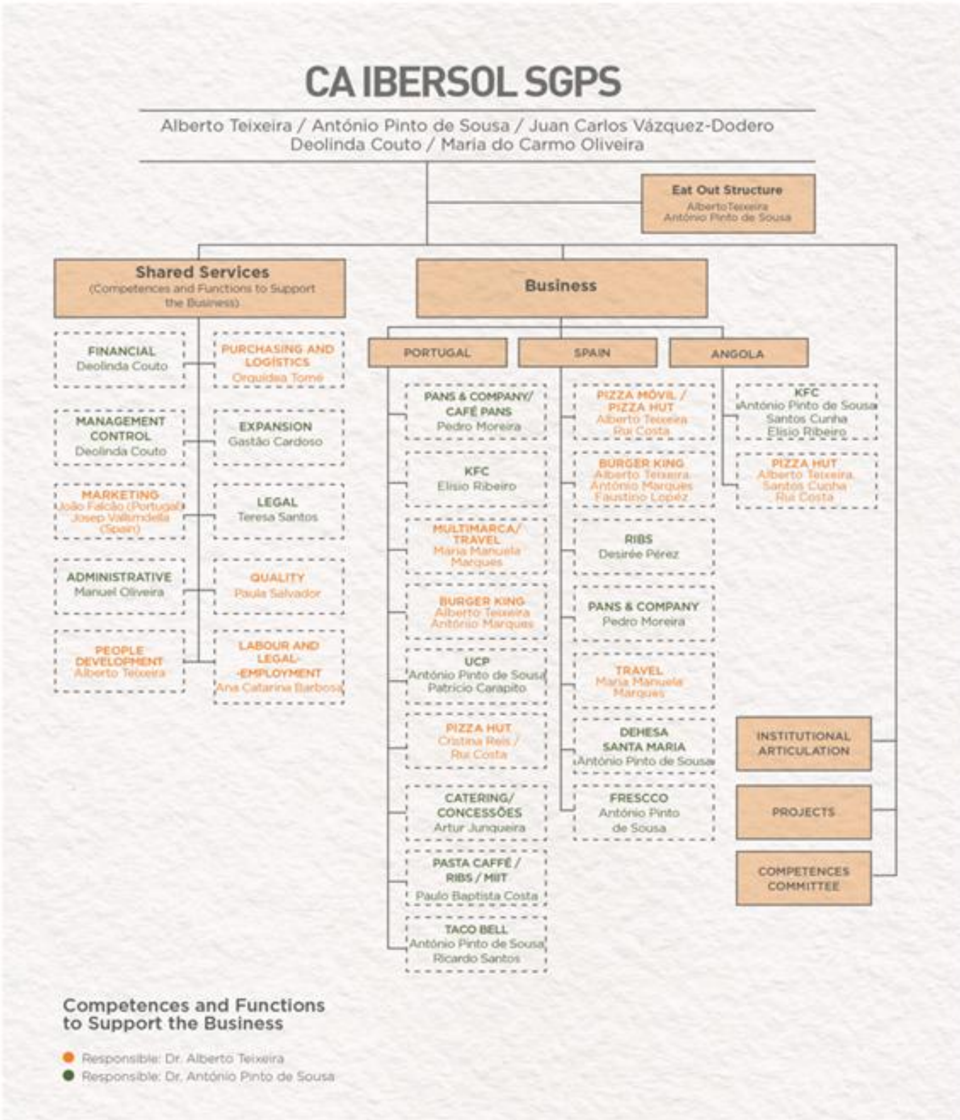
The General Assembly deliberates annually on the results of the financial year, discusses the performance of the governing and auditing bodies, and approves the distribution of dividends.

The definition of the strategy and goals of the activity of the Ibersol Group is within the competence of Board of Administrators and conducted by the Executive Commission, in coordination with the Central Management and of each business, and also of the Shared Services. The evaluation of results is carried out regularly at a quarterly basis. In the same fashion, decisions of greater impact are carried out monthly by the Executive Commission, following consultations with the Ibersol Group Operational Managements.

6.5.2 Working structure of the Ibersol Group

The Ibersol Group conducts a results-oriented management, based on monitorisation goals and indicators based on action plans and programmes that seek continual improvement to increase efficiency of the main processes and operations, within a framework of cost economy, minimisation of waste and increased productivity, profitability, and satisfaction of all relevant parties.

6.5.3 Organisational chart



6.5.4 Governing Bodies

Board of Directors

Chairman - Dr. António Alberto Guerra Leal Teixeira;

Vice-Chairman – Dr. António Carlos Vaz Pinto de Sousa;

Member – Engª Maria Deolinda Fidalgo do Couto;

Member – Professor Doutor Juan Carlos Vázquez Dodero de Bonifaz;

Member – Dr.ª Maria do Carmo Guedes Antunes de Oliveira;

Audit Committee:

Chairman – Dr. Hermínio António Paulos Afonso;

Member – Dr. Carlos Alberto Alves Lourenço;

Member – Dr.ª Maria José Martins Lourenço da Fonseca;

Alternate – Dr. Joaquim Jorge Amorim Machado;

Board of the General Meeting:

Chairman – Prof. Dr. José Rodrigues Jesus;

Vice-Chairman – Dr. Eduardo Moutinho Ferreira Santos;

Secretary – Dr.ª Clara Maria Azevedo Rodrigues Gomes;

Remuneration Committee:

Dr. Vítor Pratas Sevilhano;

Dr. Joaquim Alexandre de Oliveira e Silva;

Dr. António Xavier Dopico Grandio;

Certified Public Accountant:

KPMG & ASSOCIADOS, Sociedade de Revisores Oficiais de Contas, represented by Dr. Pedro Manuel Bouça de Morais Alves da Costas and, as substitute, Dr. Vítor Manuel da Cunha Ribeiro;

Company Secretary:

Secretary in Office - Dr.ª Berenice Príncipe;

Alternate Secretary – Dr. Luís Neiva Nunes de Oliveira.

6.5.5 Risk Management

The Ibersol Group's business context is, by its very nature, highly volatile and constantly exposed to challenges, transformations, and changes, that set a fast-paced management standard. With the spread of new strains of Covid-19, and new waves of infection, 2021 was an atypical and highly conditioned year.

The ability to foresee risks systemically and in relation to all business areas allowed the group to define strategies and take steps, since the "pre-European pandemic" phase, aimed at mitigating the impact of adverse situations resulting from the pandemic and its management measures, while seeking to continue to create an environment given to sustainable and continuous improvements and the maximisation of available resources, within a context of extreme business restrictions.

Grupo Ibersol's risk management mechanisms, supported by internal norms and procedures and the available information – namely consolidated plans, goals, processes, procedures, and indicators in the realm of Finance-accounting, People Management, Quality, Purchases, Logistics and Marketing – allowed for a real-time evaluation of different risk scenarios and their evolution and, therefore, the re-evaluation and significant and continual adjustment of defined strategies and implemented plans, such as the Contingency Plan, Plans and Programmes, and Brand Budgets and the revision of processes and procedures.

The risks inherent to the different activities of the Ibersol Group have been identified. Considering their specificities, some areas are managed directly by the operational departments.

Food Quality and Safety Risks

Part of the scope of the Quality Board is to ensure the existence of prevention and control measures in the different domains of the Ibersol group business, especially in the following areas:

- Qualification and Selection of Suppliers and Products and Periodical Supplier, Products and Services Control Programme;
- Guaranteeing that a Tracing System is in place;
- Production Process Control in the units, through the HACCP System (Hazard Analysis & Critical Control Points);
- Skills in Food Safety Development System;
- Maintenance and Monitorisation of Measuring Device Systems;
- Risk Management and Food Crisis System that allows for constant monitorization of existing food alert systems, for immediate response;

- Continual improvement System, supported, among other instruments, by external audit programmes in all the Group's units, microbiological analysis programmes for raw material and finished products carried out through sampling by an accredited external entity; Complaints Treatment System. The certification audits should also be mentioned, as should the certifications themselves, according to the NP EN ISO 9001: Quality Systems Management and NP EN ISO 22000: Food Safety Management System, which ensure that compliance to international quality and food safety standards is both sought and guaranteed;
- The Live Well programme, through which Clients can obtain information on the Ibersol Group's Food Safety System and healthy eating habits, ensuring, in a transparent way, the necessary information to make the most adequate choices for their lifestyle.

Health and Safety in the Workplace Risks

The Work and Legal-Labour Management is charged with managing cases relating to workplace risks and promoting well-being in the workplace. The occurrence of work hazards or work-related illness is managed through the following programmes and measures:

Evaluation of work station risks and investigation of workplace hazards;

- Provision of information and consultation of staff in terms of Workplace Health and Safety;
- Training on safety principles and promotion of health in the integration process of staff, recertification and change of duties;
- Implementation of Self-protection Measures in the Ibersol Group units;
- Awareness programmes and recognition of best safety practices and promotion of health;
- Work station principles and practices control auditing programmes.

Because of the new Coronavirus pandemic, or SARS-COV-2 (Covid-19) pandemic, changes were made to the Contingency Plan in 2020, drawn up by a multidisciplinary team, as well as to all prevention procedures and measures defined in this regard and aimed at mitigating contagion risks by the biological agent in question.

In 2021 Ibersol continued to focus mostly on epidemiological control of the Coronavirus, the adoption of health protection measures for staff in the workplace and for customers and full compliance with Health Board guidelines. Regarding the latter, the Group organised several training, information, and awareness sessions for workers.

Environmental Risks

The Ibersol Group's environmental risk management policy largely rests on the implementation and certification of management systems, such as the ISO 14001 norm, that ensure adequate control in terms of environmental protection, waste management and pollution prevention, always based on full compliance to all applicable legal and sectoral requirements, as well as the needs of all interested parties. The three fundamental areas that constitute relevant risks to Ibersol Group activity are taken into account in this assessment.

Climate change

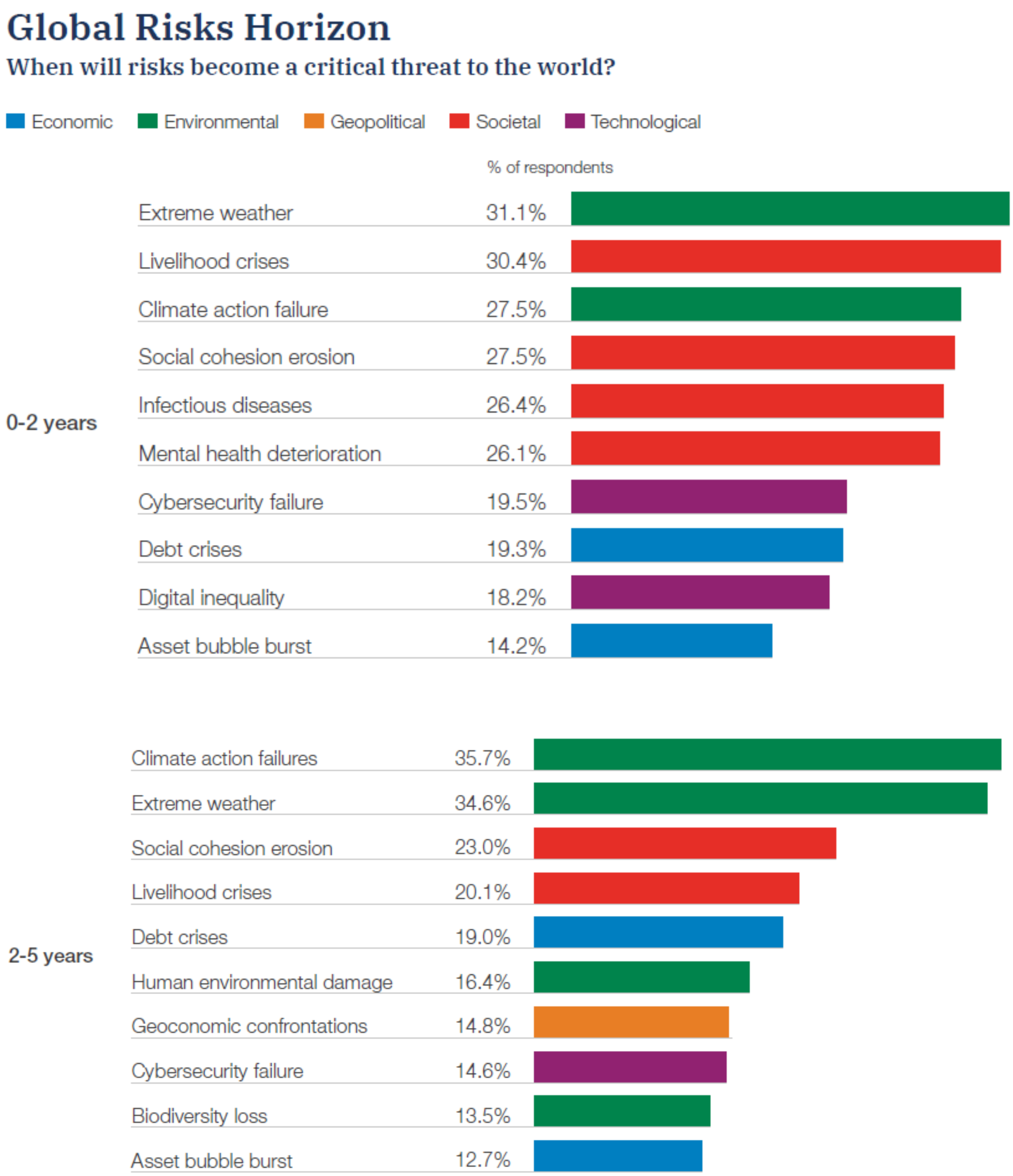
The phenomenon of climate change is systemic, and has led to a series of serious consequences in global food value chains. On one hand, the increase in average temperatures, due to greenhouse gas emissions is causing increasingly serious and frequent droughts, rising sea levels in coastal regions, significant loss of natural ecosystems and biodiversity, as well as varied disruptions to agricultural production and distribution in several markets. This instability leads to scarcity, price volatility, and disruptive events at the level of global supply chains. If, on one hand, the Ibersol Group is committed to doing its part to reduce greenhouse gas emissions, on the other it keeps a close eye on the most affected commodities and constantly ponders the best supply strategies, both for itself and with its global and local partners, so as to guarantee the continuity of its activities.

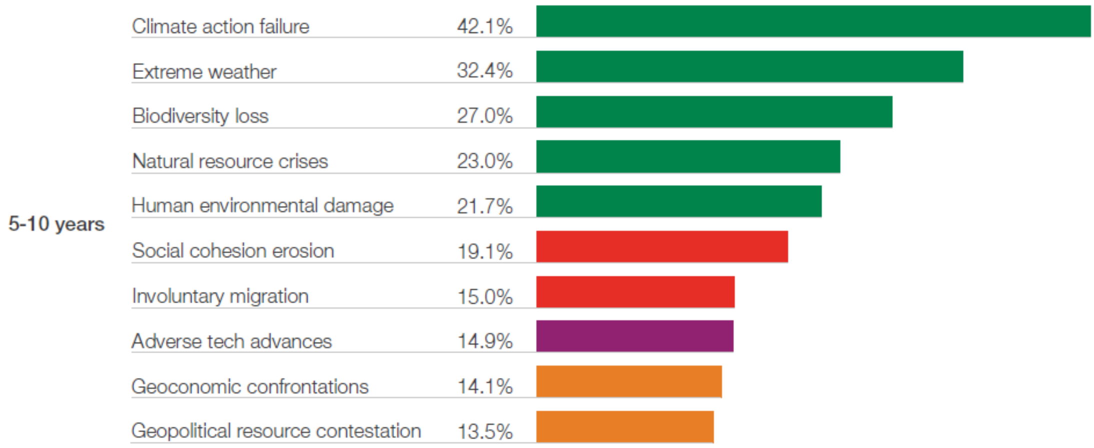
Extreme events

The increasingly frequent occurrence of extreme natural phenomena, which are directly or indirectly linked to environmental and climate events, is one of Ibersol Group's major concerns, insofar as these events jeopardise personal safety and the integrity of installations and equipment, thereby threatening the continuity of activity. On one hand, it is important to mention that the Ibersol Group is committed to high standards of health and safety in the workplace (as determined by ISO 45001 certification), food quality and safety procedures (as determined by ISO 9001 and 22000), and strict observance of all rules and legal impositions in terms of physical safety and civil protection in its commercial establishments. On the other hand, after 2020 the Covid-19 pandemic demanded much more resilient and flexible management procedures, amongst which the significant increase of digital resources and, among these, digital sales channels, that allowed for a significant improvement of organisation in terms of crisis and business continuity management.

Resource use

Ibersol's operations largely depend on the direct use of some natural and energy resources, namely the consumption of water, electricity, and natural gas. Faced with the real possibility of extreme drought in some of the group's activity zones, the volatility of prices in the main electrical energy markets and current uncertainty regarding natural gas supply sources in Europe, the Ibersol Group is keeping a watchful eye on the impact that these circumstances can have on its operation and its operational results, keeping internal policy and specific initiatives geared towards an increasingly efficient use of the same. It is worth mentioning that the Ibersol Group respects several norms (ISO 22000, FSSC 22000, ISO 9001) in terms of all the edible and non-edible raw materials that are used in its products, as well as best practices of storage, manipulation, and distribution, maintaining robust monitoring, segregation, and tracking processes, that help to minimise food safety and reputational risks. On the other hand, there is an increasing and horizontal concern with the promotion of the separation and recycling of waste, minimising the risk of safety, health, and pollution incidents, and strictly following all official regulatory and operational norms, diminishing the possibility of incidents, penalties, and respective reputational impacts.





Legal and Regulatory Risks

The Ibersol Group operates in a sector that is heavily exposed to national and international legislation, international best practices and normative demands, as well as close and constant scrutiny by a large number of interested parties, including all sectoral, professional and labour/union associations, besides that of individual consumers. In this context, the Ibersol Group established a series of resources, partnerships, and compliance verification routines that allow it whenever necessary, to access all the current legal and normative legislation that applies to its business, namely in terms of food safety, food and non-food products, restaurant operations, consumers, labour and social issues, energy and natural resources, environment and climate change. In particular, the group has a structure dedicated to the close accompaniment of all labour-legal aspects in the markets in which it operates, and has contracted engineering and maintenance services that accompanies all the regulation issues that impact the valuing and depreciation of its real estate and equipment.

Financial Risks

Management of financial risk is conducted by the Financial Department, based on Board approved policy. The treasury identifies, evaluates and carries out financial risk coverage in close cooperation with the Group's operational units. The Board provides risk management principles for risk management as a whole, and policies that cover specific areas, such as exchange rate risk, interest rate risk, credit risk, and excess liquidity investment.

Exchange rate risks

The Ibersol Group follows a policy of natural coverage in this issue, resorting to funding in local currency. Since it is mostly present in the Iberian market, bank loans are generally in euros and the purchase volume outside of the Eurozone does not take on relevant proportions.
The main source of exposure comes from investment outside of the Eurozone, related to operations in Angola, which are small and of decreasing importance in the Group's activity. Economic imbalances in Angola have led to a scarcity of foreign currency in the country, which makes the devaluation of the Kwanza a risk to consider.

Loans contracted by Angolan branches are expressed in local currency, the same in which income is generated. Considering current limits on foreign payments, the Group adopted a policy of monthly monitoring of credit balances in foreign currency and their full coverage with the acquisition of Treasury Bonds from the Republic of Angola, which are pegged to the USD.

Interest rate risks

With the exception of Angolan State Treasury Bonds, the Ibersol Group does not have remunerated assets with significant interest. Therefore, investment activity profits and cashflow are substantially independent from fluctuations of market interest rates. Regarding the Angolan State Treasury Bonds, pegged to the American Dollar, interest rates are fixed, so there is no risk there either.

The main interest rate risk for the Ibersol Group is in its liabilities, namely long-term loans. Loans issued with variable rates expose the Group to cashflow risks associated to the interest rate. Loans issued with fixed rates expose the group to the fair value risk associated to the interest rate.

With the current interest rate level, the Group’s policy is, for higher maturity loans, to fix interest rates up to 30% of the debt.

Credit risk

The Ibersol Group’s main activity is paid for in cash, or credit, or debit cards, so there are no relevant concentrations of credit risk. In home delivery sales, through Aggregators, it is these who charge clients and transfer money according to weekly summaries, within one or two weeks.

Regarding clients, the risk is limited to the Catering and Franchise businesses, which represent around 3.8% of consolidated business volume. The Group has taken to monitoring payments due more regularly, with the aim of:

- Controlling credit granted to clients;
- Analysing the maturity and recoverability of the values due;
- Assessing client profile risks.

Liquidity risk

Management of liquidity risk entails keeping a sufficient value in cash and bank deposits, the viability of consolidating the floating debt through an adequate amount of credit facilities, and the ability to liquidate market positions. Management of treasury needs is carried out based on annual planning, which is reviewed quarterly and adjusted daily. In line with underlying business dynamics, the Ibersol Group has been conducting a flexible management of the commercial paper and negotiation of readily available credit lines.

Capital risk

The Ibersol Group seeks to maintain a level of own capital adequate to the characteristics of its main business (cash sales and suppliers’ credit), and to ensure continuity and expansion.

Balance of the capital structure is monitored based on the financial leverage ratio (defined as: net remunerated debt/net remunerated debt + own capital), with the goal of fixing it in the 50% - 75% bracket.

Sectorial and Circumstantial Risks

Business Portfolio

In terms of strategic planning, existing business portfolio risks are evaluated and identified, new businesses and more relevant projects are evaluated, and the management strategies of those risks are defined. In operational terms the management risks of the goals of each business are identified and evaluated, and steps to manage them are planned, which are then included and monitored within the scope of the businesses and the working units.

When exploring different international brands through franchise, the Group celebrates long-term contracts that have been renewed, even though there is no obligation to do so. In particular, there is no guarantee that restaurants in airport concessions, which are attributed through tenders for a certain period, will have their leases renewed when these expire. With the aim of keeping up partnership and continuity relations with franchisers, the Ibersol Group invests in good relationships, based on transparency and mutual trust, and seeks to thoroughly fulfil all its contractual obligations and defined standards, with a view to operational excellence.

Available income

The Group's businesses can be negatively affected by periods of economic recession, especially through the deterioration of family consumption levels that, in turn, are influenced, among others, by current salary policies, unemployment levels, available credit and interest rates, as well as confidence levels and social security measures. The Ibersol Group's strategy has included, and will continue to include, products and services that, due to their type and price level, are accessible to society at large. Therefore, the group maintains a dynamic posture that, in tandem with the represented brands, and faced with adverse social and economic circumstances, can lead to adjustments in product portfolios and services provided to the market, so as to ensure a level of activity and sustainable profitability.

Consumption trends

An eventual inability on the part of the Group to adequately read consumer preferences or client's needs, to adapt to behaviour changes, or to create or implement innovative and attractive concepts and offers in a timely and profitable way, can have a negative effect on its Operational Results, financial situation and outlook. From the point of view of competition, the Group's ability to develop and provide higher value products in competitive conditions is critical, in the current context of the restaurant sector. These developments all depend on the evolution of behaviour, that the Group can find difficult to predict and follow.

In the same way, Group operations, especially in the concessions & catering segment, depend on international and regional travel, that can be negatively affected by periods of economic recession, as well as by local or global events or trends, including pandemics, growing digitalisation, remote working and weather conditions.

Finally, the food sector is always exposed to epidemics, supply market distortions, availability of human resources and their possible impact on the fulfilment of contracts and on financial reports.

Brand reputation

The success and reputation of the Ibersol Group is closely linked to the success and reputation of the international brands that it represents and develops in the markets in which it works, and that make up a large part of the group's activity. Through its commitment to respecting international contracts and operational norms that, for starters, ensure the supply of products and services that conform to the brands' standards, Ibersol acquires a set of opportunities and benefits, but also several challenges and responsibilities related to the communication and image management of said brands, with all the positive or not so positive aspects that this can entail. In this regard, besides the natural operational and strategic accompaniment of the business and frequent interactions with partners, the Ibersol Group keeps a close eye on markets, with constant monitoring of relevant national and international clippings and, in particular, the brands affected and their respective business groups, having established institutional communication procedures in the context of crisis management, namely with the CMVM and with investors.

Social Risks

Over the past two years the pandemic has had a particularly heavy impact on the restaurant sector in which the Ibersol group operates, and has caused deep consequences not only to business volume but, also, to consumption habits, the business model and the channels, resources and processes used to make the business operational.

In this context, when it comes to the management of human resources, the Ibersol Group is aware of the importance of developing and retaining talent, as well as the ability to attract new talent, at all functional and hierarchical levels of the organisation. Besides the monitoring of the organisational environment, the Ibersol Group constantly promotes initiatives to attract new workers, and to involve and encourage its staff, all the while ensuring a diverse, non-discriminatory, transparent working atmosphere, where merit and excellence are rewarded. In any case, the Group is attentive to a series of market trends, especially new working models (remote and/or hybrid, 4-day weeks, etc.) that, as they gain popularity, can come to present new cultural and operational challenges and/or opportunities, that impact business quality, efficiency, and profitability.

Technological Risks

IT and communication technologies used in the sales channels, supply channels and administration management, as well as other technologies that can contribute to business expansion and innovation (such as new interaction, product and service delivery methods) are an essential component for group activity development.

Any flaw in these systems can affect the performance of management and restaurant operation processes, generating costs and loss of revenue that can negatively impact profitability and the Group's financial situation.

Besides strict adherence to a set of technical rules, integration protocols and the safety standards defined by its business partners, the Ibersol Group is naturally watchful of legal and regulatory demands that apply to information safety (such as Data Protection), as well as a growing array of cyberthreats that organisations have been facing, mainly in a context of growing digital sales channels. In this sense, the group is committed to a proactive and diligent attitude at all times, to safeguard business information safety at the level of availability, integrity, and confidentiality, by implementing protection, detection and disaster recovery processes, in full coordination with crisis management and business continuity management systems.

Global Context Risks

The current geopolitical global context is unpredictable, due to a number of historical circumstances and recent social, cultural, and political events, along with climate change and other natural disasters, that create situations of heightened uncertainty and market volatility.

In particular, the Ibersol Group and its partners are focused on international markets and global food product commodities supply chains (rice, wheat, corn, oat, etc.), and the impact they could have on business operations and profitability.

It is also important to accompany rising energy and fossil fuel price trends (on which the world's economy still largely depends), that can have a very negative influence on all the world supply chains, leading to general rises in food goods prices in all markets, and which will necessarily come to bear on strategic options and business profitability in the restaurant sector.

Finally, the possibility of the development of armed conflicts in or around Europe cannot be ignored, and will have unpredictable, but surely devastating social and economic consequences for countries and businesses. In this framework, as with during the Covid-19 pandemic, Ibersol will continue to adopt a consistent and resilient posture, acting in strict compliance with the law and guidelines of the Portuguese state and respecting and protecting its stakeholders.

7. Financial Year Activity

7.1 Restaurants

Pizza Hut (Portugal)

Created in 1958, Pizza Hut has been present in Portugal since 1990, enjoying a successful journey that began in 1990 with the inauguration of the first Pizza Hut restaurant in Avenida Fontes Pereira de Melo, in Lisbon. The arrival of Pizza Hut in Portugal was the first time a major international brand of the modern restaurant persuasion began operating in our country and represented a new form of thinking the restaurant business, more modern, more welcoming and with higher standards of quality in operations, product, and training. The brand covers mainland Portugal and the islands, with 100 operational units.

During this year five new restaurants were opened: a unit specialised in deliveries was opened in Cacém, and the brand is now also operating in Charneca da Caparica, Brejos de Azeitão, Caldas da Rainha, and Lamego, providing eat-in services, take away, deliveries and support for aggregating platforms.

Pizza Hut was also affected by the pandemic, and was forced to temporarily close some of its services and restaurants. However, the "new normal" was established as quickly as possible, with a new and thorough safety plan called IN HUT WE TRUST, according to which Pizza Hut adopted new methods and routines to ensure the safety of customers and staff, while always paying close attention to the evolution of the situation and following all the recommendations of the Health Board.

The strengthening of safety measures can be seen in the approval of the SAFETY COVID by ALS inspection, a thorough international approval process that ensures maximum safety for employees and clients in the restaurants and throughout the whole operation.

Economic recovery permitted the brand to return to its marketing plan, with the motto GET THAT PIZZA, a fun and dynamic way of encouraging visitors back to the restaurants, focused on enhancing the value of the brand's core products, using a 360º approach. Special attention went to the TEX-MEX campaign, marked by Mexico-inspired flavours and ingredients, and to the return of the Pepperoni filled cheesy bites. The strengthening of the BOX concepts was also important, with the relaunching of the Triple Box and the My Box, as well as the launching of the 4Box and the Kid's Box. Finally, the Vegan/Veggie segment was also improved, especially through the launching of the VEGAN Pizza Rodízio. Throughout the year new trends took form, namely eating at home, which led to the 2X1, Triple Box campaigns, with a football related theme, 4x2 with a multiplatform presence and a hefty investment in the digital and mobile fields, and a strong television presence. During the summer months, Pizza Hut opened terraces in some of its most emblematic restaurants, from north to south of Portugal, and in the autonomous regions, thereby meeting the expectations of Portuguese families who were looking for outdoor meals.

Pizza Hut is committed to satisfying the needs of the modern consumer, which have grown stronger in the current context, and tirelessly works on the modernisation of its digital assets and the contactless aspect of its business, encouraging the use of electronic payment methods, access to digital menus and QR Code orders, and providing online order tracking services, and other digital features.

Pizza Hut customers can place their orders at restaurants, by phone, over the Pizza Hut website, the Mobile APP and through the television restaurant (@TV) available on the three major cable network operators. Besides this, the brand is also carried by Uber Eats, Glovo, and Bolt, which it uses both for its own and for third-party deliveries.

In 2021, Pizza Hut remained deeply committed to ensuring the full operation of its restaurants. This financial year was also marked by continuous investment in training processes and retention. In terms of training and certification of our staff, we kept up our commitment to our teams, in a constant effort to create a culture of excellence. This commitment is the result of constant skill-building of the teams (as is apparent from the investment in thousands of hours of training) and the encouragement of e-learning (aimed at operators, shift managers and unit managers), the implementation of several internal procedures aimed at responding to the Covid-19 pandemic and the strengthening of the ACE Programme (Assured Customer Experience – which promotes higher standards). Also noteworthy was the partnership with IEFP to develop the complaints management training programme, as well as the skill-building course for unit management. In a constant search to improve operational efficiency through digitalisation processes, we continued to implement “MY HACCP”, a digital tool to control legal requirements in terms of food safety, and certified units with the Covid Safety Seal, aimed at fulfilling all required safety procedures, to better meet our clients’ needs.

This year was also important in terms of mobilising teams to boost customer service and product quality through the application of operational programmes focused on these two issues. A performance evaluation process and team development plan were also achieved.

The brand also invested in the safety of home delivery distributors, through the implementation of a new uniform that promotes safer driving.

Pizza Hut (Angola)

Angola’s macroeconomic context continues to strongly condition business take-off, due to lack of purchasing power, increased unemployment, and Covid-19 pandemic related restrictions.

The only unit in operation in Angola is located in the Shopping Xyami Nova Vida, and was clearly affected by the lack of activity in the Shopping Centre, due to closure of shops and a change in the management model of the Kero Hypermarket (the anchor store).

In order to offset these difficulties, the brand continued to invest in specialised product offers, accompanied by best practices in Product Quality Services, Food Hygiene and Safety, and Biosafety measures to prevent and control Covid-19.

The brand kept up its presence on Facebook and other social media platforms, as well as the local Tupuca aggregator.

For the first time the brand achieved 90% in terms of customer evaluation and satisfaction levels.

Pizza Hut (Spain)

The Ibersol Group operates three Pizza Hut restaurants in Spain, two in Vigo and one in Nigrán (A Ramallosa).

At the beginning of 2021 the three restaurants were fitted with the IT systems used across the Ibersol Group, namely WinRest, the Call Center order service and GOAL (Orders, Unit Management, SS Client, Account Closure, GlobalHR and WeckOffice), which generated important synergies with the other Iberian brands.

Due to the Covid-19 pandemic, the restaurants endured several phases of restrictions, which in turn generated a high rate of adaptability by the staff to overcome.

The three units applied all the protocols imposed by the Spanish Health Ministry.

Despite the adverse setting, the restaurants achieved 92% in Assured Customer Experience (ACE) audits, with a Standard level, and consolidated their Guest Experience Survey (GES) results, above the brand’s average for the Spanish market.

In 2021 the restaurants began working with the country’s three main aggregator services: Glovo, Uber, and Just Eat.

In terms of training, the entire team was certified in the training programmes of the new on-line “Hut University” platform, especially in the LAR1 and LAR2 courses (Leading a Restaurant), for Heads of Unit, and the LAS (Leading a Shift) courses for Shift Managers. This system ensures identical quality training for all the brand’s staff.

Following the trend begun in 2020, and at the same time as Pizza Hut Spain, during the second quarter a 50% discount campaign for online orders was begun. It continues until today and is proving to be a great success. In the second quarter we relaunched the individual sized pizza and launched the My Box and the Triple Box, which helped foster a dynamic and innovative brand image among the customers.

Pasta Caffé (Portugal)

Pasta Caffé reached the end of 2021 with 2 operating restaurants in the Norteshopping and the Parque Atlântico, both with table service, take away, and home delivery.

The pandemic which began in 2020 had a very significant impact on supply and demand at the shopping centres and, especially, on their restaurant units.

Specialised in Italian cuisine, Pasta Caffé was one of the players that suffered most with fall in demand. The brand has always positioned itself as a table service restaurant, a calm location away from the hustle of the shopping centre food courts.

Regarding customer's opinions, we continued to consolidate the "Pasta Experience" programme, an on-line platform where customers evaluate all the relevant aspects of their experience in relation to service and offer, enabling them to make suggestions for improvement. This tool allows us to “see the brand’s performance through the eyes of the client”, which in turn helps us identify changes that lead to an improvement in the satisfaction of our guests.

Pizza Móvil (Spain)

Pizza Móvil closed the year of 2021 with 19 operational restaurants (five of which franchised).

The year was marked by a slight recovery of the economy after Covid-19, with an erratic sales evolution due to the peaks of the pandemic.

The brand continued to reorganise its menu, creating three categories of pizzas: Originals, Irresistible, and Select.

During 2021 new products were launched in order to increase the range, through the creation of new recipes in the Select categories, the Paisana and the Rústica de Pollo pizzas, as well as a new side dish, Mozzarella Fingers.

The brand’s value proposal is based on competitive prices, having invested in digital means to communicate.

Pizza Móvil once again affirmed its communication, freshness and quality through the “Galicia Calidade” seal.

RIBS (Spain)

The brand reached the end of 2021 with a total of 30 restaurants in Spain, 13 self-owned and 17 franchises. The brand also operates two self-owned restaurants in the Spanish Travel segment. During the year two franchises were closed: Diagonal Mar (Barcelona) and Majadahonda (Madrid).

Ribs – the True American Barbecue is one of Ibersol’s most significant brands. It was created in Madrid, in 1991, but in terms of mission, values, and know-how it is heir to the El Descanso restaurant, founded in 1968 as the first truly American steakhouse in Spain.

The Ribs restaurants are American style family-friendly spaces, meant to be authentic American steakhouses, decorated with exclusive articles purchased in markets, fairs, and antique shops in the USA, making each site unique. The oak coal barbecues, that are never turned off, cook over 330 tonnes of ribs per year for the over 3 million clients that visit its restaurants in Spain.

True to its investment in continual innovation, the brand launched the “Tender Salad”, giving its customers the opportunity to enjoy a star dish: ribs in a salad. The year was also marked by the introduction of a new 100% American experience, “Ruta del Sandwich”.

The brand also launched the new “Nashville Crispy Chicken Sandwich”, with a new recipe from the Western Coast of the USA, which blends potato and onion tortillas with pulled pork and several cheeses.

Two of the most emblematic of its recipes in the Tex Mex range were also changed: “Nachos Frontera” and “Fajitas de Pollo”.

Ribs continues to focus on major American celebrations (4th of July, Halloween, and Christmas), and offers a completely safe, genuine, and different experience.

This year was also marked by the continued growth of the delivery channel in all self-owned and franchised restaurants, with promotions and special menus.

With the goal of improving operations and services in the restaurants during the pandemic, the brand reduced its range of products, in order to simplify processes.

At the Human Resources level, we continue to perfect our training processes, having introduced tools from the Ibersol Academy (Moodle training platform) in all the restaurants, both self-owned and franchised.

RIBS (Portugal)

“True American Barbecue” is the concept behind the RIBS brand, a truly American style steakhouse that operates two units in Portugal.

All the dishes are cooked to order and grilled over 100% holm oak coal, giving them a unique and genuine taste.

Decoration and furniture are fully imported from the USA and the spaces reproduce an authentic American style, so the clients feel enveloped by the atmosphere.

The food offer is smaller than in the brand’s larger markets and is centred around the “Grilled riblets” concept, with their unique BBQ sauce, and high-quality hamburgers made specially for the brand. Besides that, it has added a “Tex Mex” line to its offer, which led to increased demand by clients.

The brand offers both in-store and home delivery services, using aggregator platforms.

Santamaria (Spain)

The Santamaría brand was created in 1998 in Mérida, having begun its expansion through the franchise system in 2001. In 2006 it became part of the Eat Out Group. It closed 2021 with 10 restaurants all over Spain (five of which operated by Travel Spain).

Since its creation, Santamaría has evolved and now includes a multi-offer format, which covers all types of meals (breakfast, lunch, tea, and dinner), allowing our customers to enjoy good food and good drinks, at any hour of the day.

Without sacrificing the brand's personality and cuisine, a process was initiated to give the restaurants new character and essence: the "Iberian know-how". With this proposal, the brand once again positioned itself as an Iberian specialist, focusing on experience, "*savoire faire*", and shining the spotlight on the main factor of the Iberian product: flavour! In the new brand identity, both concepts – knowledge and flavour – are mixed, merging the renewed traditional character of the brand with the lifestyle of Spain. Because you need to be familiar with something to deliver it new and improved.

The new menu stands out for its Iberian products, starters, salads, main dishes, and desserts, all in very original formats of reinvented classical recipes, adapted to modern times. Not tp mention our drinks, which are famous both for their taste and the containers we serve them in.

FrescCo (Spain)

The brand closed 2021 with a total of in six restaurants in Spain, two of which are self-owned, and four franchises, covering all of Spain.

FrescCo was created in 1994 when its first restaurant opened in Barcelona, and since then it has expanded to the point where there are currently 10 restaurants in Spain. With over 25 years' experience, the brand is 100% engaged in offering its customers a choice of healthy, tasty food, using fresh, seasonal products, and preparing dishes and salads inspired by Mediterranean cuisine.

The brand is renowned for offering healthy, natural, and balanced food with a fixed price buffet concept, where customers compose their own meal. The Market Buffet is the new restaurant concept launched by FrescCo in 2016, designed as an evolution of the buffet, where customers can adapt their meals according to their preferences, thanks to a new gastronomic offer based on quality-guaranteed local fresh products, created for customers who seek a healthy and balanced diet, with the best quality-price relationship.

The new establishments also have a Kitchen & Grill area, where customers can enjoy the best pizzas, grilled meat and fish, and hamburgers cooked to order, right before their eyes.

7.2 Counters

Burger King (Portugal)

Burger King closed 2021 with 119 restaurants having opened 12 new units in Portugal.

The main investment was in drive thru restaurants, but a considerable investment was also made to refurbish some of the older style restaurants in the Norte Shopping (Matosinhos) and Pombal.

More units have included home delivery services, which currently apply to 59 restaurants.

2021 marked the 20th anniversary of Burger King in Portugal, and a full rebranding of the concept. The change is taking place in phases in the restaurants, and at the moment 25 units have completed their rebranding process.

Another project that marked 2021 was the elimination of plastic materials used for packaging, and for the utensils provided to the customers, as well as in straws, cutlery, bags, lids, and cups.

The brand has continued to invest in increasingly aggressive promotional campaigns, with burgers for just 1€ or Menus for 3,95€. At the same time, it continued to innovate in the premium range, creating a new (Gourmet) segment through the launch of the "King Selection" range, using high-end products, such as Angus meat, and distinguished ingredients, such as truffles and mushrooms.

Burger King is increasingly marketing itself as a brand that wants to democratise alternative consumption and has increased its vegetarian range, adding Vegetable Nuggets to the Vegetable Whopper and the new Long Vegetable.

In 2021 there were special developments in the digital sphere, and Burger King focused more on digital communication. The brand has shown itself to be original and irreverent on social media, to create a stronger connection with its main target.

Burger King (Spain)

The Group's Burger King operation in Spain includes 38 restaurants. Five restaurants were refurbished.

The year was marked by the pandemic: During the first months – January and February – heavy restrictions imposed by the Health Authorities of the Autonomous Communities and Regions forced some restaurants to close temporarily, and the end of the year, namely the month of December, the operation was particularly affected due to the large number of staff in quarantine, a situation we were, however, able to overcome without having to close a single restaurant.

The brand focused on value offers and discounts that were firstly implemented in the delivery segment, through a strong presence on aggregators.

A new Royal corporate image was implemented in all refurbishments.

The MYBURGERKING loyalty programme, which is fully managed by the brand, was launched.

The concern with health led to the elimination of preservatives, artificial colourings and flavours in the raw material, according to the "Real Beauty, Real Flavour" motto, as well as the launching of the Vegetable Long Chicken.

New digital payment methods were introduced in the restaurants, to improve customer service, including WayLet, Paypal, and QR Code reading Apps.

KFC (Portugal)

This year KFC celebrated 25 years in Portugal!

2021 also marked the launching of the 2025 Multiannual Strategic Plan, designed to help recover from the negative effects of Covid-19 related restrictions and also to ensure the brand positions itself among leading brands in the modern restaurant sector in Portugal.

The brand closed the year with 41 restaurants, having opened six units in Aveiro, Lisbon, Vila Nova de Gaia, Ponta Delgada, Funchal, and Caldas da Rainha, which contributed to a growth dynamic by entering new markets.

With regard to operations, we continued the Win On Taste (WOT) and Speed of Service projects, both of which were successfully launched in several countries by Yum! Brands, which owns KFC, and which helped introduce to Portugal the focus on product and services quality, and World Class Operational procedures and the Restaurant Operations Compliance Checks (ROCC) Food Quality and Security standards, to which one must add the advances on online information retrieval technologies via Apps or Sites that were successfully implemented into the restaurant's performance routines.

In terms of staff training, the brand kept up its "SoGoodToWork@KFC" programme, aimed at creating and retaining talent at KFC, resulting in recruitment policies that increase retention skills and strengthen roles within the restaurant.

The "RGM#1" project (Restaurant General Manager N1 – which places Restaurant Managers at the centre of the brand's strategy aimed at strengthening management skills, tutoring sessions, and Unit Manager results presentations), continued to merit our full attention in 2021.

As for Marketing, this year saw more promotional activity at the Everyday and Disruptive Value level, especially including the launching of several versions of the Megabox and new products such as the The Box and The Krunch Menu, along with the launching of new and innovative products such as the Mítico, Original Recipe Tenders, Onion Rings and Cheesy Bites.

Promotion of the home delivery service was also intensified, the novelty being a partnership with Bolt Food, adding to the pre-existing Glovo and UberEats partnerships and a constant presence through activation campaigns for new compositions and products that contributed to a strong increase in brand notoriety.

There was an increased investment in the communications strategy, through the promotion of the Megabox and The Krunch Menu, an increase in the communications dynamic and boosting of SocialMedia and increased visibility derived from the partnership with the Peres Competições team, that continues to race with KFC colours in several Rallies, resulting in greater engagement with the fans and increasing the number of followers, as well as the reach and interaction level for KFC Portugal posts.

KFC (Spain)

In this market, where the Ibersol Group operates two restaurants – C.C. Metromar in Mairena de Aljarafe (Seville) and Huércal em Huércal de Almeria – the Covid-19 pandemic containment restrictions had an impact on the restaurant business, despite a strong reaction in terms of the brand's marketing and communication, which presented KFC as a young, vibrant, dynamic, and culturally integrated brand.

We kept up our investment in 100% local talent, as had been planned since the start of operations, in 2019. All our employees are certified according to Yum! Brands global standards, via e-learning tools (Learning Zone) and we follow all the main product and service quality indicators, based on GES (Guest Experience Survey) and ROCC (Restaurant Operations Compliance Check) with a focus on speed that has had a great impact on the Drive-Thru and Delivery services.

The growth of the Delivery business, using aggregators, was particularly significant, especially given the limits on in-house service due to the pandemic, with partners Glovo and UberEats, concentrating on continued activations on the aggregator's apps, through exclusive Value and Bundle offers, extensively communicated along all existing channels, allowing us to strengthen our notoriety, notwithstanding the adverse environment.

KFC (Angola)

KFC closed 2021 with 9 operational restaurants.

Angola's macroeconomic context continued to condition business growth, due to losses in purchasing power, aggravated by the Covid-19 pandemic that was declared in March 2020, leading to severe restrictions on the restaurant activity, due to the systematic extensions of the State of Calamity declared by the Angolan Government, which led to partial or total closures of restaurants for large periods of time.

Despite the rise in the delivery and drive thru segments, the counter segment registered very significant losses.

With a view to helping overcome our consumers' difficulties, we redesigned some of the brand's value offers, creating new product offers and specialised menus with very competitive prices (menu Bucket p/1; Wednesday promos/ crazy Fridays/Much for Little campaign).

We also maintained our policy of launching new products, centred on client satisfaction, through excellence of service and quality, using high standards of hygiene and food safety, complemented by Covid-19 related safety initiatives. These included protection measures for staff (visors, surgical masks, gloves, disinfectant, temperature detection, acrylic protection for client contacts, among others). Measures for safeguarding customers were also implemented (safety distance markings on the floor, mandatory disinfectant at the doors, acrylic protections at the counters, mandatory social distancing and other legal measures that were decreed in the meantime, especially during the full or partial lockdown periods).

The brand strengthened its digital communications plan, via Facebook and Instagram, having seen its fanbase rise to 343,000 fans on Facebook and 18,530 on Instagram, otherwise maintaining communication through digital tools, outdoors, and radio.

We continue to invest heavily in staff training, to improve the know-how of our local employees and management.

Pans & Company (Portugal)

In Portugal, Pans & Company closed 2021 with 48 units (40 Pans & Company restaurants and 8 Cafe Pans kiosks).

In line with what happened in 2020, the 2021 financial year was inevitably marked by the pandemic and the impact of containment measures that, over the year, led to significant losses in the counter and take away segments.

In this regard, during 2020 our teams concentrated on strict control of cost structures, thorough compliance with implemented safety and hygiene measures and increasing business volume in the different sales channels we are present in, with a focus on Delivery which continued to benefit from the pandemic context in which we are living.

2021 was also marked by the opening of another autonomous sales point for the Cafe Pans brand – the Pans universe's label for the cafeteria segment –, by the launching of the new Pans APP, with exclusive benefits for its users, namely access to exclusive promotions and mobile online purchases without queues, and several campaigns to launch new products, amongst which the "Pans for Everyone" campaign stands out.

With the "Pans for Everyone" campaign we wish to continue to "democratise Pans". The product development included the creation of vegetarian or vegan versions of some of our most emblematic recipes, significantly increasing our offer of vegetarian options, fully in sync with our essence. This was an ambitious move, through which we wish to highlight what we are and what we want to continue to be: a leading brand and sandwich specialist for everybody – whatever you are like, whatever you enjoy, always, Pans.

Pans & Company (Spain)

Founded in 1991, having first opened in Barcelona, Pans & Company is one of the leading brands in the Iberian sandwiches and Coffee & Bakery market, with a presence in the Spanish, Portuguese, Italian, Andorran, and Moroccan markets.

In Spain, Pans & Company closed the year of 2021 with 82 restaurants, 42 of which are franchises.

As had happened in 2020, this year was also very much marked by the Covid-19 pandemic which affected, and continues to affect, the global and national economic landscapes, with very clear repercussions on the restaurant sector. In the case of Pans & Company it led to relevant losses, especially during the peak contagion periods. Faced with this scenario, the brand focused on operations, thoroughly following safety and hygiene protocols throughout the year. Pans & Company solidified and increased its delivery channel, a segment that continues to benefit from the pandemic context. With this in mind, the brand launched the Café Pans in this channel, thereby living up to its commitment to take the global brand offer to its customers, wherever they are.

This year was also marked by the launch of "Pans&World, mucho pan y amor", which is not only a commitment focused on sustainability, but above all a socially minded global commitment to values such as diversity, tolerance, solidarity, and plan protection. These values led to concrete activities, such as decreasing waste and cooperation with different NGOs, such as SCI Madrid and the REMAR Association.

The launch of the "Pans para todos" campaign must also be mentioned, this was a strong investment by the brand, aimed at democratising Pans through identical measures to those indicated in Portugal.

Taco Bell (Portugal)

Since its launch in Portugal, at the end of 2019, Taco Bell has been winning over the hearts of the Portuguese public, with a young and bold brand, restaurants inspired by Mexico, with a Californian touch.

Taco Bell is inspired by Mexican cuisine and uses only top-notch ingredients, providing a wide variety of flavours, aromas, and textures. The products are always made to go and include an original combination of fresh and tasty ingredients.

Internationally, the brand positions itself in the fast-food market with the best possible quality-quantity-price relationship and is aimed at an audience of varying ages, but specially Millennials and Generation Z.

Taco Bell currently has over 7,500 restaurants all over the world, the vast majority of which located in the USA.

With an ambitious expansion plan, and during a pandemic, in 2021 the brand presented its Taco Lovers with 7 new restaurants, increasing its presence from north to south of the country, closing the year with 11 units. It strengthened its presence in the larger Porto area with new restaurants in ArrabidaShopping and GaiaShopping, and in the larger Lisbon area with units in the Centro Comercial Vasco da Gama, and Ubbo, in Amadora. At the request of many of our Taco Lovers, the brand entered new regions in the country, with openings in the Glicínias Plaza, in Aveiro, and in the Algarveshopping and Aqua Portimão, in the Algarve.

In April the first restaurant with its own dining room and terrace was opened in the Centro Comercial Vasco da Gama, allowing for the introduction of the truly Californian atmosphere that characterises the brand, strengthening its bold and young image, using elements that point to the Californian style, including furniture, props such as surf and skateboards, and lighting, creating a warm and beach-style atmosphere.

This growth was only possible because the brand strengthened its team having invested in new forms of recruitment communication, centred around brand attributes.

During the first quarter of 2021 it increased its range of home delivery partners to include Glovo and Bolt Food, allowing more Portuguese homes to enjoy its products.

It continues to prioritise the inclusion of digital kiosks in its restaurants as sales channels, aiming to provide the best purchasing experience for its clients.

The brand strengthened its online presence, through an increasingly bold communication strategy, and foodporn.

On 27 September and 14 October, Taco Bell decided to provide university freshers with free Tacos, provided they present proof of university enrolment.

The brand considers staff training to be crucial, and therefore increased its training content, always through digital channels, in line with recent trends.

7.3 Travel and Catering

Travel (Portugal)

Business in the Travel channel is carried out in motorway service stations and in the Airports, and is aimed at travelling clients. The units allocated to this segment are managed according to a multi-brand concept, which means more than one owned or franchised brand operates in the same space, with the aim of satisfying the needs of different consumers at various mealtimes, through specific concepts.

This segment was deeply affected by the pandemic, due to internal travel restrictions and the closure of borders, as well as limits on sales within the units.

Service Stations

The motorway service stations are an important segment of activity for the Ibersol Group, which at the end of the year operated 24 units.

This business segment was already showing some signs of recovery during the post pandemic period, although it continues to be strongly affected by reduction of traffic due to the introduction of tolls on the former SCUTS (highways without tolls) and by increasing competition from the service stations with reference to restaurant services, but it was also badly affected by the pandemic. During this pandemic period, in some SOL units, we developed or introduced delivery services, through the Burger King, KFC, and Pans & Company brands.

SOL is the umbrella brand for the urban and long-distance motorway restaurant services, through units with a modern and functional design, food proposals adjusted to the needs of consumers and with services that go well beyond those of conventional restaurants in service stations. In view of the varied profiles of those who visit the SOL units, these spaces are prepared to offer a great experience to all of them.

The Sol units are characterised by their freshly prepared food offers, at accessible prices, personalised and attentive service according to specific brands, adapted to different moments of consumption. In these units you can find renowned self-owned or franchised restaurant brands. Go To Coffee & Food is the cafeteria brand which is present in most SOL service stations. This brand is also present in Portuguese airports, where it operates restaurant units. In various locations, especially in cities, the Sol units include renowned international brands such as Burger King, Pans & Company, and KFC.

The units also provide a variety of services, such as an independent baby changing room, a lounge area, free Wi-Fi, sockets for charging computers or mobile phones, availability of tablets and daily newspapers for perusal, sale of newspapers, magazines, last minute gifts, dog stations, and drive-thru.

Train Stations

The Group runs a Go To Coffee & Food cafeteria in the Porto-Campanhã station, with a wide range of products, prepared for a swift and attentive service, which provides for the needs of travellers at any time of the day.

Airports

The Ibersol Group is one of the main reference operators in Portuguese airports, and is present in the Lisbon, Ponta Delgada, Santa Maria, Funchal, and Porto Santo airports, with 25 points of sale, through six of its own concepts – Go To Coffee & Food, Clocks, Nove, Specially, Cockpit Coffee&Tapas, and Saudade – and four international franchised brands: Pizza Hut, KFC, Burger King, and Go Natural.

This financial year was marked by a significant reduction in traffic in Portuguese airports, which had a deep impact on the operations located therein.

Travel (Spain)

This division of the Group is dedicated to managing 52 restaurants in Spain, located in seven airports, train stations and other tourism installations.

These points of sale are operated by 24 brands. Some of them are the group's own brands, such as Pans & Company, Café Pans, Ribs, and Santamaria, while others were created specifically for this segment, such as Breadway, Caffé di Fiore, and Fire&Bread. Finally, other brands are franchised: E.A.T., GoNatural, Coffee Republic, TapaTapa, Central Café, Jamaica, Wok Street, and Mussol, among others. These brands have given the Group management skills in different types of restaurant format, from Grab&Go to Casual Dining, including Fast Food or traditional coffee shops.

2021 saw a slight recovery in traffic, especially from July onwards. Throughout the year all the units that had been temporarily closed due to the pandemic and restrictions on access to airports were reopened, and the year closed with 47 open restaurants.

The Barcelona central production unit reopened in July.

The contract for four units in the Fuerteventura airport expired in December.

Catering (Portugal)

The year of 2021 was challenging, and economic activity continued to ebb and flow due to the persistence of the pandemic. In the first four months of the year, we were subjected to successive periods of lockdown which led to a set of restrictions that impacted families and companies and, therefore, Silva Carvalho Catering, and Palace Catering.

Despite this, the gradual reopening of the economy, which began in May, and the recovery of the consumer confidence assured the continuity of our activity, consolidating the presence of Silva Carvalho Catering and Palace Catering in the national market. Together, both brands catered to 425 events, and served over 140,000 customers.

The companies were chosen to cater to 12 congresses in 2021, eight of which were international, including the ECNP medical congress, which lasted four days and included around 1,850 participants per day; EUSEM Congress, the European Emergency Medicine Congress, with about 1,200 participants over four days; Velo City also lasted four days and was attended by 730 participants per day, and ESSO 40, the 40th Congress of the European Society of Surgical Oncology, which lasted three days and was attended by about 525 participants per day.

Also worth mentioning was the participation in events such as the Porto Social Summit, Radio Days Europe, APLOG, Ciência Viva 2021, and Moda Portugal.

In terms of food safety and health in the workplace, we increased training and consolidated operational practices to ensure the health and well-being of our staff and our customers.

At the Dragão Stadium we were present in 28 FC Porto games and several other events on the grounds, including of course the UEFA Champions League Final 2001, one of the most widely viewed sporting events in the world, supporting service and production in partnership with Do&Co. Around 3,000 meals were served in the Stadium's VIP area, and around 6,000 staff meals. Our base-team at the Dragão cooperated with more than 80 staff members to make this happen.

We organised 25 games in Sporting Clube de Portugal's Estádio de Alvalade, and one National Team game. We served a total of 29,250 meals during 48 events.

The Alcochete Academy, Sporting Clube de Portugal's training ground, kept up its activity and our team was able to fulfil the demands of the club during the pandemic.

The high point of the year was the recovery of the events market. The health measures that we put into place strengthened our customer's trust in the 52 private events in which we participated, including 33 weddings.

Regarding sustainability principles and values, we maintained our support for humanitarian causes through the donation of meals. In 2021 we donated around 18,000 meals.

8. Environmental Performance

We respect and work to improve the world we live in

The Ibersol Group aims to guarantee the sustainable development of its businesses, through a commitment to respect for the environment and a constant search for solutions that help to diminish the environmental impact and protect the planet.

One of the sustainability vectors defined as a priority by the Ibersol Group, in terms of performance, is the environmental dimension. One cannot separate the concept of social responsibility from the concept of sustainable development, which is why the reduction of the environmental impact of the activity of the Group as a whole is a constant concern.

In 2021 we remained committed to the vision of a circular economy, which promotes a separation between economic growth and an increase of resource consumption. This vision continues to guide our strict environmental management practices in their different spheres.

In this sense, the Ibersol Group invests daily in reducing the environmental impact that its activities produce, namely at the level of:

Resource Preservation, reducing the environmental footprint and promoting positive changes through:

- Structures/environmentally efficient restaurant models (construction materials/energetic efficiency of infrastructure, solar energy,…);
- Energy efficient equipment and lightbulbs;
- Programmes, procedures and devices that reduce energy and water consumption;
- Use of recycled materials, reduction in quantity of containers, use of biodegradable materials;
- Minimisation of waste produced.

Contributions to a Circular Economy

Contributing to a circular economy includes a circular approach to containers and to generated waste, through actions aimed at reducing, reusing, and recycling the waste generated by our restaurants, promoting recycling practices and directing food oil waste to be used for biodiesel production.

Sustainable Procedures and Customer Relations

- Minimising the use of disposables + residue processing – e.g.: reducing the number of straws and cup lids and ensuring that waste is separated;

- Reducing food waste;
- Use of locally sourced and seasonal ingredients on menus;
- Practices and communication in line with Group policy.

Supply Chain

Approval required for suppliers and products (sustainable origin) – e.g.: FSC/PEFC certified containers and animal welfare certification;

- Recycled materials, reduction of container size/quantity, use of biodegradable materials;
- C02 emissions control in the logistics operations – e.g.: multitemperature vehicles (simultaneous delivery of all products / < trucks in circulation).

With these concerns in mind, in 2021 the Group renewed certifications according to Norm NP EN ISO 14001:2015 – Environmental Systems Management, which certifies that the whole structure is committed to improving its environmental performance in the management of natural resources, environmental protection, and reducing its carbon footprint. This certification includes the Ibersol Group's restaurant operations management as well as the Dragão Stadium Catering, Vog Tecmaia, and all the Group's units in the Lisbon Airport.

8.1 Containers and Container Waste

- 62 tonnes of plastic

Reduction of Single Use Plastic Materials and Containers

Since 2019 we have been working on the reduction of single use plastic materials and containers. Therefore, throughout 2021 we continued to promote initiatives in line with the Group's environmental concerns and the principles of the European Parliament and Council directive (SUP directive), regarding the reduction of the environmental impact of certain plastics.

In 2021 these initiatives allowed for an effective reduction of 62 tonnes of plastic. An important part of this reduction lies in the elimination of some containers and their components, as well as the replacement of plastic in bags, containers, food containers, drinking and ice-cream cups, lids, and dishes for natural fibres.

11 thousand tCO2e emissions avoided

Selective Seperation and Channeling

All the group's units play a very active role in the selective separation and channelling of waste (paper/cardboard, plastic/metal and glass), which is carried out daily in all restaurants and offices.

As with previous years, the contract with the Integrated Residue and Containers Management System, coordinated by the Sociedade Ponto Verde, was maintained. This system is dedicated to guaranteeing the circuit of reuse, valuing and recycling, as well as reducing the volume of waste that is sent to landfills.

True to our role of encouraging the correct channelling practices of container waste among customers, we improved markings on service containers, which now include information about correct disposal, to guarantee their adequate treatment.

In 2021 the adequate channelling and treatment of waste generated through the Integrated Residue and Containers Management System, coordinated by the Sociedade Ponto Verde helped avoid the emission of over 11,000 tCO2e into the atmosphere. This figure was estimated considering the annual quantity of containers put into the market by the Ibersol Group and the general performance of the waste management system run by SPV.

This approach takes into account that the recovery of these materials and energy prevent the conventional production of the same and their loss through deposits in landfills or through incineration.

8.2 Edible Oils

506 tonnes of used edible oils reused and valued

All our restaurants are certified for the collection of used edible oils.

At the same time, the production of edible oil waste has also continued to be carefully monitored and managed, to guarantee that 100% of the waste produced is properly disposed of, recycled, and valued.

In 2021 approximately 506 tonnes of used edible oils were sent to biodiesel production.

8.3 Resource Consumption

Recent increases in Electricity and Gas prices are, to a certain extent, sure to continue in the near future, and since part of the Electricity used in Europe is generated from natural gas this effect was also felt on electricity prices.

Given the volatility of energy prices, the Ibersol Group is looking into the production of photovoltaic energy to offset the higher prices of energy in the short run and guarantee a greater degree of self-sufficiency in the medium and long run.

With the increase in energy prices, energy management becomes more important and begins in the project phase, with the design of more energy efficient buildings and the choice of more efficient systems and equipment.

The increase in the number of electrical vehicles in circulation presents a new opportunity to serve customers, who take advantage of their time in the unit's car parks to charge their batteries.

To this end the installation of chargers in the drive restaurants is being studied both for the mainland and the islands.

Lighting

The Ibersol Group adopted the use of LED lighting in new stores and replacing lighting in existing stores with LED lightbulbs.

Based on increasing efficiency, and to achieve adequate lighting of the space, thereby reducing and optimising energy consumption, the Group decided upon:

- Preferential use of natural light, through the use of glass walls;
- Turning off lights in rooms that are not being used, adopting movement sensors in the halls, changing rooms and warehouses;
- Frequent cleaning of lightbulbs and accessories to ensure a good lighting without increasing power usage;
- Verifying outside lighting and timers.

On/Off Control Measures Plan

All the brands have applied and promoted the On/Off Control Measures Plan (turning equipment on and off). The plan, structured into three stages, is made up of the identification of existing equipment and systems. The systems analysed – lighting, air conditioning, new air and extraction are checked for potential improvements and, if these are identified, the times of use are registered.

Lighting systems that do not have controls are given a schedule for each area of the restaurant, and operate on an on/off regime.

A comfort temperature is indicated for the air conditioning and schedules to turn the machines on and off are set. A change in the temperature of the air conditioning of 1ºC translates into savings of up to 7% in the equipment's energy consumption. The air conditioning equipment was regulated for a temperature that is adequate to outdoor conditions: 18ºC in the winter and 25ºC in the summer.

Reactive Energy

Excessive reactive energy consumption, linked to low potency factor values, have some disadvantages:

- Reduced service life;
- Higher electricity bills from the electricity distributor;
- Underuse of the installed capacity.

This type of energy was compensated for in the restaurants through the installation of capacitor banks in the Low Voltage Distribution Board, thereby compensating all the reactive energy.

Photovoltaic Self-Consumption

The Energy Performance Regulations for Commercial and Service Buildings (RECS) Law N. 101-D/2020 of 7 December, establishes the standards applicable to the improvement of their energy performance and regulates the Buildings Energy Certification System.

The regulation for buildings with almost no energy needs, known as NZEB, applies to new commercial and services buildings whose construction licencing or authorization processes were filed with the competent entities after January 2021.

The installation of photovoltaic solar panels has several advantages, namely:

- Reducing electricity bills, reducing electrical grid energy consumption;
- Reducing CO2 emissions;
- Contributing to strengthening Ibersol's sustainability standing

The Ibersol Group's projects developed during 2021 or currently in licencing stages have been fitted with photovoltaic centres for producing electricity, which are installed in restaurant terraces and parking lots. Besides the production of electricity, the latter solution provides protection to customers when they park their vehicles.

Electric Mobility

The Ibersol Group entered a partnership with EDP Comercial for the installation of state-of-the-art QC90 Quick Chargers, which can be upgraded to the QC120 model. The equipment chosen permits different types of charging, direct or alternate current. All the sockets are quick, which means that they can charge around 100 km of autonomy in just 20 to 30 minutes, generally, depending on the electric autonomy of the vehicles.

The aim of this partnership is to make a decisive contribution to increasing options for charging electric and hybrid vehicles in Portugal, and contributing to the energy transition of the MOBI.E. electric vehicle Public Charging Network, as well as the decarbonisation of the Portuguese economy.

Through the installation of chargers, the Ibersol Group can offer its customers the opportunity to charge their vehicle while they enjoy their meal, thereby contributing to the reduction of greenhouse gas emissions in Portugal.

By promoting this sort of mobility amongst its customers, the Ibersol Group is encouraging them to reach its restaurants in a more sustainable and environmentally friendly way.

8.4 Consumption Analysis

Eletricity

Contracting of Electricity

Following the renegotiation of energy supply contracts (for the period between April 2020 and June 2024), considering the increases registered in the futures market, we obtained a price lower than the market price around 100 €/MWh.

Consumption Analysis

Year	2021	2020	2019	2018	2017
Electricity Consumption Points *	394	364	351	327	310
Global consumption (kWh)	40 157 156	39 243 448	38 652 469	35 982 997	35 482 475
Average Consumption per point (kWh / store)	101 922	107 812	110 121	110 040	114 460
Reduction – same stores 2020 (kWh)	555 691	522 314	652 842	869 886	1 056 929

* Consumption points vary yearly, both due to opening and closing of stores and the number of units for which it was possible to obtain the figures.

Due to the Covid-19 pandemic, the Ibersol Group was forced to temporarily close several restaurants, which led to a reduction in electricity consumption.

In 2021 the Group opened 12 Burger King, 7 Taco Bell, 6 KFC, and 5 Pizza Hut restaurants.

Natural Gas

Contracting of Gas

The beginning of 2020 was marked by the Covid-19 pandemic, which led to a steep drop in the prices of the three commodities, due to drop in demand. Following the third quarter of that year the prices of the three commodities began to bounce back, especially natural gas, which is related to the softening of Covid-19 pandemic spread control measures. In early 2021 this course was maintained and in the last quarter of 2021 there was a steep rise in natural gas prices, when compared to other commodities.
Source: Erse.

The global price of the natural gas price for 2021 dropped by 2% compared to the previous contract for 2020, due to the contract negotiation of a 12% of the energy component compared to the increase of the network access tariff component of 7.4%, valid until September 2021.

Due to the steep increase in the price of the energy component in the gas market, reaching unprecedented figures (around 200%), the renegotiation of the supply contract for the period between October 2021 and September 2022 led to an increase in the gas bill for 2021 of around 12%.

Consumption Analysis

Ano	2021	2020	2019	2018	2017
Consumption points **	226	202	195	182	168
Global consumption (kWh)	17 277 091	16 104 476	15 807 476	14 256 886	13 857 226
Average consumption per point (kWh)	76 447	79 725	81 064	78 335	82 483

** Consumption points vary yearly, both due to opening and closing of stores and the number of units for which it was possible to obtain the figures.

Due to the Covid-19 pandemic, the Ibersol Group was forced to temporarily close several restaurants, which led to a reduction in gas consumption.

CO2 Emissions

We remain committed to reducing CO2 emissions and have insisted on finding solutions that allow for the mitigation of the impacts of this gas on the atmosphere.

Compared to the previous year, around nine thousand tonnes of carbon dioxide were avoided, in total and indirectly, in the same universe of stores as in 2020.

Indirect CO2 emissions

Year	2021	2020	2019	2018	2017
Specific CO2 emissions (kg/kWh)	0,23	0,26	0,25	0,37	0,35
CO2 emissions avoided in consumption (ton)	9 236	10 203	9 458	13 314	12 419
Production with renewable energy (KWh)	11 417	12 460	12 011	11 987	12 198

CO2 emissions avoided through production with renewable energies (ton)	2,12	2,65	2,37	5	4,35
CO2 emissions avoided TOTAL (Ton)	9 238	10 206	9 460	13 319	12 423

Direct CO2 emissions

Year	2021	2020	2019	2018	2017
CO2 emissions produced in gas consumption (ton)	2 039	1 900	1 747	2 644	2 345
CO2 emissions produced in gas consumption (ton CO2/store)	9	9	9	15	14

Water

The Ibersol Group has been taking measures to reduce water wastage, given that it is an increasingly scarce and expensive resource.

Variation in water consumption:

Year	2021	2020	2019	2018	2017
Consumption points **	394	364	351	327	310
Global consumption (m^3)	194785	192819	192 075	191 568	189 879
Average consumption per point ($m^{3/}$ store)	494	530	547	586	613

** Consumption points vary yearly, due to opening and closing of stores, changes in equipment and the number of units for which it was possible to obtain the figures.

Consumption of water figures for 2021 cover all consumption points.

Some measures were adopted to reduce water consumption, such as:

- Installation of flow regulators. These are accessories that can be attached to taps and shower heads which replace the usual filter and allow for a flow reduction of over 50%, thereby reducing consumption;
- Changes to timings and schedules for watering systems in gardens;
- Implementation of routine tap, lavatory, plumbing, joints, and fittings checks to detect required repairs and eliminate leaks.

8.5 Taxonomy

8.5.1 Background on EU Green Taxonomy

One of the priorities of the European Union is to streamline capital flows to sustainable investments, promote the systematic integration of sustainability in risk management, and increase transparency in economic and financial operations, according to a consensual definition of what constitutes “green activities”.
It was in this context that “EU Green Taxonomy” arose, along with other relevant initiatives connected to the non-financial reporting (CSRD) and the sustainable financial reporting (SFDR), which henceforth shall be referred to as Taxonomy, through the publication of Regulation (EU) 2020/852 of the European Parliament and the Council, 18 June, 2020.
Taxonomy is an activity classification system that translates the climate and environmental goals of the EU in terms of investment criteria in certain economic activities that are considered green, or environmentally sustainable. This system applies to companies that are under the obligation to publish a non-financial report, such as the Ibersol Group, besides all stakeholders in the financial market (including unlisted issuer companies) that provide financial products.
Within the framework of Taxonomy, and regarding economic activities that are considered eligible, all organisations are expected to state if, besides respecting a set of minimum social safeguards, they provide a substantial contribution and/or do not significantly harm any of the following six goals:

1. Climate change mitigation
2. Adaptation to climate change
3. Water and water resource protection
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 complemented the previous publication by detailing the list of eligible activities and the technical criteria that determine under which circumstances an economic activity contributes substantially to the first two environmental objectives and under which conditions the activity does not significantly harm the achievement of any of the six environmental objectives.

Within the framework of this latter diploma, all organisations covered by the Taxonomy are under the obligation of low disclosure in 2022, about the 2021 financial year, which should identify the eligible and non-eligible economic activities, according to business volume, capital expenses (CAPEX), and operation expenses (OPEX). For an activity to be considered eligible it should make a considerable contribution to at least one of the first two environmental objectives.

For the report regarding 2022, due in 2023, a full disclosure will be required, covering the six environmental goals, in both quantity and quality.

A look at the list of Taxonomy-eligible activities shows that the core activity of the Ibersol Group – organised catering – is not present. This means that the main activity of the Ibersol Group is not part of the list of eligible activities, and therefore does not substantially contribute to any of the main environmental goals (climate action), whereby the Business Volume (percentage of revenue linked to Taxonomy related activities) is null.

On the other hand, it was possible to identify a number of individual initiatives and activities that support the main activity of the Ibersol Group that, in fact, are classed as eligible economic activities according to the Taxonomy, in relation to which the Green CAPEX and the Green OPEX can be traced, as follows:

8.5.2 Support activities that fall under the EU Green Taxonomy

Transport

The different Ibersol Group brands sell take-away meals either directly or through aggregating platforms, and these are usually physically distributed on self-owned motorcycles or on other vehicles associated to said platforms.

Therefore, section 6 of the Delegated Regulation (EU) 2021/2139 on “Transports” applies to the use of motorcycles for the home-delivery of Ibersol Group meals, both for objective “1. Mitigation of climate change” and for objective “2. Adapting to climate change”, unless the immediate purpose of the acquisition or rental of said vehicles is not the sale or provision of transport services to third parties, but its own use or exploration.

A detailed analysis of the aforementioned home delivery of meals, identified the following eligible activity:

6.5. Transport on motorbikes, light passenger vehicles and light commercial vehicles

During the year 2021, the Ibersol Group decided to start using directly, on a rental basis, a total of 100 fully electric motorbikes in its own distribution associated to the Burger King brand, which avoided the consumption of 29,000 litres of fossil fuels and the respective carbon emissions. This activity was considered "eligible" in terms of Green OPEX.

Real estate and construction activities

Every year the Ibersol Group makes various kinds of investments in real estate aimed at hosting its restaurant activities. There are three specific conditions that should be considered in relation to green Taxonomy, namely: (1) construction of new restaurants, (ii) celebration of rent contracts in new enterprises in which the Ibersol Group covers all the speciality final works, furnishings, decoration, and equipment installation for the launching of new restaurants, and (iii) the remodelling or refurbishing of existing restaurants.

These activities are covered by section 7 of the Delegated Regulation (EU) 2021/2139 on “Real estate and construction activities”, both for objective “1. Climate change mitigation” and for objective “2. Adaptation to climate change”, unless the immediate goal of the real estate construction was not its sale or lease, but its use or exploration. However, considering this real

estate becomes the property of the Ibersol Group it is taken for granted that the group's responsibility is applicable to the Taxonomy simply because it can be sold at any given moment.
A detailed analysis of the aforementioned construction and real estate activities, the following sub-activities were identified as eligible for Green CAPEX tracing:

- *7.1. Construction of new buildings*
  During the year 2021, the Ibersol Group built 8 new restaurants and entered into 4 lease contracts in new developments in which it ensured all the final works for the opening of new restaurants; these 12 properties meet the energy requirements of Taxonomy in the "significantly contribute" aspect, having obtained energy certificate A or B. However, the compliance with the "no significant harm" criteria regarding the use of water resources is not fully guaranteed. Therefore, this specific activity was globally considered "non-aligned" in terms of Green CAPEX. However, in the same context, it was possible to track "aligned" components related to construction waste recovery services, energy design services for buildings and other specific sub-activities described below (7.4. and 7.6.).
- *7.2. Renovation of existing buildings*
  During the year 2021, the Ibersol Group carried out refurbishment or upgrading works in 18 restaurants, however, there is no evidence or guarantee that these properties meet the energy requirements of Taxonomy. Therefore, this specific activity was globally considered "non-aligned" in terms of Green CAPEX. Even so, for purposes of Green CAPEX, it was possible to track the "aligned" component related to construction waste recovery services.
- *7.4. Installation, maintenance and repair of electric vehicle charging stations mounted on buildings (and parking spaces associated to buildings)*
  During 2021, the Ibersol Group installed electric vehicle charging stations in 7 of the 8 new restaurants it built. Therefore, this specific activity was considered "aligned" in terms of Green CAPEX.
- *7.6. Installation, maintenance and repair of energy technologies from renewable sources*
  During 2021, the Ibersol Group installed photovoltaic panels in 3 new restaurants and installed solar DHW (domestic hot water) panels in 13 restaurants, including 12 new restaurants and 1 refurbished restaurant. Therefore, this specific activity was considered "aligned" in terms of Green CAPEX.

8.5.3 Calculation of indicators

According to Annex I of the Delegated Regulation (EU) 2021/4987, the Total OPEX benchmark should cover the direct unfunded costs related to research and development, building refurbishment measures, short-term rental, maintenance and repair as well as any other direct expenditure related to the day-to-day maintenance of tangible fixed assets, by the company or third parties to whom activities are outsourced, and that are necessary to ensure the continued and effective functioning of these assets.

The Ibersol Group's overall OPEX in the year 2021 was valued at 291,637,825€, from which a reference Total OPEX value (denominator) of 14,883,581.00€ was extracted.

The OPEX aligned by Taxonomy (numerator) was, in turn, assessed at 107,760.00€ and refers to activities under section 6 (Transport) and aligned with the criteria set out in Delegated Regulation (EU) 2021/2139, as detailed in the previous section.

Therefore, in 2021 the Proportion of OPEX aligned by Taxonomy was 0.724%.

Under Annex I of the Delegated Regulation (EU) 2021/4987, the Total benchmark CAPEX covers additions to tangible and intangible assets before depreciation, amortisation and any re-measurements, notably resulting from revaluations and impairments, and excluding fair value changes. Increases in tangible and intangible assets resulting from business combinations are also covered.

The Total reference CAPEX (denominator) of the Ibersol Group in 2021 was assessed at 33,342,705.00€.

The CAPEX component considered eligible under the EU Green Taxonomy was assessed at 21,667,818.02€ and refers to activities falling under section 7 of Delegated Regulation (EU) 2021/2139 regarding "Construction and real estate activities", as detailed in the previous section.

The Taxonomy-aligned CAPEX (numerator) was assessed at 241,665.24€ taking into account the criteria set out in Delegated Regulation (EU) 2021/2139.

Therefore, in 2021 the Proportion of CAPEX aligned with Taxonomy was 0.725%.

A summary table is presented below:

Indicator	Total (€)	Aligned (€)	Aligned/Total (%)
OPEX	14.883.581,00	107.760,00	**0,724%**
CAPEX	33.342.705,00	241.665,24	**0,725%**

8.5.4 Conclusion

As has already been said, the contribution of Ibersol Group's activity within the framework of European Union Green Taxonomy is null at the level of its main activity of organised catering, given that it is not even part of the base-list of eligible activities included in annexes I and II of the Commission Delegated Regulation (EU) 2021/2139. However, at the level of support activities that are covered by the list, namely transport and construction and real estate activities, the contribution of the Ibersol Group is non-material, with CAPEX and OPEX indicators having been calculated to be of a proportion below 1%.

9. Social Performance

Personnel Development has improved significantly at the Ibersol Group, gaining increasing notoriety on the work market. The constant mapping and updating of processes in the field of Personnel Development has been a priority, especially in a year in which the context called for minimal hiring of new assets.

The company has gained a reputation as a "Life School" and invests continually in training its Personnel. This investment has taken the form of the Ibersol Academy, which this year strengthened its e-learning content, endowing its training process with more flexibility both in terms of time and of space. At the same time, we continue to partner with teaching institutions and business schools, such as the Porto Business School. The joint creation of continuous training programmes boosted the internal training capacity and gave our teams the skills required for an excellent performance.

9.1 Staff Profile

Portugal

Evolution of the number of employees by sex

Number of employees	2021		2020		2019		2018	
	N.º	**%**	**N.º**	**%**	**N.º**	**%**	**N.º**	**%**
Women	3 696	51%	2 895	51%	3 622	52%	3 287	53%
Men	3 511	49%	2 731	49%	3 372	48%	2 860	47%
Total	**7 207**		**5 626**		**6 994**		**6 147**	

Evolution of the number of employees by Age Group

	2021		2020		2019		2018	
	N.º	**%**	**N.º**	**%**	**N.º**	**%**	**N.º**	**%**
< 18 years old	108	1%	44	1%	238	3%	175	3%
18 to 25 years old	3 529	49%	2 456	44%	3 370	48%	2 951	48%
26 to 30 years old	1 155	16%	1 002	18%	1 120	16%	1 054	17%
31 to 35 years old	816	11%	752	13%	798	11%	701	11%
> 35 years old	1 599	22%	1 372	24%	1 468	21%	1 266	20%
Total	**7 207**		**5 626**		**6 994**		**6 147**	

Evolution of the number of employees by Academic Qualification

Academic Qualifications	2021	2020	2019	2018
< 12nd year	35%	36%	38%	40%
≥ 12nd year	65%	64%	62%	60%
Total	100%	100%	100%	100%
Higher education	**9%**	**11%**	**10%**	**9%**

Evolution of turnover rate*

Employee Turnover	2021	2020	2019	2018
Group	70%	69%	**104%**	85%
Units	72%	72%	**107%**	88%
Business Structure and Shared Services	17%	10%	**12%**	17%
Management Teams (Units)	23%	18%	**30%**	28%

* Turnover indicator = number of employees terminated per month x 12 months / active during the month. Intra-group reassignments are not included

Profile of employees by Career Stage and sex

Career Stage	Sex	
	Female	Male
Operation	48%	52%
Shift Management	65%	35%
Unit Management	53%	47%
Business Structure / Central functions	61%	39%

Profile of Employees by Career Stage and Age Group

Career Stage	Age				
	< 18 years	18 to 25 years	26 to 30 years	31 to 35 years	> 35 years
Operation	2%	59%	14%	8%	16%
Shift management	0%	25%	28%	22%	25%
Unit management	0%	2%	12%	23%	64%
Business structure / Shared Services	0%	4%	10%	10%	77%

Profile of employees by Career Stage and Academic Qualifications

Career Stage	Academic Qualifications			
	< 9th Grade	9th Grade	Secondary School	Higher Ed.
Operation	7%	31%	56%	6%
Shift management	4%	29%	57%	10%
Unit management	2%	24%	54%	20%
Business structure / Shared Services	0%	4%	39%	57%

Profile of employees by Career Stage and Seniority

Career Stage	Seniority				
	< 6 months	6 to 12 months	1 to 2 years	2 to 4 years	> 4 years
Operation	46%	12%	10%	23%	9%
Shift Management	9%	3%	7%	46%	36%
Unit Management	2%	1%	2%	16%	79%
Business Structure and Shared Services	10%	0%	5%	38%	46%

9.2 Training and Education

Ibersol encourages the continuous learning and development of its employees. In 2021, to respond to the current and future challenges of our shared businesses and services, we launched new training programmes in partnership with the Porto Business School. These include:

• Food for Thought – A 323-hour programme for future Coordinating Managers, divided into on-site and virtual training, on job training under the guidance of a tutor, and coaching sessions.

• Leadership – an 84-hour programme for Intermediate Management positions in Shared Services and Business Structure which promotes the learning of skills which impact the current reality of these positions.

At the same time, we boosted our investment into our digital Ibersol Academy platform, prolonging existing programmes in a format which reconciles e-learning with on job training and which has proven to be very effective in the transmission and consolidation of knowledge.

Training in Portugal

Health and Safety at the Workplace		
Content	**Training Volume (Full sum of individual training hours)**	**Trainees**
Workplace Hazard Prevention Workplace Hazards Accidents with Clients Fire Safety Organisation First Aid Occupational Health	**40 645**	**5 809**

Food Safety		
Content	**Training Volume (Full sum of individual training hours)**	**Trainees**
Food Safety Different types of Contamination Food Microbiology Handler Hygiene Hygiene of Premises, Equipment Utensils and surfaces ISO 22:000 Norm	**37 749**	**4 367**

Other Training Programmes		
Content	**Training Volume (Full sum of individual training hours)**	**Trainees**
Welcoming/Integration Operational Training Training for Management Teams Other Areas	**355 799**	**5 699**

Internships in Portugal

In 2021 Ibersol welcomed a total of 20 interns, 19 of whom curricular, for a total of 10,560 hours in real work context and 1 professional, which accounted for 2,687 hours.

Internships	**2021**		**2020**		**2019**		**2018**	
	N.	Training Volume (h)	N.	Training Volume (h)	N.	Training Volume (h)	N.	Training Volume (h)
Curricular	19	10.560	10	14.737	30	37.390	32	10.694
Professional	1	780	4	2.687	6	9.342	5	7.800

9.3 Employee Health and Safety

Health and Safety in the Workplace is crucial to any organisation and affects not only personal well-being but also collective balance.

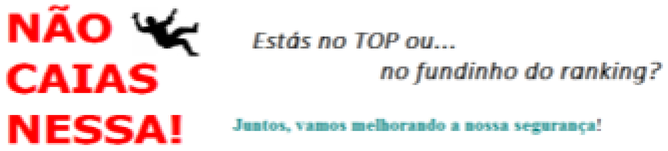
The Ibersol Group sees ensuring a culture of safety for all members of the organisation as a mission it invests in daily, involving everyone in the same goal.

Prevention and protection, through the promotion of awareness of best practices in terms of collective and individual behaviour, is the most efficient formula to achieve the desired results.

In 2021, despite the aforementioned accompaniment of positive Covid-19 cases, and the vigilance of suspected and low risk cases, in strict contact with the health authorities and medical services, and according to the guidelines, the group carried out:

- Over 630 principles and practices audit controls.
- Developing a best practices recognition programmed, through the following.

"Don't Fall For It!" *Teaser*, sharing the ranking of safest units to encourage the prevention of workplace hazards;



  - "Don't Fall for It" competition, within the framework of the National Day of Workplace Safety and Prevention. This competition encourages creativity and provides winning participants with useful safety materials for their restaurants (ladders, first aid kits, first aid replenishment kits and ergonomic mouses), and has proven to be an effective means of training and of highlighting the levels of knowledge and involvement of staff. There were 21 entries in the "Don't Fall for It | National Day of Workplace Safety and Prevention" in 2021.

- Awarding of "Platinum" and "Gold" titles to the units with excellent results in their first semester control audits;

- Since the circumstances made it impossible to carry out the usual evacuation exercises in the central offices, we launched an Earthquake challenge, in which workers were invited to take part in an alternative earthquake safety response situation.

- Two Workplace Health and Safety consultations with the staff, which were attended by about 66% of the workers;

- Workplace visits by Safety services and by Workplace Health services and follow-up visits;

- Training and awareness sessions on Coronavirus protection and prevention measures to be adopted by the staff, according to the contingency plan.

In 2021 the Ibersol Group renewed its certification according to the ISO 45001:2018 norm in the Integrated Management System.

9.4 Employee well-being

“Ibersol on the Move”

With a view to improving well-being and a sense of belonging amongst the staff, the Ibersol Group continued its “Ibersol on the Move” programme. During an atypical year, where recreational time with colleagues was all but impossible, we found it necessary to adapt the different initiatives to the pandemic context.

The new Operations Staff Portal was launched in order to strengthen internal communication. The purpose of this app is to make communication simpler and to provide employees with useful information, as well as with access to their individual information.

To boost Internal Communication and Ibersol Culture, the Ibersol Group published 12 issues of its monthly digital i-News newsletter. The content for this horizontal communication tool is produced by the Businesses and Departments, and includes: news about new projects, guidelines, best practices, testimonials, acknowledgments, news about products and campaigns, events, etc..

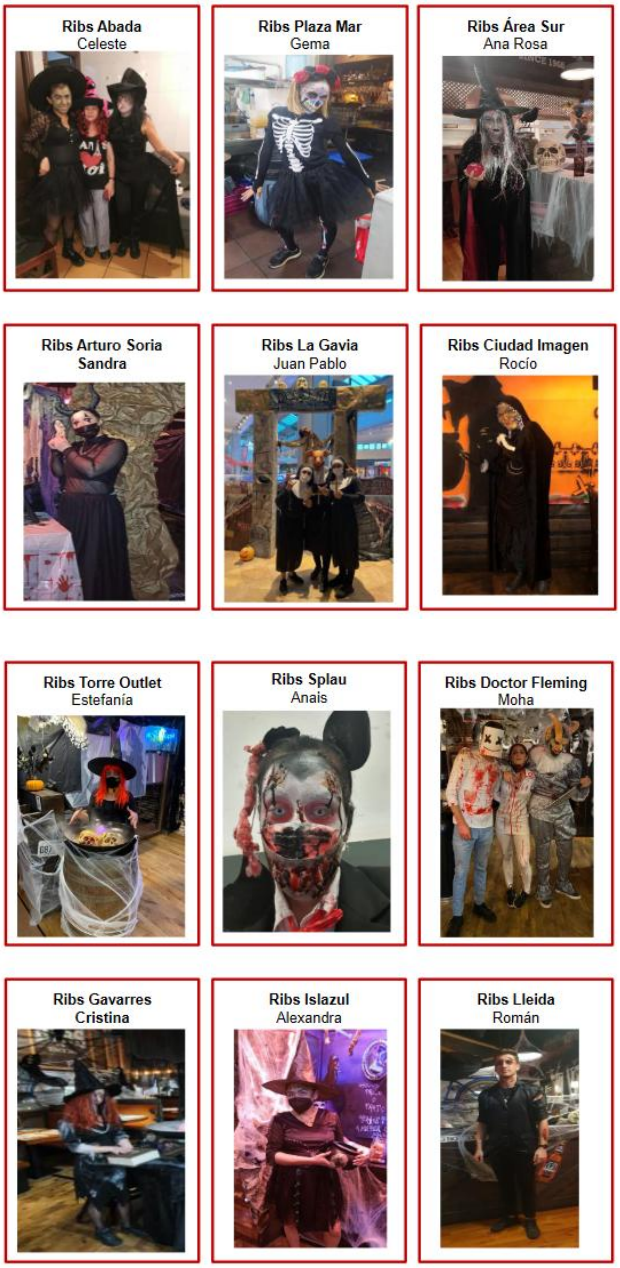
The publication has had a very positive impact on Ibersol Culture, strengthening corporate feeling, and has contributed to bringing the different latitudes closer together and to sharing knowledge between different business fields.

We held several competitions during the year, under the motto "You Matter", aimed at employees and their families. The goal of these initiatives was to strengthen ties and involve and integrate the staff, making the workplace environment more pleasant and welcoming.

Halloween, on 31 October, presented a perfect opportunity for team celebration. Our units are used to celebrating, providing our staff and our customers with moments of fun and fantasy. This year, under the motto "Union and Sharing", these celebrations were extended to the teams that work in our different offices, decorating common areas with scary balloons, pumpkins, spiders, ghosts, and bats.

Participation was encouraged by distributing photobooth props and a "Scariest Photograph" competition, engaging the creativity of our teams to surprise us with bone-chilling pictures.

In Spain the Ribs brand has a longstanding tradition of celebrating Halloween, by decorating its spaces according to the theme of the year, fantasy competitions among employees, and prizes for the best-decorated units. The focus is always on brand identification and promotion of the well-being of the teams, as well as involving clients in this American celebration.



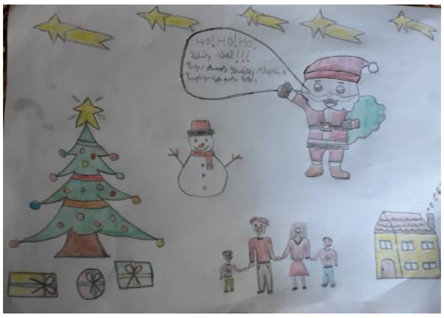
Regarding Christmas celebrations, and even though this was a different Christmas, in which it was not possible to gather the extensive Ibersol family in the popular Christmas Party, we searched for alternatives that allowed us to be close and to celebrate Sharing and Union, values that are part of our identity and which we wish to maintain and to preserve.

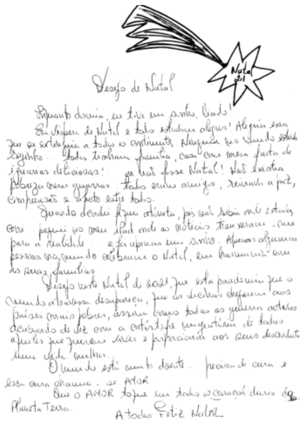
This year, besides the Board's Christmas message which was published online to be viewed by staff in Portugal, Spain, and Angola, we also allowed our teams to wish their colleagues in the group a "Merry Christmas" and "Happy Holidays", finding creative ways to share the Christmas spirit that manifests itself in our restaurants and offices during this Christmas season.

In place of the usual invitation to the Christmas dinner, our employees were given a Gift Card, Meal Box, and a Christmas Card. Instead of the Christmas Circus, all our employees' children were given a voucher to enjoy a meal of their choice in an Ibersol Group restaurant, encouraging them to get to know a new brand or to visit the children's favourites.

A total of 24 "Ibersol Values" awards were attributed to staff members or teams on the Ibersol Business and Shared Services departments that stood out during the year for their dedication, entrepreneurial spirit, and daily embodiment of the Ibersol Values.

As usual, we held another edition of the very popular Christmas Competition for Employee's Children, many of whom drew their Christmas wishes with plenty of imagination and joy.





9.5 Community Outreach

Motivated by its own values and sustainability principles, the Ibersol Group plays an active role in promoting initiatives that involve the communities it is inserted in, through initiatives that naturally respected the pandemic containment and prevention measures that were kept up during the year of 2021.

"Open Kitchen" Visits

Despite the drop in the number of visitors to our units, due to the pandemic context over the past two years, we hosted students from the Hotel and Tourism School of Porto in our Norteshopping Units and in the Central Kitchen. These visits are aimed at giving students the opportunity to get to know different realities and to create the conditions for their possible professional integration.

Pizza Hut remained present at KidZania, a theme park in the Dolce Vita Tejo shopping centre, in Lisbon, aimed at families with children and youngsters under the age of 15. This "job city", built to scale, offers children the opportunity to "play grown-up" in a very realistic environment. Despite temporary closure during the pandemic, the Pizza Hut unit did receive many children who were given the opportunity to make their own pizzas, and enjoy an original and special day.


Donation of food and meals

Throughout the year, the Ibersol Group supports several charities, namely through food donation, offering meals and attribution of menus to different institutions.

Despite ups and downs in activity, due to the Covid-19 pandemic, Silva Carvalho Catering kept up its role of actively supporting humanitarian causes through the donation of food and meals, having donated around 18,000 meals/six tonnes of food. The institutions that benefited from these donations were "Coração da Cidade" in Porto, and "Refood", in Lisbon (EJA).

Burger King sponsored an initiative by ASAS (Associação de Solidariedade e Ação Social), through the delivery of 20 take-away menus to young people. The purpose of this association is to promote and contribute to the protection and support of vulnerable, needy, and poor families in the community, especially children and at-risk youths. To this end, as executing entity of Project 4IN – INform, INtegrate, INclude, and INnovate, in its 2 Axis – family and parental intervention, prevention of child poverty – between 27 and 29 December it organised a camp for 20 youths from the parish of Santo Tirso. It also supported the Diocesan Caritas of Aveiro, during the month of June, by offering 20 child menus to needy children. The SOS Villages in Santo Tirso and Guarda were also given around 20 menus for children and youths in each of the local Associations, in the month of December.

For the second year in a row, in 2021 KFC decided to support the health professionals of the São João and Covões hospitals, in Porto and Coimbra respectively, offering them meals as a small gesture of acknowledgment for their struggle against the effects of the Covid-19 pandemic on the health of the Portuguese people.

Pizza Hut carried out the Yellow Helmet social responsibility initiative which, besides encouraging good relations with local safety authorities (firemen and police), aims to hold our delivery teams accountable for safety standards at a time when safety incidents are on the rise and the population needs more support. It is also a way of thanking them for the important work carried out throughout the year and to provide some support to all those who cannot be with their families on these days because they are ensuring everyone's safety. This initiative included the delivery of Pizza Hut products in the Police stations closest to the restaurants, as well as to fire departments (where these are located within the DLV coverage area of each unit) on Christmas and New Year's Eves.

On the 31st anniversary of its presence in Portugal, Pizza Hut teamed with the AARF – Associação Almadense Rumo ao Futuro, a charity that works with the disabled and that is sponsored by motorcyclist Miguel Oliveira. The Charneca da Caparica unit offered its beneficiaries 71 pizzas, providing them with a different, special, and tasty meal.

Throughout the year, Pizza Hut carried out several initiatives in different schools, through pizza tastings. It also supported Associação Norte Vida, providing the needy with an experience unlike what they are used to.

Over 25 Pizza Hut restaurants, all over the country, supported around 1000 frontline workers in the fight against the Covid-19 pandemic, namely firefighters and health professionals in hospitals, in over 25 institutions throughout the country, with the aim of contributing to the recognition and appreciation of their services.

Through its Pans&World initiative, focused on sustainability, Pans is also committed to a global social responsibility project, towards a better future.

In Spain, Pans supports the REMAR Association, an NGO and charity that has been working with the homeless and children at risk of exclusion in Spain since 1982. In this case, Pans provides meals to two summer camps for children in this situation.

In Madrid the brand is partnered with the SCI Madrid NGO's "Sandwiches on the Street" volunteer programme. Practically every Wednesday, throughout the year, sandwiches are donated to a group of people at risk of social exclusion.

Pans also supported the La Marató TV3 Foundation, in an event for volunteers who took part in the TV3 Marathon, answering phone calls in a fund drive for the organisation, that works in the field of mental health. A total of 1,000 sandwiches were donated on a day aimed at raising funds for mental health research.

Fundació
La Marató 3

Other Initiatives

Pizza Hut sponsored the SC Cumieira club, from Vila Real, in its events and tournaments, and contributed with discounts, as well as providing discount meals to the FC Gaia Handball team.

In Spain, Vidisco sponsored the 20/21 season of Sporting Cambre, to the tune of 500 €.

The Group continues to celebrate special days. The Pizza Hut units celebrated Woman's Day again this year.

Support for the Amigos Rimkieta Foundation

Lurca, one of the Ibersol Group's companies in Spain, which represents the Burger King brand, retained its role as a "Business friend" of the Amigos Rimkieta Foundation.

This support is aimed at helping the Foundation in its mission to nurture the best living conditions possible in the Rimkieta neighbourhood and surrounding areas, in Ouagadougou, capital of Burkina Faso. The support is mostly attributed to women and children and goes towards education, food, and health, as well as the social and professional advancement of women. In 2021 the company raised 25,000 € for this purpose.

Fighting Hunger Campaign 2021

Portuguese Federation of Food Banks Against Hunger

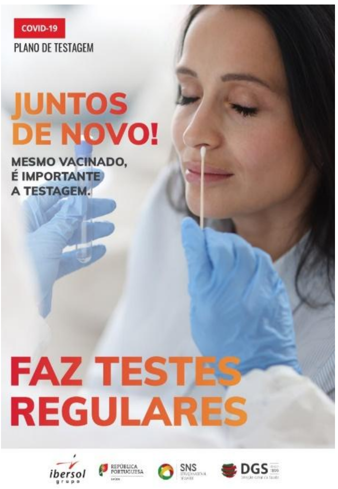
A campaign for donations took place between 20 and 26 September, with the slogan "Smile! And bring a smile to someone who needs it most". This was an Ibersol Group initiative, in partnership with the Portuguese Federation of Food Banks Against Hunger.

In Portugal customers of Burger King, KFC, Pans & Company, Pizza Hut, Taco Bell, Miit, ókilo, Pasta Caffé, Ribs, and SOL played an active role in helping those who need it most. With this solidarity initiative, which involved all of the Group's employees, Ibersol raised 34,633.59 euros amongst its customers. A total of 35,000 euros were delivered to the Portuguese Federation of Food Banks against hunger, and converted into food stuffs, to be distributed amongst the Food Banks on the mainland and the islands.

This was the 13th year in which the Ibersol Group carried out this type of nationwide initiative in Portugal, having delivered over 830 thousand euros in all its charity campaigns combined.

Awareness Campaign

The Ibersol Group partnered with the Health Board in an awareness campaign amongst young people on the importance of vaccination and regular testing. The motto of the campaign was "Together Again", and the goal was to stress the importance of collective security through communication in the group's restaurants and social media channels.



Participation in the FEP Masters Challenge

The Ibersol Group once again took part in the FEP Masters Challenge, as a member of the Jury of the 2021 edition. The goal of this initiative is to develop, detect, and recognise talent among students of the Economics Faculty of the Porto University's Master's Degree. Besides supporting these initiatives that help bring companies and academic institutions closer together, our participation is aimed at promoting and strengthening the Ibersol brand and its attractiveness in the job market.

Angola

In 2021 the Ibersol Group took part again in the ADD HOPE project. Through this Social Responsibility project, the group was able to deliver six million Kwanzas to Caritas Angola, raised through the contribution of Ibersol's clients.

Caritas continues to be active in the following fields: strengthening the institutional capacity, health (especially HIV-AIDS and maternal-child health); literacy and professional training; agriculture (specifically in rural areas).

The ADD HOPE project is part of Ibersol Angola's Social Responsibility strategy which, over the years, has provided important support to the community. The partnership between Ibersol Angola and Caritas Angola dates back to 2012 and has seen several projects aimed at improving the quality of life of vulnerable families in the country's poorer communities.

Through a very dynamic internal event it was also possible to vaccinate all our employees against Covid-19 with two doses. This was an initiative in which we were pioneers.

Finally, and still in the field of community outreach, the group continued to send its used oils to be recycled and turned into soap for poor communities.

10. Product Responsibility

We establish a connection with each of our clients through our restaurants

Ibersol is a multi-brand Group which aims to provide its clients with unique restaurant experiences. Good experiences are the cornerstone for relationships of trust, a crucial asset with impact across the whole organisation.

The group has clear strategic goals invested in the “Client” asset, in their level of satisfaction, the feedback they seek, evolutions in their consumption behaviour, wishes and expectations regarding the products and services made available to them. This focus helps identify which trends to follow faster and more clearly, which concepts to expect, how to innovate the offer, opening the way for greater complementarity with the client and strengthening the company’s competitive position.

The year 2020 presented the Group with a major challenge in terms of client relationships, because of the Covid-19 pandemic and the consequent closure of some of the restaurants and/or distribution channels. Nonetheless, the Ibersol Group’s performance continues to be guided by its focus on the client, with the necessary adaptations, to ensure maximum safety conditions.

10.1 Passion for the client

Customers are the Ibersol Group’s *raison d’être*. The trust and preference that characterise us are the result of constant work on client satisfaction during the whole of the relationship with the Group’s brands.

In this context, the Ibersol Group is dedicated to the daily and in-depth study of each client profile, seeking to identify the best practices to keep up with consumption trends, adapting and changing different units, in terms of space, products and services as well as internal procedures, information systems and new concepts.

To stay in touch with customer experiences, the Group constantly measures and monitors the quality of service at its restaurants and services. We resort to several tools for this purpose, namely:

- ✔ **Mystery Client Programme**

  In Portugal, 86 quality audits were carried out through this programme.

- ✔ **Guest Experience Survey (GES)**

Over 142,500 clients’ opinions were processed through answers to this online satisfaction survey.

Complaints

At the same time, all complaints received were carefully analysed, providing critical management indicators that support corrective acts and continued improvement.

Continente Card

During 2021 the brand also strengthened its partnership with the Continente Card, launching a new edition of Menu10, an interactive tool and exclusive Ibersol Group loyalty programme based on the Continent Card APP, with unique and differentiating promotional advantages for customers of the brands that took part (Burger King, KFC, Pans & Company, Pizza Hut, Taco Bell, Miit, Pasta Caffé, Ó'Kilo, and SOL).

10.2 Food Quality and Safety

Food quality and safety are essential values in the modern restaurant business. Their full and exhaustive application set the groundwork for overall sustainability.

With this in mind, the group monitors consumption trends and client expectations so that means and tools can be strengthened and improved every year, with the goal of providing an overall atmosphere of trust among those who visit our restaurants.

Ensuring that its stakeholders benefit from the maximum readiness and satisfaction in terms of food safety and quality in all markets, is part of the Ibersol Group's sustainability policy. For this reason, the Group uses an integrated food quality and safety management system all along the value chain.

Food Quality and Safety Certifications

In 2021 the Ibersol Group continued its process of continuous improvement, according to the principles and certification norms that it adheres to, in order to guarantee food quality and safety, and client satisfaction.

In this context the following deserve special mention:

a) FSCC 22000 Certification (Version 5.1) of the Group's central production unit – IBERGOURMET - PRODUTOS ALIMENTARES, S.A. (UCP Modivas), a very demanding GFSI norm in food safety requirements:

FSSC 22000 (Version 5) – scope: Ready to eat and ready to heat combined products and meals, sliced, fried, cooked including "sous vide", grilled, stewed, roasted, baked, packed in thermoformed plastic containers, with or without vacuum, thermo-sealed plastic bags with MAP, flexible plastic bags sealed, vacuum and MAP, at room temperature, chilled or frozen. (Category CIII).

b) Certification according to norm NP EN ISO 9001 – Quality Management Systems:

Management of the Ibersol Group's Restaurant Operations.

Provision of Restaurant and catering services: Catering Estádio do Dragão, VOG Tecmaia, Lisbon Airport – Terminal 1: Zona Terra: Burger King, Go To, Go To/Go Natural; Zona Ar: Pizza Hut, KFC, Cockpit, Go Natural, and Specially, including the multi-brand warehouse.

c) Certification according to the NP EN ISO 22000 – Food Safety Management Systems norm.

Portugal

HEAD OFFIEC: Food Chain Management for restaurant operations of the Ibersol Group

RESTAURANT UNITS:

Provision of Restaurant/catering services in the following units: Catering Estádio do Dragão; VOG Tecmaia, Lisbon Airport – Terminal 1: Zona Terra: Burger King, Go To Aeroporto Lisboa, Go To – Go Natural; Zona Ar: Pizza Hut, KFC, Cockpit, Go Natural and Specially, including the multi-brand warehouse, Burger King Colombo, Pizza Hut Colombo, Pans&Company Colombo, KFC Colombo, KFC CascaisShopping, Burger King Cascais, KFC Amadora Estação, KFC Montijo, Burger King Alameda Shopping, KFC Alameda Shopping, Pizza Hut Alameda Shopping, Pans&Company (including the kiosk) Alameda Shopping, including the multi-brand support warehouse, Burger King Norteshopping, KFC Norteshopping, Pasta-Caffé Norteshopping, Pizza Hut Norteshopping, Pans&Company Norteshopping, Miit Norteshopping, including the multi-brand support warehouse, Pizza Hut Foz, Pizza Hut Matosinhos, GoTo Campanhã.

Angola

Ibersol Angola logistics chain (unloading and reception, storage and distribution to restaurants) and restaurant operations (reception, storage, preparation, confection and meal service): KFC Avenida, KFC Belas Shopping, KFC Benfica, KFC Benguela, KFC Che Guevara, KFC Drive Thru Aeroporto Luanda, KFC Morro Bento, KFC Nova Vida, KFC Zango, Pizza Hut Nova Vida.

Eat Out/Spain

Supply chain management for the Grupo Ibersol/Eat Out restaurant operations.

Pans Sabadell and Ribs Maquinista Provision of Restaurant Services.

Also worth noting, within the context of the Covid-19 pandemic in 2021:

A. Covid Safety Programme

Within the framework of the pandemic, with the aim of minimising health risks arising from the Covid-19 pandemic and guaranteeing clients' trust and business continuity, the Group carried over the Safety Covid programme from the year before.

The strict prevention measures earmarked by the Authority for Labour Conditions (ACT), the International Labour Organisation (ILO), the World Health Organisation (WHO), as well as all applicable Covid-19 control legislation continued to be adhered to in all Ibersol Group restaurants.

The results of this programme, with all 312 units certified with the **SAFETY Covid Seal**, are a sign of the efficiency of implemented processes and, therefore, of the safety of the product facilities and services provided.

B. **Suppliers and Products, and Restaurant Processes Control Programme**

Within a framework of difficulties in global supply chains, and restrictions on purchase and distribution of raw-materials, and from a perspective of partnership with our suppliers and a view to minimising the risks inherent to the entire chain, the Ibersol Group remained committed to continuing the audit programme and the food safety certifications of suppliers, product control (with suppliers, brands and authorities) and Group restaurant certification processes.

In this setting it should be stressed that 100 product suppliers and 6 logistics operators were involved in the Group and international brands auditing programmes and/or in the food safety certification according to international (GFSI) norms.

Pertaining to Ibersol's operations, certification according to international norms was maintained/renewed, with special emphasis on:

- FSCC Version 5.1 certification of the IBERGOURMET - PRODUTOS ALIMENTARES, S.A. (UCP Modivas) central production unit.

As of the end of 2020, the Ibersol Group holds certification according to 5 international norms, in 3 markets:

- Portugal - ISOs: 9001:2015, 22000:2018, 14001:2015 e 45001:2018 and FSCC 22000 (Version 5.1) in its central production unit;
- Spain - ISOs: 9001:2015 and 22000: 2005;
- Angola - ISO 22000: 2018

Information on Allergens

According to the principles of transparency and client communication, information on possible allergens present in the more than 3.000 products and raw-materials used in our kitchens is readily available in all our restaurant units. Said information is also available on the brands' websites and on www.vivabem.pt.

"Viva Bem" Programme: Quality, Food Safety and much more

A programme that includes all the Group's brands and whose mission is to spread information on nutrition, food safety, sports, and well-being, for a healthier lifestyle.

Clients can explore various dimensions of this programme through the www.vivabem.pt/site and https://vivabemoblog.wordpress.com website and blog.

11. GRI Index (Global Reporting Initiative)

GRI Standards		
GRI Standard Number	**Disclosure Number**	**Performance 2021**
GRI 102	**102-1**	Cover, Chapter 6
GRI 102	**102-2**	Chapter 6; www.ibersol.pt
GRI 102	**102-3**	Chapter 6
GRI 102	**102-4**	Chapter 6
GRI 102	**102-5**	Chapter 6
GRI 102	**102-6**	Chapter 6
GRI 102	**102-7**	Chapters 5 and 6
GRI 102	**102-8**	Chapters 5 and 9
GRI 102	**102-9**	Integrated Management System; Chapters 6 and 7
GRI 102	**102-10**	Integrated Management System; Chapters 6 and 7
GRI 102	**102-11**	Integrated Quality, Environment, Employee Health and Safety and Food Safety Policy; www.ibersol.pt
GRI 102	**102-12**	Chapter 9; www.vivabem.pt; vivabemoblog.wordpress.com
GRI 102	**102-13**	Portugal: AEP - Associação Empresarial de Portugal; AHRESP - Associação da Hotelaria, Restauração e Similares de Portugal; AIP - Associação Industrial Portuguesa; ATC - Associação de Turismo de Cascais; ATL - Associação de Turismo de Lisboa; ATP - Associação de Turismo de Porto e Norte de Portugal; CCILE - Câmara de Comércio e Indústria Luso Espanhola; CCIPA - Câmara de Comércio e Indústria Portugal Angola; COTEC Portugal - Associação Empresarial para a Inovação. Espanha: Asociación Empresarial de Marcas de Restauración; AEF - Asociación Española de Franquiciadores; Entidad Urbanística de Conservación de A; Granxa; CHP - Câmara de Comércio Hispano Portuguesa; Colegio de Graduados Sociales. Angola: AHORESIA - Associação de Hotéis, Restaurantes, Similares e Catering de Angola.
GRI 102	**102-14**	Chapter 1
GRI 102	**102-15**	Chapters 1, 2, 3 and 6; Integrated Management System
GRI 102	**102-16**	Chapter 6; Good Conduct Code for Preventing and Fighting Harassment at work; Standards, Procedures and Internal Training Instruments
GRI 102	**102-17**	Chapter 6; Good Conduct Code for Preventing and Fighting Harassment at work; Standards, Procedures and Internal Training Instruments
GRI 102	**102-18**	Chapter 6; www.ibersol.pt; Corporate Governance Report
GRI 102	**102-19**	Chapter 6; www.ibersol.pt; Corporate Governance Report
GRI 102	**102-20**	Chapter 6; www.ibersol.pt
GRI 102	**102-21**	Customers surveys (GES and appreciation cards); Study of the brands' image and positioning; Shareholders' General Meetings; Organizational climate survey "Have a Say" (not held in 2020); Employee Consultation on Health and Safety
GRI 102	**102-22**	Chapter 6; www.ibersol.pt; Corporate Governance Report
GRI 102	**102-23**	Chapter 6; www.ibersol.pt; Corporate Governance Report
GRI 102	**102-24**	Chapter 6; www.ibersol.pt; Corporate Governance Report
GRI 102	**102-25**	Chapter 6; www.ibersol.pt; Corporate Governance Report
GRI 102	**102-26**	Chapter 6; www.ibersol.pt; Corporate Governance Report

GRI 102	**102-27**	Chapter 6; www.ibersol.pt; Corporate Governance Report
GRI 102	**102-28**	Chapters 4, 6, 7, 8, 9 and 10; www.ibersol.pt
GRI 102	**102-29**	Chapters 4, 6, 7, 8, 9 and 10; www.ibersol.pt; Integrated Management System; NP EN 14001: Environmental Management System certification; NP EN 9001: Quality Management System certification
GRI 102	**102-30**	Chapters 4, 6, 7, 8, 9 and 10; www.ibersol.pt; Integrated Management System; NP EN 14001: Environmental Management System certification; NP EN 9001: Quality Management System certification
GRI 102	**102-31**	Chapters 4, 6, 7, 8, 9 and 10; www.ibersol.pt; Integrated Management System; NP EN 14001: Environmental Management System certification; NP EN 9001: Quality Management System certification
GRI 102	**102-32**	The Board is responsible for the sustainability policy and for its implementation, as well as validating this Report Sustainability Report before its final approval in the General Meeting
GRI 102	**102-33**	Chapters 4, 6, 7, 8, 9 e 10; Integrated Management System (Revised by Management)
GRI 102	**102-34**	Chapters 4, 6, 7, 8, 9 e 10; Integrated Management System (Revised by Management)
GRI 102	**102-35**	Remuneration policies complies with legal and contractual requirements and with the internal regulations on this matter
GRI 102	**102-36**	Decisions regarding remuneration complies with legal and contractual requirements, as well as the internal regulations on this matter, and uses the input from the Performance Management System. The performance of the area to witch the employees belong is also considered, as well as the Ibersol Group's performance.
GRI 102	**102-37**	Chapter 9; Equality and Non-Discrimination in Remuneration Policy
GRI 102	**102-38**	10,17 Indicator calculated for Portugal, based on fixed remuneration.
GRI 102	**102-39**	0 Indicator calculated for Portugal, based on fixed remuneration.
GRI 102	**102-40**	Chapter 6; www.ibersol.pt
GRI 102	**102-41**	Portugal: 1,61% - collective contract (unionised workers) and 98,39% - collective contract via extension ordinance (non-unionised workers) Spain: 100% Angola: not applicable
GRI 102	**102-42**	Chapter 6; www.ibersol.pt
GRI 102	**102-43**	Identification and consultation of stakeholders (implemented consultation tools) and actions carried out according to expectations and needs; Integrated Management System (ISO 9001:2015 Certification)
GRI 102	**102-44**	Chapters 1,3, 4, 6, 7, 8, 9 and 10; Integrated Management System (Revised by Management)
GRI 102	**102-45**	Corporate Governance Report
GRI 102	**102-46**	Integrated Management System
GRI 102	**102-47**	Integrated Management System
GRI 102	**102-48**	Integrated Management System
GRI 102	**102-49**	Integrated Management System
GRI 102	**102-50**	Calendar year (2021)
GRI 102	**102-51**	Annual Report and Consolidated Accounts 2020
GRI 102	**102-52**	Calendar year (2021)
GRI 102	**102-53**	Inside back cover; www.ibersol.pt
GRI 102	**102-54**	Inside back cover; www.ibersol.pt
GRI 102	**102-55**	Chapter 11
GRI 102	**102-56**	Corporate Governance Report

GRI 103	**103-1**	Integrated Management System
GRI 103	**103-2**	Integrated Management System
GRI 103	**103-3**	Integrated Management System
GRI 201	**201-1**	Chapters 4, 5, 6, 7 e 13
GRI 201	**201-2**	Non applicable
GRI 201	**201-3**	Non applicable
GRI 201	**201-4**	Chapters 4, 5, 6, 7 e 13
GRI 202	**202-1**	Portugal: 1 (W); 1 (M)
GRI 202	**202-2**	Portugal: 100% Spain: 33% Angola: 0% "Senior Managers" are considered to be Business and Shared Services Directors
GRI 203	**203-1**	Chapters 4, 5, 6, 7 and 13
GRI 203	**203-2**	Chapters 4, 5, 6, 7 and 13
GRI 204	**204-1**	Unreported
GRI 205	**205-1**	Considering corruption was not identified as a priority risk for business and operations, no evaluations were carried out in this field. There are no reports of corruption cases or attempts at bribes
GRI 205	**205-2**	Non-existent
GRI 205	**205-3**	There were no corruption cases in 2021.
GRI 206	**206-1**	Non-existent
GRI 301	**301-1**	Unreported
GRI 301	**301-2**	Chapter 8
GRI 301	**301-3**	Chapter 8
GRI 302	**302-1**	Chapter 8
GRI 302	**302-2**	The Ibersol Group fosters logistics efficiency, using a logistic partner, advanced warehouses, and establishes efficient routes, in order to minimise suppliers' journeys.
GRI 302	**302-3**	Chapter 8
GRI 302	**302-4**	Chapter 8
GRI 302	**302-5**	Chapter 8
GRI 303	**303-1**	Chapter 8
GRI 303	**303-2**	There are no operations that significantly affect water sources
GRI 303	**303-3**	Chapter 8
GRI 304	**304-1**	There are no facilities or operations in protected, or adjacent, areas
GRI 304	**304-2**	There are no operations with significant impacts on biodiversity.
GRI 304	**304-3**	There are no facilities or operations in areas classified as protected or restored habitat zones
GRI 304	**304-4**	There are no facilities or operations in areas classified as habitats of Species on the IUCN Red List and species on the national list
GRI 305	**305-1**	Chapter 8
GRI 305	**305-2**	Chapter 8
GRI 305	**305-3**	Chapter 8
GRI 305	**305-4**	Chapter 8
GRI 305	**305-5**	Chapter 8
GRI 305	**305-6**	Chapter 8
GRI 305	**305-7**	Chapter 8
GRI 306	**306-1**	Unreported

GRI 306	**306-2**	Chapter 8
GRI 306	**306-3**	There were no significant spills
GRI 306	**306-4**	Non-existent
GRI 306	**306-5**	Non-existent
GRI 307	**307-1**	Non-existent
GRI 308	**308-1**	All new suppliers were evaluated according to environmental conformity requirements
GRI 308	**308-2**	Non-existent
GRI 401	**401-1**	Portugal: 5.988; 70%; Chapter 9
GRI 401	**401-2**	Non-existent
GRI 401	**401-3**	According to applicable legislation
GRI 402	**402-1**	All amendments are accordance with the law. When there are no regulations, deadlines were defined on a case -by-case basis, depending on the change in question, in accordance with the defined planning
GRI 403	**403-1**	Non-existent. There is an Occupational Health and Safety team which develops and monitors the best practices in the field and implements them in the Ibersol Group's standards and in training programmes
GRI 403	**403-2**	Chapter 9 Portugal: Work-related accidents in 2021 = 615 Accidents en Route in 2021 = 45 Days lost due to work-related accidents during the year = 10.016 Days lost due to accidents en Route during the year = 2.232
GRI 403	**403-3**	There are no workers performing activities which are considered high risk
GRI 403	**403-4**	Non applicable
GRI 404	**404-1**	Chapter 9
GRI 404	**404-2**	Chapter 9
GRI 404	**404-3**	The frequency of performance appraisals depends on seniority and internal level, and are carried out, at least, once a year. Regarding the career progression processes, the analysis is case-by-case and is based, among others, on the input from the performance appraisal. Career development in Operations, Shift Management and some of the Unit Management roles is analysed monthly. For the remaining roles, career development is dealt within an annual process. Both processes apply to 100% of the Group's employees.
GRI 405	**405-1**	Unreported
GRI 405	**405-2**	The ratio for fixed remuneration of women to men: Operations:1,00 Shift Manager: 0,99 Unit Manager: 0,95 Business Structure: 0,70 Central Functions: 0,73 Total: 1,00 Indicator calculated for Portugal
GRI 406	**406-1**	Non-existent
GRI 407	**407-1**	Non-existent
GRI 408	**408-1**	Non-existent
GRI 409	**409-1**	Non-existent
GRI 410	**410-1**	Non-existent
GRI 411	**411-1**	Non-existent
GRI 412	**412-3**	Non-existent

GRI 412	**412-2**	Non-existent in 2021
GRI 412	**412-1**	In 2021 there were no cases of operations that were subject to Human Rights evaluations and/or impact evaluations in this field.
GRI 413	**413-1**	Chapter 9
GRI 413	**413-2**	Non-existent
GRI 414	**414-1**	Unreported
GRI 414	**414-2**	Non-existent
GRI 415	**415-1**	Non-existent
GRI 416	**416-1**	Chapter 9 and 10
GRI 416	**416-2**	Portugal: 0,27 complaints per 100.000 transactions /unconfirmed incidents following inquiries; 0 Product Safety non-conformities in lab controls. ISO 22000:2018 Certification - Food Safety Management Systems certificate that guarantees product safety. Spain/EO: 0,06 complaints per 100.000 transactions. 0 Product Safety non-conformities in lab controls. ISO 22000:2018 - Certification - Food Safety Management Systems certificate that guarantees product safety. Angola: 0 complaints: 0 Product Safety non-conformities in lab controls. ISO 22000:2018 Certification - Food Safety Management Systems certificate that guarantees product safety.
GRI 417	**417-1**	100% compliance confirmed by the approval of products
GRI 417	**417-2**	Non-existent
GRI 417	**417-3**	Portugal: 0,83 complaints per 100.000 transactions Spain/EO: 0,53 complaints per 100.000 transactions Angola: Non-existent
GRI 418	**418-1**	Non-existent
GRI 419	**419-1**	Nothing relevant to consider

12. Outlook

2022 is expected to be another very challenging year, with high levels of uncertainty.

Besides the uncertainty linked to recovery of the effects of the pandemic, global geopolitical tension, due to the military conflict in Ukraine, led to a worsening of inflation levels in food, energy, and transport.

Recent IMF forecasts point to a growth of 4% of GDP in Portugal, and 4.8% in Spain, which indicates a slower recovery than previously predicted.

In this context, staying the course of economic recovery is directly linked to the recovery of global confidence levels amongst consumers, both from a health and safety perspective, and of available income.

Despite the slowing of the recovery pace in the first quarter of 2022 – due to the Omicron strain in January, and because of the impact of the Ukrainian conflict on consumers' trust in March – forecasts for 2022 are still positive, and up to the present date there has already been a steep increase in population mobility, which foreshadows a swifter recovery in regions with high tourism demand.

Boosting our balance was crucial in the context of the pandemic, and the Ibersol Group believes that it is now better positioned to face upcoming challenges, so as to minimise the impacts of the economic context and to safeguard the interests of all stakeholders, customers, staff, suppliers, investors, and civil society.

For 2022 we expect to continue the plans to open new restaurants of Pizza Hut, KFC and Taco Bell brands.

13. Individual Net Result and Proposed Application of Results

In the financial year of 2021 Ibersol SGPS, S.A. recorded a consolidated net result of 31.337.148,21 Euros and a net result in individual accounts of 4.505.042 Euros.

The Board of Directors proposes the following application of results:

Legal Reserve	225.000,00€
Dividends	4.280.042,00€

Taking in consideration the fact that over the last two years there was no distribution of dividends, which meant a sharp loss for shareholders, the Board of Directors decided to propose a distribution of 0,135€ per share, which represents the distribution of free reserves in the amount of 1.929.985,00€, to be added to the distribution of profit for the year.

If the company holds own shares, the aforementioned allocation of 0,135€ for each share in circulation will be maintained, reducing the overall amount of dividends attributed.

14. Subsequent Facts

14.1 Military conflict in Ukraine

The beginning of the military conflict sparked by the invasion of Ukraine by the Russian Federation on 24 February has led to high human and material losses, and caused a massive exodus of the population from the affected territories.

This situation unleashed greater uncertainty regarding the global evolution of economies and financial markets making it likely that: i) prices of fossil fuels and cereals will increase; ii) interest rates will be more volatile, and inflation rates will rise; iii) cyberattacks will increase, which could affect public and private entities in countries that showed support for Ukraine and imposed sanctions on Russia.

In this context, it having proved impossible to predict the potential effects of the operation, the Group is keeping a close eye on how things progress and is taking measures it considers to be adequate for the situation. To date no significant impacts on financial statements as of 31 December, 2021 have been identified, as the group has no exposure to these markets.

14.2 Nonbinding proposal for the acquisition of Burger King branded restaurants

At the end of January 2022, BK Portugal made public its decision to terminate the Burger King development contract in Portugal, invoking a breach in the obligation to open 2 restaurants and refurbish 3 restaurants in 2021 (besides the 12 opened and the 7 refurbished in 2021). The three refurbishments were already carried out in 2022 and the two restaurants are in the final stages of completion.
This decision does not affect the operation of open restaurants, but only the loss of the right to build 27 new restaurants until 2023.

On 10 March, 2022, the Ibersol Group and the Restaurant Brands Iberia, S.A. began exclusive negotiations for a potential purchase of Burger King branded restaurants operated in Portugal and Spain by an Enterprise Value worth 250 million euros on a cash and debt-free basis that can be increased by up to 7 million euros, regarding the potential use of tax credits.

At the present date, the confirmatory due diligence process is in progress, as well as the obtaining of internal authorisations and external funding by the proponent entity, which are conditional on the proposal received.

The Ibersol Group will continue to operate the 157 Burger King branded restaurants which it owns in the Iberian market, according to the best quality and service standards, and to the respective contracts in force.

14.3 AENA Court Case

On March 4th of 2022, the “Audiencia Provincial de Barcelona (Sección 4ª) issued the “Auto nº 68/2022” under the “Recurso de Apelación 1168/2021-J”, arising from the “Pieza Separada de Measures Coetáneas 16/2021-CB” processed before the “Juzgado de Primera Instancia e Instrucción no. and according to which the rent amounts to be paid in the years 2020, 2021 and following, are calculated according to the rebalancing formula proposed by Pansfood, SAU.The application of said formula means that the rent payable in 2020 and 2021 is around 2.4 million euros lower than the amounts already settled by AENA under Law 13/2021, of 1 October. Likewise, the application of the formula will have an impact on the results of the coming years. In view of the content of the aforementioned order, the Board of Directors considers it feasible that the formula provided for in the aforementioned precautionary measure be adopted in the judgment that may be handed down in the ongoing judicial process.

Article 447 of the Commercial Companies Code and Article 14, #7 of the regulations of the Portuguese Securities Market Commission (CMVM), 05/2008

Declaration of the number of shares and other transferable securities issued by the Company which are owned by members of the administrative and fiscal bodies, or directors, as well as by close relations, under the terms of article 248 B of the Securities Code, and description of the transactions regarding said securities during the year under analysis.

Number of shares at 31 December 2021 and transactions during 2021 by the members of statutory bodies:

Board of Directors	Date	Acquisictions/Increases		Sales		Balance at
		shares	avg price	shares	avg price	31.12.2021
António Alberto Guerra Leal Teixeira						
DUNBAR- SERVIÇOS E GESTÃO SA (1)						9 996
	15/11/2021	777	4,00			
	17/11/2021	17	4,00			
Ibersol SGPS, SA		794				3 314
António Carlos Vaz Pinto Sousa						
CALUM- SERVIÇOS E GESTÃO SA (2)						9 996
	15/11/2021	954	4,00			
	17/11/2021	21	4,00			
Ibersol SGPS, SA		975				3 495
Maria Deolinda Fidalgo Couto						
Ibersol SGPS, SA	15/11/2021	1 611	4,00			6 831
(1) DUNBAR- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2 840
(2) CALUM- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2 840
(3) ATPS- S.G.P.S ., SA						
ANUTA - Serviços e Gestão , SA (4)						50 000
	09/06/2021			3 170 000	6,10	
	15/11/2021	5 122 545	4,00			
	17/11/2021	114 213	4,00			
Ibersol SGPS, SA	09/06/2021	5 236 758		3 170 000	6	21 833 816
(4) ANUTA - Serviços e Gestão , SA						
	09/06/2021	3 170 000	6,10			
	15/11/2021	978 394	4,00			
	17/11/2021	21 813	4,00			
Ibersol SGPS, SA		4 170 207				4 170 207

Information on Transactions by Managers

In compliance with the provisions of Article 14, no. 7 of the CMVM Regulation no. 5/2008, we hereby inform that during the financial year 2021, no transactions in shares of the issuer were reported to the company by its directors or persons closely connected with them.

List of Qualified Shareholdings

Shareholders who own holdings equal to or above 2% of Ibersol – SGPS, SA share capital, calculated according to the terms of article 20 of the Securities Code, in compliance with article 8, #1, paragraph b), of the regulations of the Portuguese Securities Market Commission (CMVM), 05/2008

Shareholders	nº shares	% share capital
ATPS - SGPS, S.A. (*)		
Directly	21 833 816	47,46%
ANUTA - Serviços e Gestão SA	4 170 207	9,07%
António Alberto Guerra Leal Teixeira	3 314	0,01%
António Carlos Vaz Pinto Sousa	3 495	0,01%
Total attributable	**26 010 832**	**56,55%**
Magallanes Value Investors SGIIC		
Total attributable	**2 361 325**	**5,13%**
Bestinver Gestion SGIIC		
Total attributable	**3 813 869**	**8,29%**
FMR LLC		
Total attributable	**1 530 972**	**3,33%**
Cobas Asset Management SGIIC		
Total attributable	**1 999 588**	**5,55%**

(*) The voting rights attributable to ATPS are likewise attributable to António Pinto Sousa and Alberto Teixeira, under the terms of paragraph b) of #1 of article 20 and #1 of article 21, both of which in the Securities Code, by virtue of their majority position in said company in which they have equal indirect shares through CALUM - SERVIÇOS E GESTÃO, S.A. tax number 513799486 and DUNBAR - SERVIÇOS E GESTÃO, S.A. tax number NIPC 513799257, respectively, and which, together, own a majority of ATPS' share capital.

Acknowledgments

Once again, this year the Board of Directors would first of all like to express its appreciation to all the Group’s employees and brand franchises, following a year marked by a great effort by the entire team towards recovery and resilience.

Everyone, without exception, understood the great challenge we had to face and together we carved out a path of recovery, business reconstruction, and resilience.

This was a year in which our customers returned to our restaurants, immediately following the lifting of restrictions, and in a clear sign of trust showed their preference for our brands. This was only possible due to the cooperation and support of our franchisees, our suppliers, and other partners.

This year we must also address a special word of thanks to the banking institutions that have remained by our side over the years and, especially, to all those who played an important role in our share capital increase operation. A decisive factor in this operation was the trust deposited by our Shareholders in the Ibersol Group, and for which we are very grateful.

Finally, the assiduous cooperation and capacity for dialogue shown by the Audit Committee, Auditors and Statutory Auditor when monitoring and examining the company’s management must also be acknowledged.

Porto, 29 April, 2022

The Board of Directors

____
António Alberto Guerra Leal Teixeira

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António Carlos Vaz Pinto de Sousa

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Juan Carlos Vázquez-Dodero

____
Maria Deolinda Fidalgo do Couto

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Maria do Carmo Guedes Antunes de Oliveira

Statement of Responsibility

In compliance with paragraph a) of number 1 of the 245th article of the Securities Code, we declare that insofar as we are aware:

- the management report, the annual accounts, and all other documentation pertaining to the accounts of Ibersol SGPS, SA. demanded by law or regulation, referring to 2021, were drawn up in conformity with applicable accounting norms, providing a true and appropriate image of the assets and liabilities, the financial situation and the results of Ibersol SGPS, S.A. and the companies included in the consolidation perimeter;
- the information included in the management report faithfully expresses the evolution of business, performance, and the position of Ibersol SGPS, S.A. and the companies included in the consolidation perimeter, and contains a description of the main risks and uncertainties they face.

Corporate Governance Report

2021

CORPORATE GOVERNANCE

REPORT

2021

IBERSOL, SGPS SA.

Listed Company with share capital of 46,000,000 euros, with registered office at Praça do Bom Sucesso, nºs 105/159, 9º andar, 4150-146 Oporto, registered in the Companies Register of Oporto under registration and fiscal identification number 501669477.

PART I – SHAREHOLDING STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDING STRUCTURE

1. Share Capital structure.

The share capital of Ibersol,SGPS SA. amounts to 46,000,000 Euros, fully subscribed and paid, represented by 46,000,000 ordinary registered shares with a par value of 1 euro per share, all carrying the same rights and obligations. All the shares representing the share capital are admitted to trading on the regulated market Euronext Lisbon.

2. Share transmission and ownership restrictions.

There are no restrictions under Company's By-laws, in particular under 4th and 5th articles thereof, on the transferability of the shares, nor any clause requiring consent to the transfer of the shares, nor any type of limitation on ownership of the shares, not existing any identification of shareholders who are holders of special rights, nor are there any control mechanisms provided for in an eventual system of employee participation in the capital, insofar as the voting rights are not exercised directly by them.

3. Own shares.

At 31st December 2021 Ibersol SGPS SA. held 3.599.981 of its own shares, corresponding to near 7,826% of the share capital, with a nominal value of one euro per share, at an overall acquisition cost of 11,180,516.02 euros (which would correspond to a percentage of about 7,826% of vote) – having not acquired or sold any own shares during the year of 2021.

4. Significant agreements to which the company is a party to and which become effective, are amended or terminate upon a change of control of the company following a takeover bid, and the effects thereof .

Notwithstanding the below mentioned, the company is not a party to any significant agreements that come into force, are amended or terminate in the event of a change of control of the company following a takeover bid, or that determine payments or the assumption of costs by the company in the event of a change of control or change in the composition of the board of directors and which may affect the economic interest in the transfer of shares and the free assessment by shareholders of the performance of directors.

Nevertheless, the franchise contracts of several international brands operated by Ibersol SGPS, S.A.'s subsidiaries provide for requirements and conditions to be met prior to the transfer of equity interests, issue of equity instruments and/or change of control in those subsidiaries, as well as to the transfer of the business or certain assets of those subsidiaries, which include, among others: the prior consent of the franchisors, information obligations and several transfer procedures, possible payment of charges or fees, as well as the right of first refusal in favour of the franchisors. The franchise contracts in respect of certain international brands provide for the possibility of termination in the event of a change of control of Ibersol SGPS, S.A. without the franchisor's prior consent.

There are some financing arrangements to Ibersol SGPS, S.A. and its subsidiaries providing creditors the right accelerate / deem due the debt if there is a change of shareholder control. On 31 December 2021, the total amount outstanding of Ibersol group’s financing in relation to which the respective creditors have such right was 41.1 million euros (i.e., 24,5% of the total amount of financing outstanding at that date).

There are no agreements between the company and the members of the management body or workers that provide for compensation in the event of a resignation of the worker, dismissal without just cause or termination of the employment relationship following a takeover bid.

5. Regime to which the renewal or revocation of defensive measures is subject, in particular those that provide for the limitation of the number of votes that can be held or exercised by a single shareholder,individually or in concert with other shareholders.

No defensive measures were adopted within the Company, nor any regime on their renewal or revocation, and according to the statutory terms, each share corresponds to one vote, with no eventual restrictions on voting rights or dependence on limitations of ownership of a number or percentage of shares, there are also no deadlines imposed for the exercise of voting rights that exceed or change the legally established and there are no systems in this context for highlighting rights of patrimonial content.

6. Shareholders agreements.

The Company is not aware of the existing of any shareholders’ agreement that could lead to restrictions on the transfer of securities or voting rights, or leading to a concerted exercise of voting rights.

II. Qualifying shareholdings and Bonds helds

7. Qualifying Shareholdings.

At 31 December 2021 according to the notifications received by the Company and in accordance with articles 16th and 20th of the Securities Code, the shareholders that have a qualifying shareholding of at least 5% of the share capital of Ibersol,SGPS SA. are as follows:

Shareholders	nº shares	% share capital
ATPS - SGPS, S.A. (*)		
Directly	21 833 816	47,46%
ANUTA - Serviços e Gestão SA	4 170 207	9,07%
António Alberto Guerra Leal Teixeira	3 314	0,01%
António Carlos Vaz Pinto Sousa	3 495	0,01%
Total attributable	**26 010 832**	**56,55%**
Magallanes Value Investors SGIIC		
Total attributable	**2 361 325**	**5,13%**
Bestinver Gestion SGIIC		
Total attributable	**3 813 869**	**8,29%**
Cobas Asset Management SGIIC		
Total attributable	**1 999 588**	**5,55%**

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

8. Number of shares and bonds held by the Governing Bodies members - Board of Directors and Supervisory Board

Number of Shares directly or indirectly held in Ibersol, SGPS SA:

<u>Board of Directors</u>:

<u>Chairman</u> - Dr. António Alberto Guerra Leal Teixeira

3,314 shares of the capital of Ibersol SGPS, SA.

9,996 shares representing 99,96% of the capital of Dunbar – Serviços e Gestão, SA.

Dunbar – Serviços e Gestão, SA. holds 2,840 shares representing 25,02% of the capital of ATPS, SGPS, SA.

ATPS, SGPS, SA. on 31/12/2021 holds 50,000 shares of ANUTA – Serviços e Gestão, S.A. and 21,833,816 shares of Ibersol SGPS, SA representing 47.46% of the share capital of Ibersol, SGPS, SA.

ANUTA helds 4,170,207 shares, representing 9,07% of the share capital of Ibersol SGPS, SA.

<u>Vice-Chairman</u> - Dr. António Carlos Vaz Pinto de Sousa

3,495 shares of the capital of Ibersol SGPS, SA.

9,996 shares representing 99,96% of the capital of CALUM – Serviços e Gestão, SA.

CALUM – Serviços e Gestão, SA. holds 2,840 shares representing 25,02% of the capital of ATPS, SGPS, SA.

ATPS, SGPS, SA. on 31/12/2021, holds 50,000 shares of ANUTA – Serviços e Gestão, S.A. and 21,833,816 shares of Ibersol SGPS, SA representing 47.46% of the share capital of Ibersol, SGPS, SA.

ANUTA helds 4,170,207 shares, representing 9,07% of the share capital of Ibersol SGPS, SA.

Director – Eng.ª Maria Deolinda Fidalgo do Couto

Holds 6,831 shares, representing 0.01% of the capital of Ibersol SGPS, SA

Director – Prof. Doctor Juan Carlos Vázquez-Dodero de Bonifaz

Does not hold any shares of the company.

Director – Dr.ª Maria do Carmo Guedes Antunes de Oliveira

Does not hold any shares of the company.

Statutory Audit Committee:

Chairman - Dr. Hermínio António Paulos Afonso

Does not hold any shares of the company.

Member - Dr. Carlos Alberto Alves Lourenço

Does not hold any shares of the company.

Member – Dr.ª Maria José Martins Lourenço da Fonseca

Does not hold any shares of the company.

Substitute – Dr. Joaquim Jorge Amorim Machado

Does not hold any shares of the company.

9. Board of Directors qualification due to share capital increase.

Under article 4th number 2 of the Company's By-laws, the share capital may be increased to one hundred million euros, in one or more increases, by resolution of the Board of Directors, which shall determine the form and conditions of subscription and categories of shares to be issued from among those provided in the By-laws articles or others permitted by law. This statutory provision was subject to renewal through a resolution of the General Meeting of June 29, 2020, which approved this renewal of the powers conferred to the Board of Directors by article four, number two of the Company's Bylaws - so that this corporate body may resolve on the next five years, counting from that resolution, the increase of the share capital, for one or more times, up to one hundred million euros;

10. Related Parties significant Transactions.

No material business or significant transactions were conducted between the Company and holders of qualifying shareholdings.

B. GOVERNING BODIES AND COMMITTEES

I. General Meeting

a) Board of the Shareholders' General Meeting

11. Name, function and mandate of the General Meeting Board´s members.

In the 2021 financial year and through the election act for the four-year period from 2021 to 2024 carried out at the Annual General Meeting of 18 June 2021 - the composition of the Board of the General Meeting was as follows:

Chairwoman of the Board – Professor Dr. José Rodrigues Jesus;

Vice-Chairwoman – Dr. Eduardo Moutinho Ferreira Santos;

Secretary – Dr.ª Clara Maria Azevedo Rodrigues Gomes;

The term of office of these members corresponds to the exercise of the four-year period 2021 / 2024, and the next general meeting to be held in 2024 will be electoral.

b) Exercise of voting rights

12. Possible restrictions on voting rights.

There are no restrictions on voting rights, such as limitations on the vote exercise depending on ownership of a certain number or percentage of shares, given that under terms of article 21 of the By-laws, each share represents one vote, not existing any identification of shareholders who hold special rights, nor are there any control mechanisms provided for in a possible system of Employees' shareholding in the capital, insofar as the voting rights are not exercised directly by them, there are no eventual restrictions on voting rights or dependence on limitations on the ownership of a number or percentage of shares, there are also no deadlines imposed for the exercise of voting rights that exceed or change what is legally established and there are also no systems, in this scope, of highlighting rights of patrimonial content.

According to article 23 of Company’s By-laws, the General Meeting is able to meet and deliberate on first call as shareholders representing more than fifty per cent of the share capital be present in person or represented.

According to article 21.1 and 21.2 of the By-laws, each share represents one vote, and General Meeting deliberations can be adopted by simple majority, unless the law requires otherwise.

Article 22. 3 to 11 of the Company’s By-laws contain rules on the exercise of voting rights by post and there are no restriction on postal voting and there are no statutory restriction to vote by correspondence either by post or electronically.

The company provides postal voting forms and informs of the necessary procedures to exercise this right. The form is available on the company's website at www.ibersol.pt. Under article 22.4 of the By-laws, postal votes can be received up to three days before the date of the General Meeting.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or shareholders which have with that one any relations such as stated on nº 1 of Art. 20.º of the Securities Code

There is no statutory indication of the maximum percentage of voting rights that can be exercised by a single shareholder or by shareholders who, with that, are in any of the relationships typified in the aforementioned norm;

14. Resolutions which only may be taken by qualified majority.

Under By-laws, the Shareholder's resolutions are not submitted to qualified majorities, unless imposed by law. So, unless the law provides otherwise, resolutions of the General Meeting shall be adopted by simply majority (art. 21.2 of the By-laws);

II. MANAGEMENT AND SUPERVISION

a) Composition

Board of Directors

Chairman – Dr. António Alberto Guerra Leal Teixeira;

Vice-Chairman – Dr. António Carlos Vaz Pinto de Sousa;

Member – Eng.ª Maria Deolinda Fidalgo do Couto;

Member – Professor Doutor Juan Carlos Vázquez-Dodero de Bonifaz;

Member – Dr.ª Maria do Carmo Guedes Antunes de Oliveira;

Statutory Audit Committee

Chairman – Dr. Hermínio António Paulos Afonso;

Member - Dr. Carlos Alberto Alves Lourenço;

Member – Dr.ª Maria José Martins Lourenço da Fonseca;

Substitute – Dr. Joaquim Jorge Amorim Machado;

Statutory Auditor - KPMG & Associados – Sociedade de Revisores Oficiais de Contas SA.

Substitute – Vítor Manuel da Cunha Ribeirinho (Roc);

15. Identification of model of governance adopted.

The Company adopts a classical monist model of governance, composed by Board of Directors and Statutory Audit Committee, the Statutory Auditor having been appointed by the General Meeting. The Board of Directors is responsible for performing all the administration acts related with the corporate object, determining the

Company’s strategic guidelines, and appointing and overseeing the work of the Executive Committee, no specialized committees having been formed by the Board. The Executive Committee coordinates the operations of the functional units and the Company’s various businesses, meeting with the senior managers of these units and businesses on regular basis.

The Statutory Audit Committee is responsible for auditing the Company’s activity in accordance with law and Company’s By-laws.

The diversity and consolidated professional experience of the Board of Director’s Members and of the Statutory Audit Committee Member’s are described respectively in the following points 19. and 33.

16. Statutory rules for procedural and material requirements applicable to appointment and replacement of members of the Board of Directors.

The rules on the procedural and material requirements applicable to the appointment and replacement of members of the Board of Directors are stated in articles 8, 9, 10 and 15 of the By-laws.

The Board of Directors is composed of an even or uneven number of members, with a minimum of three and a maximum of nine, elected by the General Meeting. A number of substitutes equal to one-third of the number of effective directors may also be elected.

For a number of Directors not exceeding one third of the body, a preliminary and isolated election will be carried out, among persons proposed in lists subscribed by a group of shareholders, provided that none of these groups has shares representing more than 20% and of less than 10% of the share capital. Each list must propose at least two candidates for each post to be filled and a shareholder cannot subscribe more than one list. If, in a isolated election, lists are presented by more than one group, the vote will decide on all the lists taken together.

In the event of death, resignation or temporary or permanent disability of a director, the Board of Directors shall arrange for a replacement. Where a director elected under the rules set forth in the preceding paragraph is no longer and definitely available, a replacement shall be elected by the General Meeting.

The Board of Directors may, by resolution, increase the share capital in accordance with the provisions of article 4 of the Company's Bylaws, and the share capital may be increased up to one hundred million euro, one or more times, through this resolution in which will be determined the form, subscription conditions and categories of shares to be issued from among those provided for in the Company’s Bylaws or others permitted by law.

The rules applicable to other amendments to the Company's bylaws are set out in Articles 85.º, 383.º, n.º 2, and 386.º, n.º 3 and 4 of the Commercial Companies Code (CSC), beeing subject to deliberation by the General Shareholders' Meeting.

17. Composition of the Board of Directors.

The Board of Directors is currently composed of five members, the executive members being the Chairman and the Vice-Chairman. The Board of Directors shall choose its own chairman if this one has not been appointed by the General Meeting at the time of its election. The Board of Directors may specifically appoint one or more directors to handle certain matters. On 31 December 2021 the Board of Directors was composed by the following members:

Chairman – Dr. António Alberto Guerra Leal Teixeira;

Vice-Chairman – Dr. António Carlos Vaz Pinto de Sousa;

Member - Eng.ª Maria Deolinda Fidalgo do Couto;

Member – Prof. Juan Carlos Vázquez-Dodero de Bonifaz;

Member - Dr.ª Maria do Carmo Guedes Antunes de Oliveira;

All members were elected at the General Meeting held on June 18, 2021 for the four-year period of the 2021-2024 corporate year, also mentioning that the requirement of a balanced composition in terms of gender of the governing bodies, in accordance with the quotas system, has its direct applicability verified - the company having observed these gender quotas in this new electoral act of 18/06/2021 under the terms of Law nº 62/2017 of 1 August.

The date of the first appointment to exercise the respective mandate took place in 1997 (Dr. António Alberto Guerra Leal Teixeira), in 1991 (Dr. António Carlos Vaz Pinto de Sousa), in 2021 (Eng. Maria Deolinda Fidalgo do Couto), in 1999 (Prof. Dr. Juan Carlos Vazquez-Dodero de Bonifaz) and in 2021 (Dr. Maria do Carmo Guedes Antunes de Oliveira);

The statutory term of office is four years, as set out in article 27 of the Company's Bylaws.

The Board of Directors may also delegate the current management of the Company in one or more directors or an executive committee, under the terms and within the legal limits. The Board of Directors will be responsible for regulating the functioning of the Executive Committee and the way in which it will exercise the powers entrusted to it.

18. Distinction between executive and non-executive members and, as regards non-executive members, details of members that may be considered independent.

The Company's management body is composed by five directors, with an Executive Committee composed respectively of Dr. António Alberto Guerra Leal Teixeira (President) and Dr. António Carlos Vaz Pinto de Sousa (Vice-President), being a body also composed of three members who are non-executive members and the majority of these non-executive members, Professor Dr. Juan Carlos Vazquez-Dodero de Bonifaz and Dr. Maria do Carmo Guedes Antunes de Oliveira not beeing associated with specific interest groups, either of the Company or of its reference shareholders, not having any relevant interests liable to collide or interfere with the free exercise of its corporate mandate, further mentioning that no internal control committee has been set up.

The non-executive member and vogal, Prof. Dr. Juan Carlos Vazquez-Dodero de Bonifaz, is a director of related companies, in which he does not perform any executive functions. He does not carry out any activities or businesses with the Company, within the meaning of articles 397 and 398 of the **Companies Code (CSC)** and meets the other requirements for independence stated in art 414.5 of the CSC, in particular as stated in the

European Commission Recommendation of 15 February 2005, once that Recommendation, about the independence requirement, determined, in its point number 13, that an administrator must be considered independent if he has no business, family, or other relations with the company, either with the control shareholders, as well with the directive bodies of any of them – that can create a conflict of interest that undermine his judgment. These independence requirements are complete fulfilled by the non-executive member of Board of Directors, Prof. Juan Carlos Vazquez-Dodero de Bonifaz, and so this is an independent member.

The above mentioned non-executive director, as a non-executive director of the Board of Directors of companies included in or linked to the Ibersol Group, does not collaborate or interferes with the current management of those companies, neither provides any other type of services to any of these companies and has no other type of commercial relationship (material or non-material), whether of service provision or another nature, and is not a beneficiary of any kind of remuneration beyond that received annually as a non-executive director of Ibersol, SGPS, SA - reasons why this director is considered to be independent, noting that this non-executive member has been exercising the respective position continuously since 1999 as a result of a successive election held at subsequent general elections - without this circumstance having been susceptible to affect or condition, in any aspect, his necessary exemption of analysis and decision, during the respective mandates and until the present date.

As for the non-executive Director Dr. Maria do Carmo Guedes Antunes de Oliveira, she fulfills all the necessary independence requirements in the exercise of her respective position in this same corporate Board of Directors.

As for the non-executive Director, Engª Maria Deolinda Fidalgo do Couto, she holds this position having the respective employment contract with Ibersol SGPS, SA. as Director of Management Control and Finance Group started on 10/23/1990 - suspended since the date of her appointment at the General Meeting of June 18, 2021 as a non-executive member of the Board of Directors of Ibersol SGPS, SA., so she does not fulfill the independence criteria in this scope.

19. Professional qualifications of the members of the Board of Directors.

BOARD OF DIRECTORS

President - Dr. António Alberto Guerra Leal Teixeira

Academic qualifications
- BA in Economics – Faculty of Economics of the University of Oporto.

Professional activity

- Chairman of the Board of Directors of Ibersol, SGPS, SA
- Director of other subsidiaries companies of Ibersol, SGPS, SA.

Date of first appointment and end of current term– 1997 / 2020, having been re-elected for a new term of 2021-2024;

Functions performed in board of directors of other societies held by Ibersol Group :

ASUREBI - SGPS, SA

EGGON – SGPS, SA

ANATIR – SGPS, SA

DEHESA DE SANTA MARIA FRANQUICIAS, S.LU.

FIRMOVEN - Restauração, SA

FOODSTATION, SLU

HCI - Imobiliária, SA.

IBERAKI - Restauração, SA.

IBERGOURMET - Produtos Alimentares, SA.

IBER KING - Restauração, SA.

IBERSANDE - Restauração, SA.

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo, SA

IBERSOL - Restauração, SA.

IBERSOL MADEIRA e AÇORES, Restauração, SA

IBERUSA - Hotelaria e Restauração, SA.

IBERUSA - Central de Compras para Restauração, ACE.

IBR – Imobiliária, SA.

INVERPENINSULAR, SL

JOSÉ SILVA CARVALHO – Catering, SA.

LURCA, SAU.

LUSINVER RESTAURACIÓN, SAU.

MAESTRO - Serviços e Gestão Hoteleira, SA.

PANSFOOD SA.

Pans, Food, Vidisco y Lurca, Unión Temporal de Empresas.

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU.

CORTSFOOD,SLU.

VIDISCO, SL

Manager

RESTMON (Portugal) – Gestão e Exploração de Franquias, Lda.

Functions performed in board of directors of societies outside Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA.

MATEIXA – Sociedade Imobiliária, S.A.

ONE TWO TASTE, SA.

DUNBAR – SERVIÇOS E GESTÃO, SA.

CALUM – SERVIÇOS E GESTÃO, SA.

Vice-President - António Carlos Vaz Pinto de Sousa

Academic qualifications

- BA in Law - Faculty of Law of the University of Coimbra

- CEOG – Course in Management – Catholic University of Oporto

Professional activity

- Vice-chairman of the Board of Directors of Ibersol, SGPS, SA.

- Director of other subsidiaries companies of Ibersol, SGPS, SA.

Date of first appointment and end of current term– 1991 / 2020, having been re-elected for a new term of 2021-2024;

Functions performed in board of directors of other societies held by Ibersol Group:

ASUREBI - SGPS, SA.

EGGON – SGPS, SA.

ANATIR – SGPS, SA.

DEHESA DE SANTA MARIA FRANQUICIAS, S.L.

FIRMOVEN - Restauração, SA.

FOODSTATION, SLU.

HCI - Imobiliária, SA.

IBERAKI - Restauração, SA.

IBERGOURMET - Produtos Alimentares, SA.

IBER KING - Restauração, SA.

IBERSANDE - Restauração, SA.

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo, SA.

IBERSOL - Restauração, SA.

IBERSOL MADEIRA e AÇORES, RESTAURAÇÃO, SA

IBERUSA - Hotelaria e Restauração, SA.

IBERUSA - Central de Compras para Restauração, ACE

IBR – Imobiliária, SA.

INVERPENINSULAR, SL.

JOSÉ SILVA CARVALHO – Catering, SA.

LURCA, SAL.

LUSINVER RESTAURACIÓN, SAL.

MAESTRO - Serviços e Gestão Hoteleira, SA.

PANSFOOD SA.

Pans, Food, Vidisco y Lurca, Unión Temporal de Empresas.

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU.

CORTSFOOD,SLU.

VIDISCO, SL

Manager

RESTMON (Portugal) - Gestão e Exploração de Franquias, Lda.

Functions performed in board of directors of societies outside Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, S.A.

MBR, IMOBILIÁRIA, SA.

ONE TWO TASTE, SA.

POLIATLÂNTICA SGPS, SA.

DUNBAR – SERVIÇOS E GESTÃO, S.A.

CALUM – SERVIÇOS E GESTÃO, S.A.

FOOD ORCHESTRATOR, SA.

Member - Eng.ª Maria Deolinda Fidalgo do Couto

Academic qualifications

- Degree in Chemical Engineering - Faculdade de Engenharia da Universidade do Porto;
- CEOG: Curso de Gestão da Universidade Católica do Porto;

Professional activity

- Member of the Board of Directors of Ibersol, SGPS, SA.
- Director of other subsidiaries companies of Ibersol, SGPS, SA.
- Director of Management Control and Finance of the Ibersol Group;

Date of first appointment and end of current term – elected for the term of 2021–2024;

Functions performed in board of directors of other societies held by Ibersol Group:

ANATIR, SGPS SA

ASUREBI, SGPS SA

DEHESA DE SANTA MARÍA FRANQUICIAS, SLU

EGGON – SGPS, SA

FIRMOVEN, Restauração SA

FOODSTATION, SLU

HCI - Imobiliária, SA

IBERAKI, Restauração, SA

IBERGOURMET – Produtos Alimentares, SA

IBER KING, Restauração SA

IBERSANDE Restauração SA

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo SA

IBERSOL MADEIRA e AÇORES, Restauração SA

IBERSOL - Restauração, SA

IBERUSA, Central de Compras para Restauração ACE

IBERUSA - Hotelaria e Restauração SA

IBR Imobiliária, SA

INVERPENINSULAR, SL

JOSÉ SILVA CARVALHO – Catering, SA

LURCA, SAU

LUSINVER RESTAURACIÓN, SA

MAESTRO - Serviços e Gestão Hoteleira SA

PANSFOOD, SAU

PANS, FOOD, VIDISCO y LURCA, Unión Temporal de Empresas

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU

VIDISCO, SL

Functions performed in board of directors of societies outside Ibersol Group: Does not perform any functions in the management bodies of other companies outside the Ibersol Group.

Member - Prof. Juan Carlos Vázquez-Dodero de Bonifaz

Academic qualifications

- BA in Law – Complutense University of Madrid.

- BA in Business Studies – ICADE, Madrid.

- Master of Business Administration – IESE, University of Navarra.

- PhD in Management - IESE, University of Navarra.

- " Managing Corporate Control and Planning" and "Strategic Cost Management" programmes, Harvard University.

Professional activity

- Professor Emeritus at IESE.

- Advisor and Consultant to various European and American companies.

- Member of the Board of Directors of Ibersol, SGPS, SA.

- Director of other subsidiaries companies of Ibersol, SGPS, SA.

Date of first appointment and end of current term– 1999 / 2020, having been re-elected for a new term of 2021-2024;

Functions performed in board of directors of other societies held by Ibersol Group:

DEHESA DE SANTA MARIA FRANQUICIAS,SLU.

FOODSTATION, SLU.

IBERSOL - Restauração, SA.

PANSFOOD SA.

THE EAT OUT GROUP SLU.

Functions performed in board of directors of societies outside Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA.
DUNBAR – SERVIÇOS E GESTÃO, SA.

CALUM – SERVIÇOS E GESTÃO, SA.

President and Founder of Patronato da Fundação Amigos de Rimkieta

Counselor of Jeanologia S.L.

Vogal of the Fundación IESE (FIESE)

Vogal – Dr.ª Maria do Carmo Guedes Antunes de Oliveira

Academic qualifications

- 1983 ▪ MBA, Nova School of Business and Economics

- 1980 ▪ Degree in ECONOMIA, Faculdade de Economia do Porto

Professional activity

- 2020 - non-executive director of Altri, SGPS

- 2017 - 2020 – General Manager of Banco BPI: responsible for the Corporate & Investment Banking Department

- 2007 - 2017 ▪ General Manager of Banco BPI: responsible for the North Large Companies Department, the North Special Operations Unit and the Business Center Support Office

- 2000 - 2007 ▪ Director of Banco Português de Investimento

- 1996 - 2000 ▪ Central Director of Banco Português de Investimento – Corporate Finance Area

Date of first appointment and end of current term – elected for the term of 2021–2024;

Functions performed in board of directors of other societies held by Ibersol Group:

Does not perform any functions in the management bodies of other companies of the Ibersol Group.

Functions performed in board of directors of societies outside Ibersol Group:
Member of the Board of Directors of Altri, SGPS

20. Significant relationships between members of Board of Directors and qualified shareholders.

There are no family, professional or business relationships with holders of qualifying shareholdings beyond the fact that the Directors, Dr. António Carlos Vaz Pinto de Sousa and Dr. António Alberto Guerra Leal Teixeira, through companies Calum-Serviços de Gestão, SA. and Dunbar – Serviços de Gestão, SA., have the control of ATPS SGPS, SA. and this company detains 56.55% of the share capital of Ibersol SGPS, SA, participation that is imputed to them individually as well.

21. Division of powers between the different boards, committees and/or departments within the company, including information on delegating responsibilities, particularly with regard to the delegation of powers, in particular with regard to the delegation of daily management of the Company.

Two of the members of the Board of Directors perform executive functions and form an Executive Committee, which was elected and whose powers of day-to-day management were delegated by the board of directors under terms of art. 8.4 of the By-laws of the Company and article 407.3 of the Companies Code (CSC) and the others directors perform non-executive functions without delegation of management powers.

The executive committee coordinates the operations of the functional units and the various corporate businesses, meeting with the senior managers of these units and businesses on periodic and regular basis. The decisions taken by the Functional and Business Managers must respect the overall guidelines that emanate from the delegation of competences conferred by the Executive Committee and are coordinated in periodic meetings.

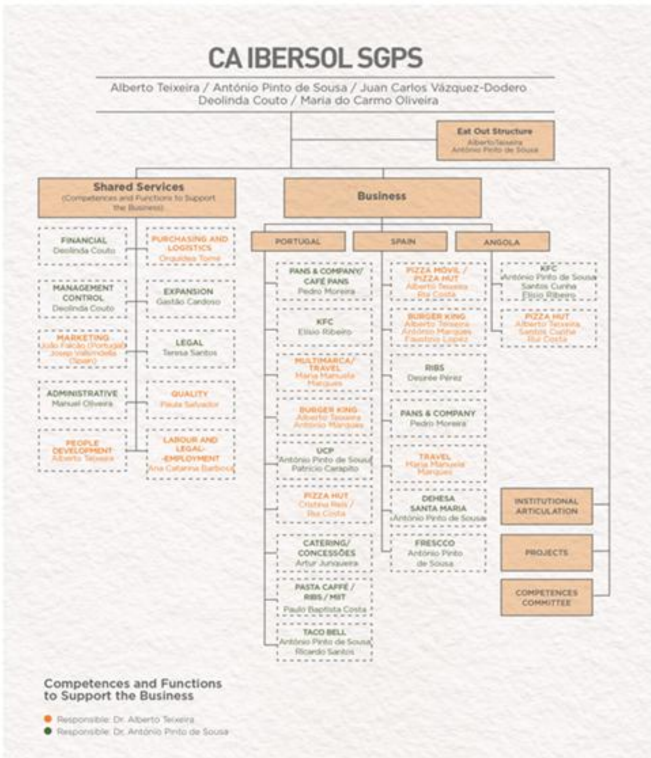
The powers delegated to the Executive Committee are as follows:

a) Exercise full powers of decision, management and monitoring of the Company's activity at a strategic level, within the legal limits of art. 407.4 of the CSC.

b) develop, plan and program the lines of action of the management body, both internally and externally of the company exercise, fully pursuing the corporate objectives related to the purposes of the Company, with the special objective of assisting the Board of Directors in the adequate verification of the instruments for supervising the economic and financial situation and in the exercise of the control function of the companies integrated in the Ibersol Group

c) assisting the Board of Directors in the updating of its structures of advice and functional support; in the procedures of the companies belonging to the Ibersol Group, in line with the changing needs of the business, defining the profiles and characteristics of their strategic partners, customers, workers, employees and other agents; as well as in the development of the behavior pattern in the company's relations with the outside, being able, in particular, to proceed with the acquisition, disposal and encumbrance of movable assets, establishing or ceasing cooperation with other companies.

The organization chart and distribution of tasks is as follows:



b) Functioning

22. Location where the regulations governing the functioning of the Board of Directors can be found.

The Regulations of the Board of Directors may be consulted on the Company's website: www.ibersol.pt.

23. Number of meetings held and attendance level of each member of the Board of Directors.

The By-Laws of the Company stipulate that the Board of Directors shall meet at least quarterly and whenever convened by the Chairman or two of its members. Meetings of the Board of Directors are arranged and prepared in advance and the necessary documentation of the points on the agenda is made available in good time.

The minutes of meeting are registered in proper book.

In 2021, 12 meetings of the Board of Directors were held. The Executive Members and the others Members had an attendance and representation rate (see article 14º nº 4 of the Company' s Bylaws and article 410º nº 5 of the CSC) - in a level of 100%.

24. Competent Bodies of the Company to appraise the performance of executive directors.

The Board of Directors conducts an annual assessment of its own performance, both in terms of the performance of its group and of the individual performance of the executive members and the non-executive members, emphasizing the analysis of the parameters compliance with the strategic plan and the budget outlined for the Company, evaluating the risk management process, as well as placing this assessment at the level of the relationship with the other corporate bodies and with the Remuneration Committee.

The Remuneration Committee, representing the shareholders, is responsible for assessing the performance and the approval of remunerations of the Board of Director's Members and other bodies in accordance with the remuneration policy approved by the shareholders in the General Meeting.

25. Predetermined criteria for evaluating the performance of executive directors.

The remuneration of the executive members of the Board of Directors does not include any variable component. The executive directors are remunerated by ATPS, SGPS SA. having this one subscribed a contract for services with the subsidiary of the Group, the Ibersol Restauração SA.

26. Availability of each member of the Board of Directors indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities by members of these bodies during the financial year.

The professional activity of the current members of the Board of Directors is described in point 19 above.

c) Committees within the board of directors and delegates;

27. Identification of committees created within the board of directors and where can be found the Regulations on the functioning.

The Executive Committee is the only committee of the Board of Directors and the Regulation of the Board of Directors may be consulted on the website www.ibersol.pt.

The Board of Directors and the Executive Committee that integrates the board ensure that the company develops its activity in order to comply with the statutory purposes, not delegating the competence for the definition of the strategy and company management policies, centralizing the definition of the structure business of the group, taking charge and in its exclusive competence of all relevant strategic decisions, either by its value, its potential degree of risk involved, either by its specific characterization.

28. Executive Committee.

Dr. António Alberto Guerra Leal Teixeira, President;

Dr. António Carlos Vaz Pinto de Sousa, Vice-President;

29. Competence of each committee created and synthesis of activities in exercise of those competence.

Ibersol, SGPS, SA has a Board of Directors composed of five members: a Chairman, a Vice-Chairman and three Members.

Two of the members perform executive functions and form an Executive Committee, which was elected and has powers delegated to it by the Board of Directors under the terms of art. 8.4 of the Company's By-laws and article 407.3 of Companies Code (CSC) and the three other members exercise the functions of non-executive Directors and has no delegation powers of ordinary management of the company.

The executive committee coordinates the operations of the functional units and the company's various businesses, meeting with the senior managers of these units and businesses on a regular basis. The decisions taken by the Functional and Business Managers, which must respect the overall guidelines, are taken under powers delegated by the Executive Committee and are coordinated in committee meetings.

The powers delegated to the Executive Committee are as follows:

a) Exercise full powers of decision making, management and monitoring of the Company's activity at a strategic level, within the legal limits of art. 407.4 of the Companies Code (CSC), develop, plan and schedule the actions of the governing body, in the Company's internal and external plan for the year, so as to achieve the corporate objectives in accordance with the Company's mission, in particular assisting the Board of Directors in the proper verification of the instruments of supervision of the economic and financial situation and in the exercise of the function of control of the companies belonging to the Ibersol Group.

b) The Executive Committee is also responsible for assisting the Board of Directors in the updating of its structures of advice and functional support; in overseeing the procedures of the companies belonging to the Ibersol Group, in line with the changing needs of the business, defining the profiles and characteristics of their strategic partners, customers, workers, employees and other agents; and in the conduct of the Group's relationships with its environment, acquiring, disposing and encumbering movable property and establishing or terminating cooperation agreements with other companies.

The Executive Committee meets monthly and whenever called by the Chairman. Apart from the regular contacts established between the members of the Executive Committee in the periods between meetings, a total of 12 meetings were held during 2021.

The members of the Executive Committee provide the information requested by other members of the corporate governing bodies in a timely manner.

III. SUPERVISION

a) Composition

30. Identification of the Fiscal Board.

Under the adopted model, the Company is audited by the Statutory Audit Committee (Fiscal Board) and by the Statutory Auditor or by Statutory Audit firm, who are both elected by the General Meeting of Shareholders. The Statutory Auditor or the Statutory Audit firm are not members of the Statutory Audit Committee (Fiscal Board).

31. Composition.

<u>Audit Committee</u>

Chairman – Dr. Hermínio António Paulos Afonso;

Member - Dr. Carlos Alberto Alves Lourenço;

Member – Dr.ª Maria José Martins Lourenço da Fonseca;

Substitute – Dr. Joaquim Jorge Amorim Machado;

The Statutory Audit Committee is made up of at least three effective members, who are elected by the General Meeting and must meet at least quarterly. When the Audit Committee has three active members it must have one or two substitutes, and when it has more than three active members, it must be two substitutes.

The Statutory Auditor or Statutory Audit Firm are elected by the General Meeting at the proposal of the Statutory Audit Committee (Fiscal Board).

The term of mandate of the Statutory Audit Committee members is four years (art. 27 of the By-laws). The current Chairman took up the respective post in 2021. The current Member, Carlos Alberto Alves Lourenço, began his duties as Chairman in 2017. The current Member, Maria José Martins Lourenço da Fonseca, began his duties as Vice-Chairman in 2017, and the Substitute Member, Joaquim Jorge Amorim Machado, began his duties in 2021;

32. Independence of the Fiscal Board members.

All the effective members meet the criteria stated in article 414.5 of the CSC and comply with all the rules of incompatibility mentioned in article 414.-A.1 of the CSC.

The members of the Statutory Audit Committee have the duty to immediately report to the Company any event that might give rise to incompatibility or loss of independence.

33. Professional Qualifications.

Chairman - Dr. Hermínio António Paulos Afonso

Academic qualifications

- Bachelor degree in Accounting - ISCAP (1984)
- Degree in Gestão financeira – ISCAP (1992)

Professional activity in the last five years:

1990 – 2020 Chartered Accountant at Coopers & Lybrand and PricewaterhouseCoopers;

1996 - 2020 Partner at Coopers & Lybrand and PricewaterhouseCoopers, responsible for auditing and accounting review in various sectors of activity in relevant companies / groups;

Trainer in several internal and external training actions in the areas of auditing, internal control and national and international accounting standards;

Date first appointed and end of current term of office: 2021 /2024.

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

He does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

He does not hold any shares of the company.

Member –Dr. Carlos Alberto Alves Lourenço

Academic qualifications

- Graduated by Instituto Superior de Contabilidade e Administração de Lisboa (1979) and Bachelor of Accounting and Administration;

Professional activity in the last five years:

- Statutory Auditor;
- Member of three Statutory Audit Committee/Fiscal Board.

Date first appointed and end of current term of office: 2017 / 2020 as Chaiman, having been re-elected for a new term of 2021-2024 as Member;

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

He does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

He does not hold any shares of the company.

<u>Member – Dr.ª Maria José Martins Lourenço da Fonseca</u>;

Academic qualifications

- Economics Degree from the Faculty of Economics of Oporto University (1984);
- Postgraduate ins European Studies by the Center of European Studies, Catholic University of Oporto (1987);
- Master in Business Sciences, specialized in Accountability and Management Control by Faculty of Economics of Oporto University (2002);
- PhD in Business Sciences, specialized in Accountability and Management Control by Faculty of Economics of Oporto University (2015);

Professional activity in the last five years:

- Professor at Oporto Catholic Business School (CPBS);
- Director of the Master in Auditing and Taxation, CPBS;
- Consultancy activity at the Center for Management Studies and Applied Economics, CPBS;
- Collaboration with the Order of Chartered Accountants as a trainer in the ROC Preparation Course.

Date first appointed and end of current term of office: 2017 / 2020 as Vice-Chaiman, having been re-elected for a new term of 2021-2024 as Member;

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

She does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

She does not hold any shares of the company.

b) Functioning

34. Location where the regulations governing the functioning of the Fiscal Board can be found.

The Regulations of the Statutory Audit Committee may be consulted on the website: www.ibersol.pt.

35. Meeting of the Fiscal Board.

The Statutory Audit Committee meets at least once each quarter. In 2021, 14 formal meetings of this Body were held. The President was present in all meetings and the rate of attendance of all the other active members was 100%. The minutes of meeting are registered in proper book.

36. Availability of each member with description of positions held in other companies inside and outside the group and other relevant activities carried out.

All the members of the Statutory Audit Committee consistently demonstrated their availability to perform their functions, having attended all the meetings and taken part in the work.

At point 33 above as well as at Annex 3 to this Report, we refer the information on other positions held in other companies by the effective members of the Statutory Audit Committee.

c) Competences and functions

37. Description of the procedures and criteria for intervention by the Fiscal Board for the purpose of hiring additional services to the Statutory Auditor.

The Statutory Audit Committee annually assesses the work of the external auditor and states its conclusions in its Report and Opinion, issued in terms and for the purposes of art. 420.1. g) of the Companies Code.

The Statutory Audit Committee analyzes and approves the scope of any additional services provided, considering whether they call the independence of the external auditor into question. It also ensures that any consulting services provided have the necessary level of quality, autonomy and independence relative to the services provided within the scope of the audit process.

38. Other functions.

The Statutory Audit Committee, in coordination with the Statutory Auditor, is responsible for the auditing of the Company, namely:

- Supervise the management of the Company, namely by regularly assessing compliance with the company's strategic plan and the budget;
- Verify that the accounting policies and valuation criteria adopted by the Company lead to a correct valuation of assets and results;
- Continuously monitor the effectiveness of the risk management system and the internal control system;
- Verify the accuracy of the accounting documents, accompanying the process of preparation and disclosure of financial information, and presenting recommendations to ensure the integrity of the same;
- Supervise the audit of accounts;
- Receive notifications of irregularities presented by shareholders, Group employees or others;
- To prepare annually a report on its audit action directed at shareholders, including the description of the inspection activity carried out, any detected constraints and to give an opinion on the report and accounts, as well as on the proposals presented by the management;

It is also responsible for making proposals to the General Meeting for the appointment of the statutory auditor and examining the auditor’s independence, particularly as regards the provision of additional services.

The annual report on the work of the Audit Committee is published, together with the financial statements, on the Company’s website.

To all effects, the Statutory Audit Committee represents the company in relation to the external auditor, ensuring that all the conditions of service provision are ensured, annually assessing the auditor’s performance, acting as the auditor’s main contact and receiving its reports, jointly with the Board of Directors.

To perform its functions the Statutory Audit Committee obtains from the Board of Directors the information it needs in order to carry out its activity, namely information on the Group’s operations and finances, changes in the composition of the Group’s portfolio of companies and businesses and the content of the main resolutions adopted by the Board.

IV. Statutory External Auditor

39. Statutory External Auditor identification and the representing partner.

The statutory auditor of the Company is "KPMG & Associados – Sociedade de Revisores Oficiais de Contas, SA.", designated by the General Meeting 18 June 2021 for the mandate's course 2021/2024, represented by the Statutory Auditor Dr. Pedro Manuel Bouça Morais Alves da Costa and Substitute, Dr. Vítor Manuel da Cunha Ribeirinho, Statutory Auditor.

40. Permanence of functions.

The mentioned Statutory Auditor of the Company, KPMG & Associados, performs functions in the Company from its nomination occurred at the General Meeting 14 May 2018 to the present, being the respective term of office in progress of 2021/2024.

41. Other services provided to the Company.

The Statutory Auditor is also the Company's external auditor.

V. External Auditor

42. Identification.

The external auditor named under article 8th of the Securities Code is "KPMG & Associados - Sociedade de Revisores Oficiais de Contas, SA. " registered in the Securities Market Commission under nº 20161489, and in 2021 its representative was the Statutory Audit Dr. Pedro Manuel Bouça de Morais Alves da Costa (ROC nº 1466).

43. Permanence of Functions.

The external auditor was elected for the first time in 2018 and he is in his second term, running from 2021/2024. The partner who represents the actual External Auditor exercises since 2019 and will end his functions when a new company's external auditor shall be appointed.

44. Policy and frequency of rotation of the external auditor and its partner.

The external auditor and its representative partner member in the performance of its duties are in its second mandate. The election for each mandate is carried out by the General Meeting upon proposal of the Statutory Audit Committee and the frequency of rotation thereof shall be appraised in accordance with best corporate governance practices at the date of the proposal for a new term of office.

45. External Auditor assessment.

The Statutory Audit Committee annually assesses the work of the external auditor and states its conclusions in its Report and Opinion, issued in the terms and for the purposes of art. 420.1.g) of the Companies Code (CSC).

46. Additional work.

The services provided by the External Auditor and Statutory Auditor, other than Auditing, have always been approved by the Audit Committee, in compliance with the applicable legal rules and internal procedures established for this purpose.

These services essentially consist of training and support services to safeguard the fulfilment of contractual obligations, allowed by the new legal regime of the new Statute of the Order of Statutory Auditors in force, in Portugal and abroad, which are approved by the Audit Committee.

In the rendered services provided other than auditing, auditors have instituted strict internal rules to guarantee the safeguarding of their independence, and these rules have been adopted in the provision of these services and subject to monitoring by the company, especially by the Audit Committee.

In 2021, fees for services other than audit represented 10,9% of the total services provided by KPMG to the Group.

47. Annual remuneration.

The total annual remuneration paid by the Company and other companies in a control or group relationship to the auditor or other corporate entities belonging to auditor’s network amounted in 2021 to 276,150 euros, as follows:

Summary

	2021	%	2020	%
Ibersol SGPS, SA				
Audit	32 000 €	11,4%	25 000 €	11,5%
Other services	30 000 €	10,7%		
Other companies on group control				
Audit	210 000 €	74,7%	184 000 €	84,9%
Tax Consultancy				
Other services	9 000 €	3,2%	7 850 €	3,6%
TOTAL	**281 000 €**	**100%**	**216 850 €**	**100%**

C. INTERNAL ORGANIZATION

I. Articles of Association

48. Rules about changes in Statutes.

The rules applicable to amendment of the By-laws of the Company are those set forth in articles 85 ff. and 383 ff. of the Companies Code (CSC).

II. Whistle Blowing Policy

49. Whistle Blowing Policy.

The values and principles of Ibersol Group, disseminated and rooted in the culture of its collaborators, rely in the absolute respect and adoption of good conduct rules and transparency in management of conflicts of interests and due diligence duties and confidentiality in relations with third parties.

The Company has a policy in place for the receipt of reports, claims or complaints about irregularities detected in the Company. As set forth in the Regulations of the Statutory Audit Committee, which are published on the

Company's website, this organ keeps a written record of reports of irregularities that are addressed to it, and, when considered appropriate, takes the necessary steps together with the Board of directors and the auditors, and prepares a report on the irregularities. So, this kind of irregularities may be reported to the Statutory Audit Committee without anonymity and being reported directly to the Company, by means of its reference to the Statutory Audit Committee. The Company will send the reports received to the Chairman of the Statutory Audit Committee, ensuring confidentiality.

During 2021 the Statutory Audit Committee did not receive any reports of irregularities.

III. Internal Control and Risk Management

50. Individuals, bodies or committees responsible for internal audit and/ or implementation of internal control systems.

Ibersol does not have autonomous internal audit and compliance services.

Risk management, as part of the company's culture, is present in all processes and is the responsibility of all managers and employees at the different organization levels.

Risk management is undertaken with the goal of creating value by managing and controlling uncertainties and threats that may affect the Group companies, with a view to the continuity of operations, to take advantage of business opportunities.

As part of strategic planning are identified and evaluated the risks of the existing businesses portfolio and the development of new businesses and relevant projects and defined those risks management strategies.

At the operational level, are identified and evaluated the risks management objectives of each business and planned actions to manage those risks that are included and monitored in the plans of business and functional units.

With regard to security risks of tangible assets and people are defined policies and standards, and the self-control of its application is made, being conducted external audits to all units and implemented preventive and corrective actions for the identified risks.

In order to ensure compliance of the established procedures is performed regularly assessing of the main internal control systems of the group. For specific business aspects there are risk areas whose management has been assigned to functional departments.

Internal control and the monitoring of internal control systems are overseen by the Executive Committee.

51. Disclosure of the relationship to other committees of the Society in hierarchical dependence and/ or functional relation.

The Group does not have autonomous services of Audit and Compliance.

The Statutory Audit Committee evaluates the functioning of the internal control and risk management systems, supervising its business plan, receiving periodic information on its work, evaluating the conclusions and issuing the guidelines it deems necessary.

The External Auditor verifies the effectiveness and functioning of internal control mechanisms in accordance with a work plan in line with the Statutory Audit Committee, to whom also reports its conclusions.

52. Existence of other functional areas regarding competences in risk control.

There are Central Functions - Quality, Human Resources, Planning and Management Control and Financial Units – that reporting to the Executive Committee, promote, coordinate and facilitate the development of risk management processes.

53. Main Risks to which the Company and its Affiliates are exposed.

The Board of Directors considers that the Group is exposed to the normal risks arising from its activity, namely at the level of the restaurants.

Strategic and operational risks

The corporate reality of the Ibersol Group is, due the nature of its activity, highly volatile, permanently exposed to challenges, transformations and changes, which impose an accelerated management rhythm. The year 2021, with the propagation of new waves and the emergence of new variants of Covid-19, was an atypical and highly conditioned year.

Ibersol's business, like any retail business, is exposed to the instability of the economic environment as well as the evolution of consumer preferences. Strategic risk management involves the monitoring of macroeconomic indicators, studies of consumer trends, studies of the catering market with consumer surveys and monitoring of competition activity in the different markets where the Group operates.

In the annual Planning process all these factors are reassessed and macroeconomic trends are analysed. Internationalization of businesses, strict control of costs, launching of new concepts, distribution channels, products and promotions adapted to changes in consumer profiles are some of the initiatives aimed at mitigating this risk.

With the acquisition of the Eatout Group, Ibersol has a significant part of its turnover in airport concession areas. The concessions are awarded by tender for a certain period of time, so the Group may or may not guarantee the renewal of these contracts, which may affect its turnover and profitability.

Operating various international brands under the franchise system, the Group enters into long-term franchise agreements (20 years or 10 + 10 years) and, after the respective term, have been renewed, although there is no such requirement. The group seeks to fulfil all obligations associated with contracts and maintain a good relationship with franchisors as a way to minimize the risk of non-renewal.

Periodically development contracts are negotiated that guarantee the right to open new restaurants. In case of non-compliance with the opening plans provided for in these contracts, franchisors may terminate their development contracts.

Operational risks are closely linked to the activity of restaurants: supply management (supply and logistics), stock management, fund management, and the efficiency and safety of resource and asset utilization. The adequacy and scope of the control procedures are monitored and revised whenever necessary.

Due to the specificities of the Business, there are areas of risk whose current management has been allocated to functional departments, namely:

Food quality and food safety

In the restaurants business, the risk associated with hygiene and food safety is of primordial importance.

The management of this area of risk is overseen by the Quality Unit and is aimed primarily by adopting a responsible proactive approach, following the prevention principles, training, monitoring of indicators and continuous improvement in order to minimise risks with an impact on consumers health.

The main management dimensions of this risk area are:

- qualification and selection of Suppliers and Products in food quality and safety area and a Programme of Periodic Inspections of Suppliers, Products and Services;
- ensuring the effectiveness of the Traceability System;
- control of the Production Process in the units /restaurants through HACCP Systems;
- System for Developing Food Safety Competencies;
- maintenance and monitoring of measurement devices;
- food crisis management System, which is used to monitor existing food warning systems at all times and take immediate action when necessary;
- Continuous Improvement System, supported, among other instruments, by external audit programs in all units of the Group; microbiological analysis programs for raw materials and final products, carried out by sampling by an accredited external entity; Complaints Handling System. Also noteworthy are the certification audits and the certification itself in the standards NP EN ISO 9001: Quality Management System and NP EN ISO 22000: Food Safety Management System that ensure the demand and guarantee of compliance with international requirements quality and food safety.
- Viva Bem Program, through which Customers can obtain information on the Ibersol Group's Food Safety System and on healthy eating habits, guaranteeing them, in a transparent way, the knowledge necessary to make the most appropriate choices for their lifestyle.

In 2021, following the Covid-19 pandemic, specific risks in this regard were identified and managed.

Hygiene and safety at work (HSW)

The Directorate of Labour Relations and Legal-Labour is responsible for managing processes related to work risks and promoting the well-being at work. The risks of accidents at work or occupational diseases are managed through the following programs and measures:

- Risk assessment in the workplace and investigation of work accidents;
- Information and consultation with employees on Safety and Health at Work;

- Training on safety and health promotion principles in the process of integrating employees, recertification and changing roles;

- Implementation of Self-protection Measures in the units of the Ibersol Group;

- Awareness and recognition programs for good safety and health promotion practices;

- Audit programs to control principles and practices in the workplace.

Due to the pandemic caused by the new Coronavirus or SARS-COV-2 (Covid-19), in 2020, a Contingency Plan was implemented, prepared by a multidisciplinary team, as well as all the procedures and prevention measures defined in this scope and aimed at mitigating the risks of contagion by the biological agent in question.

Financial

It is the responsibility of the Finance Department to manage the various financial risks inherent to the unpredictability of the markets to which the Group is naturally exposed, namely foreign exchange, interest rate, credit, liquidity and capital risks. The steps taken by the Finance Department work to minimize the adverse effects of these possible risks:

a) Exchange rate risk

In this regard, the Ibersol Group pursues a policy of natural hedging, using local currency financing. Since it is essentially present in the Iberian market, bank loans are mostly denominated in euros and the volume of purchases, outside the Euro Zone, does not assume relevant proportions.

It should be noted that the main source of exposure comes from the investment outside the euro zone of the operation in Angola, which is still small and in the process of losing weight in the group's activity. The remaining financings contracted by the Angolan subsidiaries are denominated in local currency, the same in which the income is generated. In view of the limitations on payments abroad, the Group adopted, in the past, 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. Actually and in the last two years, operators in general have access to foreign exchange with relative ease.

b) Interest rate risk

Except for the Angolan State Treasury Bonds, the Ibersol Group has no interest-bearing assets with significant interest. Accordingly, the income and cash flows of the investment activity are substantially independent of changes in the market interest rate. With regard to the Angolan State Treasury Bonds, indexed to the US Dollar, interest is fixed, so there is no risk either.

The Ibersol Group's main interest rate risk arises from liabilities, particularly long-term borrowings. Loans issued at variable rates expose the Group to the risk of cash flows associated with the interest rate. Loans issued at fixed rates expose the Group to fair value risk associated with the interest rate.

At the current level of interest rates, the Group's policy is, in mature loans, to fix interest rates up to 30% of the outstanding amount.

c) Credit risk

In the Group's main business, sales are paid in cash, or debit or credit card, so the Group does not have relevant credit risk concentrations.

In relation to customers, the risk is limited to the Catering, sales through aggregators and Franchisees, which represents around 6% of consolidated turnover. The Group began to monitor receivables more regularly with the aim of:

i) control the credit granted to customers;

ii) analyse the age and recoverability of receivables;

iii) analyze the risk profile of customers;

d) Liquidity risk

Liquidity risk management implies the maintenance of sufficient cash and bank deposits, the feasibility of consolidating floating debt through an adequate amount of credit facilities and the ability to liquidate market positions. The management of cash requirements is based on annual planning, which is reviewed quarterly and adjusted on a daily basis. In accordance with the dynamics of the underlying business, the Ibersol Group has been performing a flexible management of commercial paper and the negotiation of credit lines available at all times.

e) Capital risk

The Company seeks to maintain a level of own capital appropriate to its principal business (cash sales and supplier credit) and ensure its continuity and expansion.

The balance of the capital structure is monitored based on the financial leverage ratio (defined as:net remunerated debt / net remunerated debt + equity) with the aim of placing it between 50% -75%.

Environmental

Risk management in the environmental area falls within the domain of the Quality Department, responsible for implementing and reinforcing sustainability concepts with a view to adopting more sustainable and efficient practices in all aspects of the Ibersol group's activity.

In this context, there are several measures implemented in the promotion of responsible and proactive behaviors and procedures that distribute shared value to the business, environment and society, in areas considered as priorities, namely the circular economy and waste management, the preservation of resources and reducing the ecological footprint.

It is also worth noting the recertification in the NP EN ISO 14001: 2015 Standard - Environmental Management Systems, in different business areas of the Group, which attests to the commitment of the entire structure to reinforce its environmental performance in managing the impact of its activities, namely by optimizing the use of natural resources, protecting the environment and reducing the ecological footprint

Legal

Ibersol and its subsidiaries have a Management and legal advisory function in permanent coordination with the other central and business functions, in order to preventively ensure the protection of the Group's interests and the fulfillment of the legal duties and obligations within the scope of the corporate activity.
Legal advice is also guaranteed, at national and international level, by external professionals of recognized competence.

Sectoral

The evolution of private consumption influences the sales of restaurants. The company adopted strict cost control with a monthly monitoring of market developments and the consequent review of the planning of resources to be used, in order to lessen the impact of eventual fluctuations in consumption.
On the other hand, operating in the food industry, possible epidemics or distortions in the supply markets, changes in mobility and consumption patterns can have important impacts on contractual compliance and financial statements.

54. Description of the identification, assessment, monitoring, control and risk management process.

As a structured approach, Risk Management is integrated throughout the Group's planning process. Its purpose is to identify, evaluate and manage the opportunities and threats that Ibersol's businesses face in pursuit of their value creation goals.
In the context of strategic planning, the risks of the business portfolio, as well the risks of development of new businesses and the implementation of the most important projects are identified and assessed, and strategies to manage those risks are defined.

At operational level, the risks of each business are identified and assessed and actions are planned to manage those risks. These actions are included and monitored within the scope of business plans and functional units.

As regards the risks to the security of tangible assets and persons, policies and standards have been established and are monitored to ensure compliance. All units are subject to external audits and preventive and corrective measures are taken in respect of the risks that have been identified.

To ensure compliance with the established procedures, the Group’s main internal control systems are evaluated periodically.

55. Main elements of the internal control systems and risk management implemented by the company regarding the financial disclosure process.

The Company does not have any internal audit services reporting directly to the Statutory Audit Committee (given the classic model adopted), the necessary compliance services being overseen by the individual departments of the company. Organizationally and functionally, the various Directions of the Group are directly responsible for compliance services to the Board of Directors and to the Supervisory Audit Committee and the persons responsible are duly identified in the Company's organization chart, it is necessary to reaffirm that they perform in interaction with both the Supervisory Board and the non-executive Directors of the Company, reporting functionally to the same Directors, regardless of the hierarchical relationship that these departments maintain with the Executive Management of the Company.

The External Audit assesses and reports the risks of reliability and integrity of the accounting and financial information, thus validating the internal control system established in the Group and which is materialized in the clear separation between those who prepare and their users and in the performance of various procedures of validation throughout the process of preparing and disclosing financial information.

Within the scope of Audit Services, the external auditor meets with the different departments of the Group, at least twice a year to analyze and review the internal control system, submitting a Report to the Statutory Audit Committee for subsequent discussion with the Board of Directors.

Regarding the risk in the process of financial information disclosure, only a restricted number of employees is involved in the disclosure process. All those who are involved in the process of financial analysis of the Company are considered to have access to inside information and are specially informed of their obligations in this precise scope.

The system of internal control of the accountability, preparation and disclosure of financial information rests on the following key elements:

- the use of accounting principles, as set forth in the notes to the accounts, is one of the bases of the control system;
- the plans, procedures and records of the Company and its subsidiaries offer a reasonable guarantee that only duly authorized transactions are recorded and that they are recorded in accordance with generally accepted accounting principles;
- the financial information is analysed systematically and regularly by business unit management (supported by the Management Control Department) and by the heads of the profit centres, ensuring continuous monitoring and the necessary budgetary control;
- a timetable is previously established for the preparation and review of information, the work is divided up among the various areas involved and all the documents are reviewed in detail. This includes a review of the principles used, verification of the accuracy of the information produced and a check of consistency with the principles and policies used in previous years
- the accounting records and the preparation of the financial statements are overseen by the central Accounting function. The financial statements are prepared by the accountants and are reviewed by the Administrative Unit;

- The consolidated financial statements are prepared on a quarterly basis by the central Consolidation function, which conducts an additional reliability check;

- The financial information, annual Report and financial Statements are reviewed by the Financial Unit and submitted to the Board of Directors for final review and approval. Once the documents have been approved, they are sent to the external auditor, which issues its Legal Accounts certification and External Audit Report.

- The Statutory Auditor carries out an annual audit and a half-yearly limited review of the individual and consolidated accounts. Also, each quarter it conducts a summary examination of the quarterly information.

- The process of preparation of the individual and consolidated financial information and of the Management Report is supervised by the Statutory Audit Committee and the Board of Directors. Quarterly, these bodies meet and analyze the individual and consolidated financial statements and management report.

Among the causes of risk that may materially affect financial reporting are the accounting estimates, which are based on the best information available and on the knowledge and experience of current and past events. Balances and transactions with related parties are disclosed in the annex to the financial statements and are associated above all with the Group's operating activities and to lending and borrowing, which is done at market prices.

IV. Investor Relations Office

56. Department responsible for investor relations, composition, functions, information provided by these services ans elements for contract.

The Office may be contacted through the Representative for the capital market, António Carlos Vaz Pinto de Sousa (Telephone: +351 22 6089708; Telefax: +351 22 6089757; E-mail: investor.relations@ibersol.com, Morada: Praça do Bom Sucesso, 105/159 – 9th floor, 4150–146 Porto, who is accessorized by Dr. Tiago Marques.

57. Legal Representative for Capital Market Relations.

The representative is the person indicated on the website of Ibersol, SGPS, SA. - Dr. António Carlos Vaz Pinto de Sousa;

58. Information about the volume and response time for information request at the year or outstanding from previous years.

Ibersol maintains constant contact with analysts and investors, supplying them with up-to-date information.

Whenever necessary, the representative for market relations ensures that all the necessary information on the Group's activity is made available and provides any clarifications requested by investors within five business days.

In 2021 were received 36 requests for information, and there are no pending inquires from previous years.

V. Website

59. Address.

The Ibersol has a website for disclosure of information about the company. The address of the website is www.ibersol.pt

60. Location of the information mentioned in Article 171 of the Commercial Companies Code.

www.ibersol.pt\ investidores\Governo da Sociedade;

61. Location where the Articles of Regulation for the committees can be found.

www.ibersol.pt\investidores\Estatutos and www.ibersol.pt\investidores\GovernodaSociedade

62. Location where is provided information about the identify of the governing bodies, the representative for market relations, the Investor Relations Office, functions and means of access.

www.ibersol.pt\investidores\Governo da Sociedade

www.ibersol.pt\investidores\Relação com Investidores

63. Location where is provided the documents of accounting, calendar of corporate events.

www.ibersol.pt\investidores\Relatório e Contas;

www.ibersol.pt\investidores\Calendário de Eventos;

64. Location where is provided the notice to General Meeting and related information.

www.ibersol.pt\investidores\Assembleias Gerais;

65. Location where the historical archives are available with resolutions adopted at general meetings of the company, the represented share capital and the voting results, with reference to the previous 3 years.

www.ibersol.pt\investidores\Assembleias Gerais;

D. REMUNERATIONS

I. Competence for definition

66. Indication as to the competence to determine the remuneration of the governing bodies

The members of the corporate governing bodies are remunerated in accordance with the remuneration policy proposed by the Remuneration Committee and approved by the General Meeting of Shareholders.

II. Remuneration Committee

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to

provide services to said committee and statement on the independence of each member and advisor.

The Remuneration Committee is made up of three members: Dr. Vítor Pratas Sevilhano, Dr. Joaquim Alexandre de Oliveira e Silva and Dr. António Javier Dopico Grandio.

The members of the Remuneration Committee are independent of the members of the Board of Directors. No individual or corporate entity that has provided services to any body reporting to the Board of Directors of the Company or to the Board of Directors itself at any time in the last three years or that currently provides consulting services to the Company, has been hired to support the Remuneration Committee in any capacity.

68. Experience and professional qualifications of the members of the Shareholders' Remuneration Committee.

The professional experience and background of the members of the Remuneration Committee allows them to perform their functions rigorously and effectively. All the members are empowered with the necessary academic, professional and technical training required for their function, and qualified with proper functional experience necessary for its proper performance, namelly:

- Dr. Vitor Pratas Sevilhano: - Degree in Finance by Instituto Superior de Economia, Degree in Hospital Administration by ENSP - Escola Nacional de Saúde Pública de Lisboa, Certified by Manchester Business School - ITP - International Teachers Program. Certified by SBDC – Small Business Development Center de Wisconsin, EUA, Certified by INSEAD (Fontainebleau) – Advanced Management Program and Finantial Management Program. Certified by Henley College - Stragic Planning in Practice. Certified by Linkage International–GILD e Executive Coaching Master Class. PCC– Professional Certified Coach by ICF–International Coach Federation. Professional qualifications: - Managing Partner of the European School of Coaching and Partner of the Company My Change;

- **Dr. Joaquim Alexandre de Oliveira e Silva** - Degree in Economics by Faculdade de Economia of Oporto´s University, having exercised the tax consultancy activity in the last five years.

Dr. António Javier Dopico Grandio: - PhD Degree in Economic and Business Sciences.Retired in the last five years.

III. Remuneration Structure

69. Remuneration policy and performance assessment.

The remuneration policy of the corporate governing bodies is approved by the shareholders in General Meeting. The General Meeting of shareholders held on 18 June 2021, and continuing the policy previously pursued consistently,approved the remuneration policy already in force.

The remuneration policies and practices of other groups of companies are not used as a benchmark in setting the remuneration of the members of the Board of Directors and Statutory Audit Committee and no policy has been established with regard to severance payments for directors, as indicated in the statement of the Remuneration Committee attached to the Corporate Governance Report.

In order to fix the remuneration of the members of the Board of Directors and the Supervisory Board, no remuneration policies and practices of other groups of companies were taken into account by comparison, and not being determined any policy about payments related to the dismissal or termination by agreement of the functions of directors, as per the statement of the Remuneration Committee attached to the Governance Report.

The remuneration policy for senior managers is described in the statement of the Board of Directors attached to the Corporate Governance Report. The remuneration of senior managers includes no major or material variable components.

The **Executive members of the Board of Directors** are remunerated by the shareholder ATPS-SGPS, SA, which has subscribed a contract for services with Ibersol Restauração, SA. and these members didn´t earned, neither having been fixed to them, any other remuneration components, whatever the title or type - as described in **Chapter IV below, Point 77**.

The non-executive member received a fixed annual remuneration, as described in **Chapter IV below, Point 77**, and these members did not earn, nor having fixed to them, any other remuneration components, whatever the title or type.

The total remuneration of the members of the **Statutory Audit Committee** for 2021 was as follows:

Chairman: month value/ €825, year value/ €9,900;

Member: month value/ €733,33, year value/ €8,800;

Member: month value/ €733,33, year value/ €8,800;

Substitute: without fixed or earned remuneration,

ROC: 32,000 euros in a fixed amount for the year 2021, without any other associated components, of any other kind.

The members of the company's **Supervisory Board** did not earn, nor having been determined to them, any other remuneration components, whatever the title or type.

70. Information about remuneration structure in order to align the interests of members of the board with the long-term interests of the Company as well as about the Company assess and discourage excessive risk assumption.

The directors' remuneration policy is the responsibility of the Remuneration Committee, which will submit its proposals to the approval of the Company's shareholders in the 2022 Annual General Meeting, in accordance with **Annex 1.**

The general principles of the remuneration policy for the Audit Bodies and the Board of the General Meeting are as follows:

a) Functions performed: - Regarding the functions performed by each holder of the aforementioned governing bodies, the policy aims to take into account the nature and activity effectively carried out, as well as the necessary graduation of the responsibilities that are committed to them. The members of the Statutory Audit Committee, the Board of the General Meeting and the Staturory auditor will not all occupy the same organizational or functional position. Various criteria are applied, including level of responsibility, time commitment or the value of a particular service or institutional representation, with identification of all remuneration components applied individually, in case.

b) The Company's economic situation, its business strategy, long-term corporate interests, and its sustainability.

c) The size of society and the degree of functional complexity, in relative and individual terms, is one of the important aspects

71. Reference, if applicable, of the existence of a variable remuneration component and information about likely impact of performance appraisal in this component.

There is no variable component of remuneration.

72. Deferring payment of the variable remuneration component, specifying the period of deferral.

There is no variable component of remuneration.

73. Criteria on which the attribution of variable remuneration in shares is based, as well as on the maintenance, by the executive directors, of these shares, about the possible conclusion of contracts related to these shares, namely hedging or risk transfer contracts, respective limit , and its relation to the value of the total remuneration

It is not foreseen, nor has it been applied, any form of remuneration in which there is the attribution of shares or any other system of incentive in shares.

74. Criteria that underlie the allocation of variable remuneration in options and indication of the deferral period and the exercise price and the members of the Company.

No remuneration involving the allocation of share options is envisaged.

Criteria on which the attribution of variable remuneration in options is based and indication of the deferral period and the exercise price.

No form of remuneration involving the allocation of options rights is foreseen, nor has it been applied.

75. Main parameters and reasoning for any scheme of annual bonuses and any other noncash benefits.

There is no system of annual awards or other non-cash benefits.

76. Main characteristics of complementary pension or early retirement schemes for the Directors and date on which they were approved at the general meeting, on an individual basis.

There is no pension or early retirement scheme for members of the governing bodies, audit bodies or other senior managers.

IV. Disclosure of remuneration

77. Indication of the annual amount of remuneration earned, in an aggregate and individual manner, by the members of the company's management body, from the company, including fixed and variable remuneration and, in relation to this, mention of the different components that gave rise to it.

The **executive members of the Board of Directors** are remunerated by the shareholder ATPS-SGPS, SA, which has subscribed on 2nd January 2021 a contract for services with Ibersol Restauração, SA., having received for such services, in 2021, a total of 1,000,000 euros. One of the obligations of ATPS-Sociedade Gestora de Participações Sociais, SA. under the contract for services with Ibersol, Restauração, SA. is to ensure that the Executive Directors of the Company António Alberto Guerra Leal Teixeira and António Carlos Vaz Pinto de Sousa perform their duties without the Company incurring any additional expense. So, the Company does not directly pay any remuneration to any of its Executive Directors. Given that ATPS - Sociedade Gestora de Participações Sociais, SA. is owned by the Directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, it is esteemed that out of the above mentioned total of 1,000,000 euros in 2021, each Director received the amount of 500,000 euros. The Executive Directors do not receive any type of remuneration, either fixed or variable, in other companies of the Group, nor do they have supplementary pension rights or any other, or early retirement rights which have been set and/or acquired during the financial year in question, nor do they receive any bonuses and/or other remunerative benefits.

The **non-executive members of the management body** received, each one of them, a fixed annual remuneration and no other remuneration of any kind. In particular, they didn't receive any performance award, bonus or complementary performance-related fees, retirement supplement and/or any additional payments to the indicated fixed annual amount, being this the only amount received by them during the respective term of office.

In 2021, the following remunerations were paid to the **non-executive Members** of the Board of Directors:

- Eng.ª Maria Deolinda Fidalgo do Couto (Member: - monthly value of €11,454.58/annual value of €137,454.96;

- Prof. Juan Carlos Vazquez-Dodero (Member): annual value of 6,000.00 euros in 2021.

- Dr. Maria do Carmo Oliveira (Member): - monthly value of €3,333.33/annual value of €40,000.00;

78. Any amounts paid by other companies in a control or group or that they are subject to the same domain

There are no other amounts paid in any way by other companies in a controlling or group relationship, except as indicated in n.º 77 above.

79. Remuneration paid in the form of profit sharing and / or bonus payments and the reasons for said bonuses or profit sharing being awarded.

It does not exist.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year.

They weren't paid or are owed, because they weren't fixed or determined, any amounts relatives to compensation to be paid to directors whose duties have ceased or may cease during or at the end of the respective mandate.

81. Indication of the annual remuneration earned in aggregate and individually, by the members of the Fiscal Board of the Company.

The total remuneration received by the **members of the Statutory Audit Committee** in 2021 was 27,818 euros. This total breaks down as follows:

Charmain (after 17/06/2021) – Dr. Hermínio António Paulos Afonso: 5.308 euros;

Member – Dr. Carlos Alberto Alves Lourenço: 9.310 euros;

Member – Dr.ª Maria José Martins Lourenço da Fonseca: 8.800 euros;

Member (until 17/06/2021) – Dr. Eduardo Moutinho Ferreira Santos: 4.400 euros;

82. Indication of the annual remuneration earned by the Chairman of the Shareholders' General Meeting.

Chairman of the Board (after 17/06/2021) – Prof. Dr. José Rodrigues de Jesus: did not receive any remuneration.

V. Agreements with remuneration implications

83. Contractual limitations provided for compensation payable for unfair dismissal Managers and its relationship with the variable remuneration component.

No contractual limitation is envisaged for the compensation payable for unfair dismissal of a director, nor is there any indication of a relationship with the variable component of remuneration (the variable component is not stipulated in the contract), being applicable to this case the legal dispositions.

84. Reference to the existence and description, with indication of the amounts involved, of agreements between the company and the members of the board of directors and managers, within the meaning of article 29-C of the Portuguese Securities Code, providing for compensation in the event of resignation, unfair dismissal or termination of employment following a change of control of the company.

There are no agreements between the company and directors or other managers that provide for compensation in the event of resignation, unfair dismissal or termination of the mandate or employment relationship as a result of a change of control of the company, applying the legal provisions applicable to the case, specifically those of the Companies Code and, if applicable, the Labour Code.

VI. Share-Allocations or Stock Option Plans

85. Identification of the plan and recipients.

There are no share or share option schemes in force.

There are no share-allocations or stock option plans in force.

86. Plans functioning.

The Company does not have any share-allocations or stock option plans.

87. Stock option plans for the company employees and staff

There are no option rights attributed for the acquisition of shares which are beneficiaries of the company's employees and collaborators.

88. Control mechanisms in any system of employee participation in the capital.

Not applicable.

E. RELATED PARTY TRANSACTIONS

I. Control procedures and mechanisms

89. Mechanisms implemented by the Company for purposes of monitoring of transactions with related parties.

The Board of Directors and the Statutory Audit Committee have approved the internal procedure in relation to transactions with related parties under the terms of Law no. 50/2020 which, as of August 26, made the conditions for the control and disclosure of these transactions mandatory.

The criteria applicable to its intervention for the purpose of prior assessment of the business to be carried out between the company and holders of qualified participation or entities that are related to them under the terms of Article 29.º T and ff of the Portuguese Securities Code, having set as qualifying criterion a value of the transaction equal to or greater than two point five percent of the consolidated net assets of Ibersol SGPS, SA.

90. Statement of the transactions that were subject to control in the reference year.

There were no transactions with related parties subject to control.

91. Description of the procedures and criteria applicable to the supervisory body for the purposes of prior assessment of the business to be carried out between the Company and holders of qualifying holdings or entities that are in a relationship with them.

All transactions carried out in 2021 with related parties were communicated to the Audit Committee, under the terms and along with the elements contained in articles 4. to 8. of the referred procedure (**ANEXO A).**

The procedures applicable to the intervention of the Audit Committee in the prior assessment of any eventual business to be carried out between the Company and holders of qualified holdings follow the rules of the respective Internal Procedure in matters of transactions with related parties and compliance with

Recommendations I.5.1 and I.5.2 of the IPCG / 2020 Corporate Governance Code, followed in **Appendix -A** to this Governance Report the respective “**Internal Procedure in Matters of Transactions with Related Parties**”.

II. Elements related to transactions

92. Indication of the location of the financial statements where information about business dealing with related parties is available, in accordance with IAS 24, or, alternatively, a reproduction of this information.

Information on transactions with related parties is provided in the **Annex** to the individual financial statements and in the **Annex** to the consolidated financial statements.

PART II - GOVERNANCE MODEL EVALUATION

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

This Corporate Governance Report was prepared in accordance with CMVM Regulation 4/2013 of 1 August, with the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) from 2018/2020 and article 29-H of the Securities Code. These normative are, consequently, applied by their suitability for providing the necessary and indispensable information to the public, therefore there are no presuppositions of any substantial or formal divergence in their application.

This Report for the year 2021 complies with the rules of articles 29-H and ff. of the Securities Code, as well as discloses, in the light of the “comply or explain” principle, the degree of compliance with the Recommendations of the aforementioned IPCG, which integrate the Corporate Governance Code 2018/2020.

The reporting obligations under Law 28/2009 of 19 June, articles 447 and 448 of Companies Code and CMVM Regulation 5/2008 of 2 October 2008 with the changes of Regulation 7/2018 are also complied.

All the legal and regulatory norms mentioned in this report are available at www.cmvm.pt .

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE ADOPTED

Pursuant to article 29-H of the CVM, a statement on compliance with the corporate governance code to which the issuer is subject must be included, specifying any parts of that code from which it differs and the reasons for the divergence.
Pursuant to article 29-H of the CVM, a statement on compliance with the corporate governance code to which the issuer is subject must be included, specifying any parts of that code from which it differs and the reasons for the divergence.

Ibersol, SGPS, SA. generally complies with the CMVM's recommendations on Corporate Governance, as well as observes and exposes the degree of compliance with the Recommendations of the Portuguese Institute of Corporate Governance and current article 29-H of the CVM, as follows:

I - GENERAL PROVISIONS

I.1. Company’s relationship with investors and disclosure

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.1.1 The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	**Adopted**	**29, 38, 49, 56 to 65**

I.2. Diversity in the composition and functioning of the company's governing bodies

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.	**Adopted**	**15, 17 a 19, 26, 31 to 33 and 36**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	**Adopted**	**22, 23, 27** **34 to 35**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	**Adopted**	**23, 35, 62, 63 and 64**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	**Adopted**	**49 e 38**

I.3. Relationship between the company bodies

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.3.1. The bylaws, or other equivalent means adopted by the company,		

should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	**Adopted**	**21 to 23, 29, 34, 35, 38, 50 to 55, 63 to 65**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.	**Adopted**	**21 to 23, 29, 34, 35, 38, 50 to 55, 63 to 65**

I.4. Conflicts of interest

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.4.1. .The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	**Adopted**	**49, 89 to 91**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	**Adopted**	**49, 89 to 91**

I.5. Related party transactions

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	**Adopted**	**89 to 91**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	**Adopted**	**89 to 91 and 61**

II — SHAREHOLDERS AND GENERAL MEETINGS

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	**Adopted**	**12 to 14**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
II.2. The company shall not adopt mechanisms that make decision making by its shareholders(resolutions) more difficult, specifically, by setting a quorum higher than that established by law	**Adopted**	**12 to 14**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	**Not adopted**	**v.d. explanation below at the end of this frame**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
II.4. The company should also implement adequate means for the		**12 - v.d. explanation**

exercise of remote voting, including by correspondence and electronic means.	**partially adopted**	**below**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years the amendment or maintenance of this rule will be subject to a shareholder resolution without increased quorum in comparison to the legally established - and in that resolution, all votes cast will be counted without observation of the imposed limits	**Not applicable**	**12 to 14**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	**Adopted**	**4**

III — NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	**Not applicable**	**18**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have	**Adopted**	**17, 18, 28, 29, 31 to 33**

been attributed. The formation of such suitability judgment should be included in the corporate governance report.		
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	**Not adopted**	**17**

RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i)having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis; ii)having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii)having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv)having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v)having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or vi) having been a qualified holder or representative of a shareholder of qualifying holding.	**partially adopted**	**17 and 18**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the		

termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (*cooling-off period*).	**Not applicable**	**17 and 18**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	**Adopted**	**24 e 38**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	**partially adopted**	**24, 66, 69 and following**

IV — EXECUTIVE MANAGEMENT

RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group	**Adopted**	**22, 27 and 61**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i)the definition of the strategy and main policies of the company; ii)the organisation and coordination of the business structure; iii)matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	**Adopted**	**21, 24, 27 and 29**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance**

		Report
IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensurethe long-term success of the company and which are the main contributions resulting therein for the community at large.	**Adopted**	**24, 29, 50 to 53, 54 and 55**

V — EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT

V.1. Annual evaluation of performance

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	**Adopted**	**24, 25**

V.2 Remuneration

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	**Adopted**	**66 to 68**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	**Adopted**	**69 to 76**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.3. For each term of office, the remuneration committee or thegeneral meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a	**Not applicable**	**76, 83 e 84**

board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report orin the remuneration report.		

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	**Adopted**	**69**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	**Not applicable**	**67**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	**Not applicable**	**67**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance ofthe company, and not stimulating the assumption of excessive risks.	**Not applicable**	**69, 70 to 74**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the	**Not applicable**	**69, 70 to 74**

performance, in the terms defined by a company's internal regulation.		
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	**Not applicable**	**69, 70 to 74**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	**Adopted**	**69**

V.3 Appointments

RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.	**Adopted**	**v.d. documents published in this context in www.ibersol.pt with the proposals of election occurred at the General Meeting 2021**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	**Not applicable**	**15, 27 to 29**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
V.3.3. This nomination committee includes a majority of non- executive, independent members.	**Not applicable**	**15, 27 to 29**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance**

		Report
V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanismsof identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	**Not applicable**	**15, 27 to 29**

VI — INTERNAL CONTROL

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking	**Adopted**	**24, 50, 52 to 55**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	**Adopted**	**38**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structuredin terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	**Adopted**	**38,50 and 51**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including	**Adopted**	**38,50 and 51**

the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.		
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	**Adopted**	**38, 49 and 50 to 55**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.	**Adopted**	**24, 50 to 55**
RECOMMENDATION	**Degree of Compliance**	**Corporate Governance Report**
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal complianceand the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	**Adopted**	**24, 38, 50 to 55**

Capítulo VII — FINANCIAL INFORMATION

VII.1 Financial information

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	**Adopted**	**34 and 38**

VII.2 Statutory audit of accounts and supervision

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	**Adopted**	**34, 37, 38**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	**Adopted**	**34, 37, 38**
RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	**Adopted**	**37 and 38**

Explanation for not adopted or partially adopted Recommendations

Recommendation II.3 – In the absence of express requests from shareholders up to the present date regarding the form of participation in the General Meeting by telematic or remote means, and despite this modality isn’t specifically provided in company's bylaws, the possibility of recommendation to its use isn´t in there limited if force majeure reasons justifies it, all without prejudice of such modality may be considered expressly in a future statutory revision.

Recommendation II.4 – In the absence of express requests from shareholders up to the present date regarding the method of exercising the right to vote electronically, and despite this method is not yet in concrete foreseen in the company's bylaws, the possibility of recommendation to its use isn´t in there limited or impeded if force majeure reasons, by example, justifies it, without prejudice of such modality may be considered expressly in a future statutory review.

3. OTHER INFORMATION

The company should provide any additional elements or information that, if not finding explained in the preceding paragraphs, are relevant to understand the model and governance practices adopted.

In addition to the information set out above, and for the purposes of article 29-H, paragraph q) of the Securities Code, we now provide information on the **diversity policy** applied by the company in relation to its management and supervisory bodies, namely, in terms of age, sex, qualifications and professional background, the objectives of this diversity policy, as well as the way in which it was applied and its results in the 2021 financial year.

The diversity policy applied by the company related to its management and supervisory bodies complies with the following general principles:

The candidates for members of the management and supervisory bodies should observe:

- Experience in sufficiently senior positions in companies or similar organizations that provide them:
  1. To evaluate, challenge and develop of the most senior managers of the company;
  2. To evaluate and challenge the corporate strategy of the group and its main subsidiaries;
  3. To evaluate and challenge the operational and financial performance of the company;
  4. To evaluate the degree of compliance in the organization of the Ibersol values;
- In addition to the common basic minimums, each candidate individually must contribute to the overall knowledge and competencies of the Board of Directors, as follows:
  1. Deep and international knowledge of the main sectors of activity of Ibersol;
  2. Knowledge of the main markets and geographies of the main businesses;
  3. Knowledge and skills in management techniques and technologies that determine the success of companies with dimension in our sectors of activity;
- Candidates must have the human qualities, clarity of purpose, analytical ability, synthesis ability and communication skills required for a large number of diverse and complex subjects can be discussed in necessary limited time and necessary depth to provide high quality and timely decision making;
- Subject to the fulfilment of the other factors, a significant representativeness of genres and origins should seek to achieve.

The composition of the management and supervisory bodies elected by the General Meeting in most of the Group’s Companies complies the above mentioned guidelines, presenting a balanced diversity of gender, origin, qualifications and professional background.

In the Statutory Audit Committee and General Meeting’s Board whose composition is above described in this report, the proportion of persons of each sex respects the limiting principles imposed by the Article 5 of Law 62/2017 1st August, and the same occurred in the appointment of the Board of Directors for the four-year period 2021/2024.

The diversity and professional experience of the members of the Board of Directors and the Statutory Audit Committee are a result of their respective curriculum vitae.

In addition to the elements above described, there are no other relevant elements to be considered.

ANNEX I

REMUNERATION COMMITTEE

STATEMENT OF THE REMUNERATION COMMITTEE

ABOUT THE REMUNERATION POLICY FOR THE CORPORATE GOVERNING BODIES OF IBERSOL, SGPS S.A. TO BE SUBMITTED FOR APPROVAL BY THE NEXT GENERAL MEETING OF 2022

1. Under the terms of the authority assigned to this Committee by the General Meeting of Shareholders of Ibersol SGPS, SA. and under the terms of article 26.2 of the By-laws of the Company, this Remuneration Committee is responsible for setting the remuneration of the members of the corporate governing bodies.

2. Under the applicable terms of the By-laws, the Remuneration Committee was appointed by the General Meeting of Shareholders on 18th June 2021 and is made up of three members, who are independent of the members of the Company's governing and audit bodies.

3. The Remuneration Committee thus submits this report for the consideration of this General Meeting and for the purpose of adoption of Recommendation of the Corporate Governance Code of the Instituto Português de Corporate Governance. This report contains the guidelines followed by this Committee in setting the remuneration of the members of the governing and audit bodies and the Board of the General Meeting, as follows:

a) The remuneration of the members of the **Board of the General Meeting** was set at a annual fixed amount, payable twelve times a year, having its members earned the following annual remuneration:

- **Chairman** – Prof. Dr. José Rodrigues de Jesus: 1,500 euros for each GM which presides;
- **Vice-Chairman** – Dr. Eduardo Moutinho Ferreira dos Santos: 1,000 euros for each GM in which participates;
- **Secretary –** Dr.ª Clara Maria Azevedo Rodrigues Gomes: 670 euros for each GM in which that acts as secretary;

b) Board of Directors: - The shareholder ATPS-SGPS, SA. provided administrative and management services to the Group and, in 2021, received the amount 1,000,000 euros for such services. One of the obligations of ATPS-Sociedade Gestora de Participações Sociais, SA. under the contract of services with Ibersol, Restauração, SA. is to ensure that the Directors of the Company António Alberto Guerra Leal Teixeira and António Carlos Vaz Pinto de Sousa perform their duties without additional expenses to the Company. The Company does not directly pay any remuneration to any of its Executive Directors. Given that ATPS-Sociedade Gestora de Participações Sociais, SA. is controlled by the Directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, out of the abovementioned 1,000,000 euros paid in 2021, it is supposed that each Director has received the amount of 500,000 euros. These members do not receive any supplementary retirement or early retirement, nor any other benefits or bonuses.

The **non-executive member**s received the following annual remuneration:

- Eng.ª Maria Deolinda Fidalgo do Couto: earned the monthly amount of 11,454.58 euros after the election of 18 June 2021 in the proportional and until 31 December 2021, not having received any other remuneration components for the exercise of the respective position

- Professor Dr. Juan Carlos Vazquez Dodero de Bonifaz: received the annual amount of 6,000 euros, related to services rendered, and this member did not receive any other remuneration components of any kind, namely performance bonuses, bonuses or any additional performance fees, complement pension and/or any additional payments to the aforementioned amount of 6,000 euros that have been provided by the Company.

- **Dr. Maria do Carmo Guedes Antunes de Oliveira**: earned the monthly amount of 3,333.33 euros after the election of 18 June 2021 in the proportional and until 31 December 2021, not having received any other remuneration components for the exercise of the respective position;

The aforementioned executive and non-executive Directors do not receive any other remuneration from other Group Companies, and do not have supplementary pension rights or early retirement rights that have been acquired in the exercise of their respective position in 2021.

These members do not receive any supplementary retirement or early retirement, nor any other benefits or bonuses.

c) The remuneration of the members of the Statutory Audit Committee for 2021 was set at a annual fixed amount, payable twelve times a year. The individual members received the following annual remuneration/ proporcional:

Chairman– Dr. Hermínio António Paulos Afonso: earned the monthly amount of 825 euros after the election of 18 June 2021 in the proportional and until 31 December 2021, not having received any other remuneration components for the exercise of the respective position;

Member – Dr. Carlos Alberto Alves Lourenço: earned the monthly amount of 733.33 euros after the election of 18 June 2021 in the proportional and until 31 December 2021, not having received any other remuneration components for the exercise of the respective position;

Member – Dr. Maria José Martins Lourenço da Fonseca: earned the monthly amount of 733.33 euros after the election of 18 June 2021 in the proportional and until 31 December 2021, not having received any other remuneration components for the exercise of the respective position;

The Remuneration Committee, following the approval at the last General Meeting of the proposal presented, proceeded to a review of the principles underlying the remuneration of the governing bodies to be applied from the 2022 financial year, taking into account the legislative and recommendatory framework.

These principles reinforce and highlight the aspects of the remuneration policy that are critical for the sustainability of Ibersol's business, in particular:

- the international context that makes it possible to measure (“benchmark”) the competitive remuneration of corporate bodies and maintain the ability to attract and retain the best talent.
- the alignment of remuneration with the responsibilities inherent to the functions performed by the members of the governing bodies, their curriculum and competence.
- the desired level of competitiveness of the remuneration package must be in line with market practice as well as internal remuneration policies.

- alignment with the remuneration policies and other conditions of the company's workers is guaranteed by comparison with equivalent functions, which confers an adequate level of internal equity and external competitiveness.
- the importance of rewarding the commitment to the Group's strategy, the interests of shareholders, the achievement of results and the appropriate attitude and behaviour are taken into account in the company's compensation policies.

The independence of the Committee, together with the permanent monitoring of the benchmark as well as use of external consultancy, is an effective way of avoiding possible conflicts of interest with the members of the governing bodies.

With regard to the organization of the Board of Directors, the following characteristics were especially considered by the Remuneration Committee:

- the existence of an Executive Committee responsible for the current management of the Company
- the possible existence of directors with executive functions who do not belong to the Executive Committee
- the possibility of creating new committees, namely specialized committees in which non-executive directors are invited to participate

Taking into account the current organizational model and the aforementioned principles of the remuneration policy, the Remuneration Committee considered the following measures:

- To ensure that the remuneration of Directors with executive functions is in line with the best practices in the international market, the importance of maintaining a process of defining objectives and evaluating performance was reinforced, which should be reviewed and/or updated on a regular basis;
- Ensuring consistency between the most relevant quantitative performance indicators defined for the annual assessment of the Company's Executive Committee and those that are also considered, in accordance with their responsibilities, in the annual performance assessment of the Company's staff.
- The remuneration of non-executive directors will consist of a fixed component that meets the specific responsibilities and availability of directors, and in the case of significant dedication, a variable remuneration may be added, in terms similar to those applicable to executive directors.
- For the remuneration of executive directors, a remuneration with a fixed and variable component is foreseen, in the following terms:

(I) The fixed component of the remuneration corresponds to a fixed annual amount, with payment in installments, the respective amount being established according to the assigned responsibilities and the comparison with the market for similar functions;

(II) The variable component corresponds to a maximum annual amount fixed at 100% of the fixed remuneration. The calculation of the amount to be attributed will result from an annual performance evaluation that will take into account quantitative indicators - in line with the strategic objectives and business plans approved by the Company's Board of Directors and qualitative indicators considered fundamental for the sustainability of the business in the long term;

(III) Quantitative objectives weigh 50% in the calculation of individual performance and reflect performance related to the company's real growth and the return generated for shareholders. Financial performance indicators will be weighted in accordance with the Company's strategic priorities, the business context and the evolution of results;

IV) Qualitative individual objectives weigh 50% in the performance calculation. The Committee assesses the actual implementation of transversal projects to the Group's companies that ensure future business competitiveness and long-term sustainability. The measurement indicators are as follows: strategic vision and allocation of resources/investments; organizational health, talent agenda and multi-stakeholder relationships;

(V) The allocation of the annual variable component must meet the following criteria:

a) if the individual performance does not meet any of the objectives set (quantitative or qualitative), there will be no allocation of the annual variable component;

b) if the individual performance is equal or superior, in all or some of the objectives, the variable remuneration may fluctuate between 50% and 100% of the maximum value foreseen for the variable remuneration.

(VI) The performance evaluation process of the executive directors is annual, based on concrete evidence that are made available to the Remuneration Committee for regular monitoring of the level of compliance with the approved targets. In accordance with established procedures, the annual performance cycle is concluded with the attribution of the variable component in the first half of the year following the one assessed, after the results for the year have been determined.

The total remuneration (fixed and variable) must ensure a competitive amount in terms of the market and serve as an incentive for individual and collective performance, through the definition of ambitious goals with a view to guaranteeing growth and adequate levels of return for shareholders.

The Committee understands that the remuneration policy adopted is in line with the practices of similar companies. Given the market pressures in the search for talent and skills at an executive level, the Remuneration Committee will periodically analyze competitiveness based on comparative studies carried out by independent entities of recognized competence.

The Remuneration Committee considers that the remuneration of Directors with executive functions is adequate and allows, through the definition of adequate goals, their alignment with the interests of the Company in the long term. Alignment with the Company's long-term interests will be reinforced by the circumstances of two directors jointly being majority shareholders of the Company. For this reason, the Remuneration Committee believes that there is no deferral of the variable remuneration.

If there are specialized committees, the amount paid to the directors who are part of them and who do not exercise executive functions in the company may differ from the others, and the Remuneration Committee may in these cases assign attendance vouchers, bearing in mind that the functions performed imply a greater demand in terms of availability. Fixed remunerations may also be awarded to non-executive directors who are in charge of specific tasks.

The Chairman, Vice-Chairman and Secretary of the General Meeting Board and the Chairman and members of the Supervisory Board will continue to be assigned a fixed annual amount distributed over the different months.

The remuneration of the Statutory Auditor will correspond to the amounts contained in the contract for the provision of auditing services. The respective remuneration must be in line with what is practiced in the market and results from the proposal that was presented to the company during the public consultation.

The Remuneration Committee also intends to point out to the shareholders:

- that the Company does not have any share attribution plan or option to purchase shares to managers
- there was no remuneration paid in the form of profit sharing, notwithstanding the fact that this matter is being considered.

The company has not adopted any agreements with members of the governing bodies related to the performance of their duties, applicable notice periods, termination clauses or payments associated with the termination of contracts.

Oporto, 29th April 2022.

Remuneration Committee,

Vítor Pratas Sevilhano, Dr.,

Joaquim Alexandre de Oliveira e Silva, Dr.,

António J. Grandio, Dr .

ANNEX II

BOARD OF DIRECTOR'S STATEMENT
UPON THE REMUNERATION POLICY OF IBERSOL, SGPS, S.A. DIRECTORS

1. According to the competence established under article 11º of IBERSOL, SGPS SA.(Ibersol) By- laws, the Board of Directors has the responsibility to determine the general remuneration policy for the Company's positions and, for all the administrative and technician staff.

2. For the sake of transparency and in compliance with the Recommendations relating to the governance of listed companies, the Board of Directors submits this Report to the appreciation of this General Meeting, containing the guidelines it has observed in setting the aforementioned remunerations, in the following terms:

a) The policy adopted in setting the remuneration of IBERSOL Managers coincides with that defined for the majority of the Company's employees, in an equitable way, in the sense of equivalence and proportional to the degree of responsibility and individual performance they perform, face to the degree of responsibility of the corporate requirements inherent to that professional performance which is assigned to each the members in their daily and current performance of their respective corporate position;

b) The remuneration of these Directors of the Company essentially comprises a fixed remuneration, under the terms and conditions that are already expressed above in points 69 to 88 of the previous Governance Report, which are highlighted:

The **general principles** observed are essentially those that result from the law, taking into account the activities actually carried out by the workers and managers in question, also taking into account the economic situation of the company and the conditions that are generally observed for equivalent situations. The functions performed by each one were taken into account, in the broader sense of the activity effectively carried out, having as an evaluative parameter the degree of responsibilities that are assigned to them. The weighting of functions is therefore considered in a broad sense and takes into account different factors, namely the level of responsibility, the time spent and the added value that results for the Ibersol Group from the respective individual degree of institutional performance that is required to each of these members. The size of the company and the degree of complexity, which, in relative terms, is associated with the designated functions, is also a relevant aspect. The combination of the factors that are enumerated and the valuation given to them, makes it possible to ensure not only the interests of the holders themselves, but primarily the performance criteria that are relevant and related to the different degrees of performance requirement and responsibility of each one, taking into account the respective contributions to the company's long-term business strategy, to its current and future interests, and to its sustainability, having been taken into account in this remuneration policy, and in proportionate and balanced equalization in relation to the various functions performed and degree of functional performance – also considering, in equitable terms, the conditions of employment and remuneration of the Group's Workers in the context of the year 2021 and foreseeable future context.

Regarding the annual variation in remuneration, in the performance of the company and its subsidiaries, and in the average remuneration of employees in terms of full-time equivalent of the company, there are no changes or fluctuations in remuneration that are relevant or significant in the last 5 years, and there are no relevant factors in which there remains a necessary relevance to be considered in comparative terms to this whole context.

There is no number of shares or options on shares granted or offered, nor any conditions for the exercise of any rights in this scope, and there is also no possibility of refunding a variable remuneration, a modality that is not established or fixed.

The **remuneration policy** that we submit to the appreciation of the Company's Shareholders is, therefore, the one that translates into compliance with the objective parameters set out above, with no information to consider on any departure from the procedures of applying this remuneration policy, which is objectively determined and executed, consisting in the remuneration of the Company's managers and employees for a fixed gross amount, annually paid, until the end of the respective corporate mandate. In setting all remunerations, the general principles mentioned above were observed, in summary: functions performed, current and future company situation, and comparative criteria for equivalent degrees of performance, also considering the degree of autonomy of the respective individual performance, and also been considering the technical and/or economic-financial performance of the various business areas in which the companies operate, as well as the economic-financial performance of IBERSOL.

OPorto, 29th April 2022.

The Board of Directors.

ANNEX III

List of Positions held in other companies by the members of the Statutory Audit Committee and General Meeting Board

STATUTORY AUDIT COMMITTEE:

Chairman– Dr. Hermínio António Paulos Afonso

Besides the position of Chairman of the Statutory Audit Committee of Ibersol SGPS, SA., he performs functions in the following Societies outside Ibersol Group :

Chairman of the Statutory Audit Committee:

- Soja de Portugal, SGPS, SA

Statutory Auditor and Single Statutory Auditor

- Ropar – Fabrico de Calçado Ortopédico, SA
- Edinpa – Empreendimentos Imobiliários, SA
- Rickiparodi – Moda e Acessórios Profissionais, SA

Manager:

- Odisseia Mourisca, Lda.

Member – Dr. Carlos Alberto Alves Lourenço*;*

Besides the position of Member of the Statutory Audit Committee of Ibersol SGPS, SA., he performs functions in the following Society outside Ibersol Group :

Member of the Supervisory Board:

- Manuel Champalimaud, SGPS, SA

Member – Dra. Maria José Martins Lourenço da Fonseca

Besides the position of Member of the Statutory Audit Committee of Ibersol SGPS, SA., she performs functions in the following Societies outside Ibersol Group:

Chairman of the Fiscal Board:

- Sonae, SGPS,SA
- SDSR - Sports Division SR,SA.

Member of the Supervisory Board:

- Sonae MC, SGPS, S.A.
- Sonaecom, SGPS, S.A.

Substitute Member – Dr. Joaquim Jorge Amorim Machado

Besides the position of Subsitute Member of the Statutory Audit Committee of Ibersol SGPS, SA., he performs functions in the following Societies outside Ibersol Group:

Statutory Auditor/Sole Manager:

- Jorge Amorim & Susana Pereira, SROC, Lda.

Member of the Supervisory Board:

- OCP Portugal – Produtos Farmacêuticos, S.A.
- CPCdi – Companhia Portuguesa de Computers Distribuição de Produtos Informáticos, S.A.
- Grupo Primor S.A.
- Soja de Portugal – Sociedade Gestora de Participações Sociais, S.A.
- The Fladgate Partnership – Vinhos, S.A.
- Fundo Valadim Investimentos – Sicafi Especial, S.A.
- Verallia Portugal, S.A.

Single Statutory Auditor in several companies in different fields of activity.

BOARD OF THE GENERAL MEETING

President – Prof. Dr. José Rodrigues de Jesus

Functions performed in board of directors of other societies held by Ibersol Group

Besides the position of President of the Board of Ibersol SGPS, SA. General Meeting, he performs functions in the following Societies outside Ibersol Group:

He currently participates, without exercising the statutory audit of accounts, in the fiscal councils:

- Germen – Moagem de Cereais, S.A.
- Labesfal – Laboratórios Aliro, S.A

Single Statutory Auditor

- Calfor – Indústrias Metálicas, S.A.
- Edemi Gardens – Promoção Imobiliária, S.A.
- Arsopi – Holding, Sociedade Gestora de Participações Sociais, S.A
- Camilo dos Santos Mota, S.A.
- Oliveira Dias, S.A.
- AGA – Álcool e Genéricos Alimentares, S.A.
- Arsopi-Thermal Equipmentos Térmicos, S.A.
- TECNOCON – Tecnologia e Sistemas de Controle, S.A.
- SAR – Sociedade de Participações Financeiras, S.A.
- SARCOL – Gestão de Investimentos Imobiliários, S.A.
- Domusnis – Sociedade Imobiliária, S.A.

Statutory Auditor

- Arsopi – Indústrias Metalúrgicas Arlindo S. Pinho, Lda
- Arlindo Soares de Pinho, Lda

Vice-president – Dr. Eduardo Moutinho Ferreira Santos

He does not perform any other positions in other Companies besides the position of Vice-President of the Board of Ibersol SGPS, SA. General Meeting.

Secretary – Dr.ª Clara Maria Azevedo Rodrigues Gomes

Besides the position of Secretary of the Board of Ibersol SGPS, SA. General Meeting, she performs functions in the following Societies outside Ibersol Group:

Member of the Board of Directors:

Machado Gomes – Sociedade Imobiliária SA

Oporto, 29th April 2022.

ANNEX A

INTERNAL PROCEDURE REGARDING TRANSACTIONS WITH RELATED PARTIES

1. FRAMEWORK

Ibersol, SGPS SA, a publicly listed company ("Company") has approved and has in practice, since 2010, a specific procedure in relation to transactions with related parties, approved by the Board of Directors and the Statutory Audit Committee, which aim to materialize the objectives now pursued by Law 50/2020, which, as of August 26, made the conditions for the control and disclosure of these transactions mandatory, without prejudice to the autonomy of the tax law provisions on transfer pricing.
The procedure instituted at Ibersol aims to ensure that transactions with related parties are carried out:

1) - within the scope of its current activity and under market conditions, in compliance with legal requirements, being disclosed in a transparent manner and,

2) - in order to guarantee the protection of minority shareholders, being transactions of which benefit all shareholders in a balanced and equitable manner.

2. PURPOSE AND SCOPE OF THIS PROCEDURE

2.1 The internal procedures applicable to Transactions with Related Parties are established, under the terms of the applicable legislation of Articles 249-A to 249-D of the Securities Code and Article 397 of the Commercial Companies Code, the IAS 24 relevant forecasts in this regard, and Chapter I.5 of the IPCG 2020 Corporate Governance Code.

2.2. Typology of transactions in this scope:

* a) Transactions to be carried out between Ibersol, SGPS S.A. ("**Company"**) on one hand, and a Related Party of the Company (**Related Party**) on the other;

* b) Transactions to be carried out between a Related Party of the Company and a Subsidiary [2] of the Company for an amount equal to or greater than 2.5% of the Consolidated Asset of the Company ("**Subsidiary Transactions**").

2.3. Transactions carried out between a member of the Board of Directors (including members of the Executive Committee) and the Company or companies that are in a controlling or group relationship with the Company ("**Transactions with Directors**") shall be considered as Relationships with Related Parties or Affiliate Transactions, as the case may be.

3. GENERAL PRINCIPLES

3.1. Corporate interest, balance, and equity

A) Each member of the Board of Directors must ensure that **Related Party Transactions** comply with the following requirements:

a) They are carried out considering the best interests of the Company in the scope of its current activity, and

b) They are carried out under normal market conditions, that is, fulfilling an objective consideration that the parties involved in the transaction act there as independent entities, carrying out transactions comparable and consistent with market conditions in order to ensure the protection of the interests of shareholders.

B) The member of the Board of Directors or of the Executive Committee who is in a situation of conflict of interests must not interfere by any means in the decision-making process regarding any Transaction with Related Party, without prejudice to the duty to provide all information that the members of this body request it.

3.2. Transparency

Each one of the members of the Board of Directors must, when applicable under the terms of this Procedure:

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2. The term "**Related Party"** has the meaning established in paragraph 9 of IAS 24 - according to Annex I which contains a list that summarizes the criteria here relevant for the identification of related parties.
"**Subsidiary**" means an entity over which the Company has a dominant influence under the terms of Article 21 of the Portuguese Securities Code.
3. "**Consolidated Company Assets**" means the value of the Company's assets in accordance with the most recent audited consolidated accounts, as publicly disclosed.
* the value of 2.5% applies in both cases.

a) Promote that Transactions with Related Parties and, when reasonable and insofar as they may exert influence, the Transactions of Affiliates, are duly documented and, when applicable, disclosed under the terms established in this Procedure;

b) Keep the Board of Directors informed of any Transactions with Related Parties or Transactions of Affiliates that they are aware of.

3.3. Current Activity

The Board of Directors or the Executive Committee, should promote that Related Party Transactions and Affiliate Transactions comply with the following conditions:

a)They are carried out within the scope of the current activity of the Company (considering that the Company is a Management Company of Social Participations, subject to the legal regime of Law Decree no. 495/88 of 30 December) or the respective Subsidiary; and

b) Are concluded under normal market conditions (not subject to any special terms and conditions, atypical or that are not normal and current practice in the market) and, with respect to Transactions with Directors, that no special benefits are granted to the director contracting party.

Transactions that comply with the requirements of these subparagraphs a) and b) should, for the purposes of this Procedure, be considered "**Current Activity Transactions".**

3.4. Failure to grant credit to members of the Board of Directors

The Company is prohibited from entering into, and the Board of Directors, or the Executive Committee is also prohibited from approving or entering into any Transactions with Directors in which the Company (or a company that is in a controlling or group relationship with the Company) directly or indirectly grant loans or credit to any member of the Board of Directors (including the members of the Executive Committee) or provide guarantees for obligations contracted by them, and it is also prohibited to provide advances of remuneration exceeding one month.

4. INTERNAL REGISTRATION AND REVIEW BY THE FISCAL COUNCIL

4.1. All Related Party Transactions must be notified to the Statutory Audit Committee by the Board of Directors, and the Board of Directors must ensure that the Company Secretary keeps a record of all transactions together with all relevant supporting documentation.

4.2. The Board of Directors, or the Executive Committee, must send to the Statutory Audit Committee, at least on a semi-annual basis, a list of Transactions with Related Parties that have been carried out since the last communication, together with supporting documentation and information, namely the elements referred to in points 7.2 a) to d) - this Procedure should start counting from the entry into force of Law 50/2020, of 25 August.

4.3. After receiving the elements referred to in point 4.2, the Audit Committee shall review all documentation and verify that the referred Transactions with Related Parties are Current Activity Transactions, and the conclusions of this review should be included in its annual report and presented to the Board of Directors.

4.4. The Audit Committee may request from the Board of Directors or the Executive Committee all information it deems relevant in relation to each Transaction carried out with a Related Party and may also issue the recommendations it deems necessary.

5. CURRENT ACTIVITY TRANSACTIONS AND EXEMPTED TRANSACTIONS

5.1. The following transactions shall be considered as Current Activity Transactions and, as such and to the extent applicable, subject only to the forecasts regarding internal registration and review by the Audit Committee under the terms of point 4 above - the following transactions:

a) Transactions with Related Parties whose respective terms and conditions (including price) are in accordance with the Company's usual transactions and are determined by external factors not controlled by the Company (for example, transactions carried out in a regulated market in line with market prices in force);

b) All Related Party Transactions and Affiliate Transactions entered into with credit institutions or financial institutions, provided that these transactions are in line with the Company's usual transactions and with the terms and conditions of previous transactions carried out with the same parties (for example, renewals or extensions of existing credit lines) or those whose terms and conditions are no less favorable to the Company (or to the Subsidiary) than the conditions offered by entities that are not Related Parties;

c) Transactions with Related Parties carried out by the Company in respect of conditions and / or prices previously established and applicable to any counterparty.

5.2. The process and requirements for disclosure set out in points 6.1. and 7.1 below are not applicable with respect to the following transactions ("Exempt Transactions"):

a) Transactions carried out between the Company and its Affiliates provided that they are in a controlling relationship with the Company [4] and no Party Related to the Company has an interest in that Affiliate;

b) Transactions related to the remuneration of the members of the Board of Directors, or to certain elements of that remuneration; and

c) Transactions proposed to all shareholders of the Company in the same terms in which the equal treatment of all shareholders and the protection of the interests of the Company are ensured.

6. TRANSACTIONS CARRIED OUT BETWEEN THE COMPANY AND ITS RELATED PARTIES

6.1. All transactions that are not excluded or exempted in accordance with point 5 above and that the Company plans to carry out with one or more Related Parties must be previously reviewed by the Administrative Department, which must send to the competent body for approval of the transaction, a report where:

a) the estimated value of the transaction is indicated, as well as whether the Related Party has carried out other Transactions with the Company in the last 12 months that have not been publicly disclosed under the terms of this Procedure, indicating the value of these Transactions;

b) it is stated and substantiated that the transaction in question is a Current Activity Transaction; and,

c) it is confirmed that the Company's Administrative Department has been informed of the potential transaction for the purpose of complying with the transfer pricing requirements, if applicable.

6.2. The Board of Directors (or the Executive Committee if within the scope of its delegated powers) - can approve a Transaction with Related Parties if: (i) the report issued by the Administrative Department of the Company confirms that the Transaction in question is a Current Activity Transaction and (ii) the value of the transaction is less than 2.5% of the Company's consolidated assets, here being considered all Transactions with the same Related Party entered into during any 12-month period or during the same year, and which have not been subject to the public disclosure obligations foreseen under the terms of this Procedure in Point 7 below;

[4] Entities that are co-controlled by the company are not included in this exclusion

6.3. If the Board of Directors (or Executive Committee) approves the Transaction with the Related Party pursuant to point 6.2. above, it must immediately inform the Audit Committee of this resolution, pursuant to points 4.1. and 4.2. supra;

6.4. The prior opinion of the Audit Committee to be issued within a period not exceeding 10 working days, which may be greater or lesser, depending on the complexity of the analysis and / or the urgency that may prove relevant - followed by a decision by the Board of Directors, will be necessary for approval of Related Party Transactions included or exempted under Point 5 above, that:

a) They are not Current Activity Transactions; or

b) Are equal to or exceed 2.5% of the Company's consolidated assets.[5]

6.5. Related Parties or their representatives may not be involved in the process of approving Related Party Transactions to which they are an interested party.

7. PUBLIC DISCLOSURE OF RELATED PARTY TRANSACTIONS

7.1. The Board of Directors must ensure that the Company publicly discloses, at the latest until the moment when they are carried out, all Transactions with Related Parties that: (i) are not Current Activity Transactions and (ii) are carried out for an amount (isolated or in conjunction with other Transactions carried out with the same Related Party in the previous 12 months and which have not been publicly disclosed under the terms of this Procedure) - equal to or greater than 2.5% of the Company's Consolidated Assets.

7.2. The public disclosure mentioned in point 7.1, must contain at least the following elements:

a) Identification of the Related Party;

b) Information on the nature of the relationship with the Related Party;

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5. If applicable, this amount must be aggregated with that of other transactions carried out between the same Related Party and the Company in the last 12 months that have not been publicly disclosed pursuant to paragraph 7.1.

c) The date and amount of the Transaction with the Related Party;

d) The reasons for the balanced, normal, and reasonable nature of the transaction, from the point of view of the Company and the shareholders who are not Related Parties, including minority shareholders; and

e) Reference to the fact that the opinion of the Audit Committee regarding the Transaction with the Related Party is unfavorable, if applicable.

7.3. The Board of Directors must specify, in its annual report, the authorizations granted by the Board of Directors under the terms of article 397 of the Portuguese Companies Code, and the Supervisory Board must mention in its report the opinions given on these authorizations.

7.4. The public disclosure duties imposed by this Procedure apply without prejudice to the rules on the disclosure of inside information referred to in Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014.

8. TRANSACTIONS OF PARTICIPATES WITH RELATED PARTIES

8.1. The Board of Directors of the Company (or the Executive Committee) shall send to the Board of Directors of the Subsidiaries an updated list of the Related Parties with the Company and shall give instructions to each of these Subsidiaries to notify the Board of Directors of the Company whenever any of these Affiliates intend to carry out a transaction with a Related Party of the Company that: (i) has an amount equal to or greater than 2.5% of the Consolidated Assets of the Company (considering all the Affiliate Transactions carried out with the same Related Party in the last 12 months that have not been publicly disclosed in accordance with paragraph 7. above) and (ii) are not exempt under paragraph 5. above.

Such notification must include:

a) All the elements mentioned in point 7.2. supra;

b) Reference to the fact that the transaction is a Current Activity Transaction and its basis, and

c) Copy of all relevant documents related to the transaction.

8.2. If the Subsidiary's Transaction referred to in point 8.1 is not a Current Activity Transaction, it must be publicly disclosed by the Company, latest at the time it is carried out, pursuant to points 7.1 and 7.2 above.

9. IDENTIFICATION OF RELATED PARTIES, SUBSIDIARIES OF THE SOCIETY AND KEY MANAGEMENT STAFF

9.1. The Administrative Department of the Company, articulating with the other Financial Departments / Development Department / Legal Labor Relations Department of the Company must keep the following lists ("Lists") permanently updated:

a) Key Management Personnel [6];
b) Subsidiaries of the Company; and
c) Parties Related to the Company.

9.2. The Lists must be available for consultation by the Board of Directors, the Executive Committee and the Statutory Audit Committee for the proper fulfillment of their duties arising from this Procedure.

10. REPORTING TRANSACTIONS WITH RELATED PARTIES

The procedure to be followed by the Board of Directors in relation to transactions with related parties will be resulting from the Internal Policy in relation to Transactions with Related Parties, approved by the Board of Directors, with a prior binding opinion of the Statutory audit Committee - and in compliance with articles 249.º-A to 249º- D of the Securities Code.

11. FINAL FORECASTS

11.1 The Board of Directors approved this Procedure, with a prior favorable and binding opinion from the Statutory Audit Committee.

11.2 Any changes to this Procedure must be approved by the Board of Directors with a prior favorable and binding opinion from the Statutory Audit Committee.

6 "Key Management Personnel" means any individuals who have, directly or indirectly, authority or responsibility for the planning, direction and control of the Company's activities, including any director (executive or non-executive) of the entity in question.

11.3 This Procedure will be disclosed in the Corporate Governance Annual Report and made public through any other legally permissible means.

ATTACHMENT: Attachment I - Related Parties in accordance with IAS 24;

ANNEX I

RELATED PARTIES ACCORDING TO IAS 24

The list below includes a summary of the individual and collective legal persons considered Related Persons for the purposes of point 9 of IAS 24, as legislated by Commission Regulation (EC) No. 1126/2008 of November 3, 2008 in its current wording.

A. Individuals

i. Person holding Control or Joint Control of the Company;

ii. Person who has a Significant Influence on the Society;

iii. Person who is part of the Key Personnel of the Management of the Company or its holding company;

iv. Any Intimate Family Members of any of the persons identified in the points i. iii. above.

B. Collective Entities

i. Entities that belong to the same group as the Company;

ii. Entity that is an Associate of the Company (or Associate of any of the entities that belong to the same group as the Company) or that the Company is an Associate (or Associate of an entity that belongs to the same group as that Entity);

iii. Entities that are a joint venture of the Company (or a joint venture of an entity that is a member of the group to which the Company belongs) or the Company is a joint venture of an Entity (or joint venture of a group member to which this Entity belongs);

iv. Entities that are a joint venture of the same third party;

v. Entities that are a joint venture of a third party of which the Company is an Associate (or, if the Company is a joint venture of a third party, the Associated entity of that third party);

vi. The entity that is a post-employment benefit plan for the benefit of the Company's employees, or any entity that is a related party to the Company;

vii. Entities controlled or co-controlled by any of the natural persons mentioned in point A. above.

viii. Entities over which a person (or any close member of his family), who has Control or Joint Control of the Company, has a Significant Influence or is considered Key Management Personnel of that entity (or the parent company of that entity);

ix. Entity, or any member of the group of which it is a part, that provides Key Management Personnel services to the Company or its holding company.

C. Glossary

a) Associate: means an entity, including entities without legal personality such as partnerships, over which the person in question has significant influence, and which is neither a Subsidiary nor a joint venture;

b) Intimate Family Member: in relation to an individual, it refers to family members who are expected to influence, or be influenced by, that individual in their dealings with the Society, which may include:
i. The spouse or person with a similar affective relationship and the individual's children;
ii. Children of the spouse or similar person with an affectionate relationship; and
iii. Dependents of the individual, spouse, or person with a similar affective relationship.

c) Control: has the meaning determined by IFRS 10 **-** in general terms, one entity controls another when it has power over that entity that gives it the ability to manage the activities to which it is exposed, or when it has rights in relation to variable results through its relationship with that entity and has the capacity to affect those results through the power it exercises over the investee.

d) Joint Control: is the sharing of control, contractually agreed, of an economic activity that exists only when strategic decisions related to the activity require the unanimous consent of the parties that share control;

e) Significant Influence: it is the power to participate in the decisions of the financial and operational policies of a specific entity, but which does not confer control over those policies. Significant influence can be obtained through ownership of shares, by-laws, or agreement.

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

Consolidated Financial Statements

31 December 2021

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ON 31 DECEMBER 2021
(values in euros)

ASSETS	Notes	31/12/2021	31/12/2020
Non-current			
Property, plant and equipment	2.7 and 8	214 373 712	213 304 027
Rights of use	2.2, 2.19 and 7	138 871 151	281 632 588
Goodwill	2.9 and 9	79 032 821	80 509 642
Intangible assets	2.8 and 9	35 870 696	36 849 594
Financial investments - joint controlled subsidiaries and associated	2.3 and 10	2 940 318	2 699 661
Non-current financial assets	2.10 and 10	978 965	574 737
Other financial assets	2.10 and 11	841 165	823 927
Other non-current assets	2.12 and 12	7 524 331	7 743 025
Deferred tax	2.16 and 18	11 088 442	14 914 797
Total non-current assets		**491 521 600**	**639 051 998**
Current			
Inventories	2.11 and 13	15 717 458	11 602 015
Income tax receivable	2.16 and 18	110 222	169 241
Other financial assets	2.10 and 11	1 338 791	1 618 259
Other current assets	2.12 and 15	26 698 358	25 745 207
Cash and cash equivalents	2.13 and 14	96 968 003	50 550 293
Total current assets		**140 832 831**	**89 685 015**
Total Assets		**632 354 431**	**728 737 013**

EQUITY AND LIABILITIES	Notes	31/12/2021	31/12/2020
EQUITY			
Capital and reserves attributable to shareholders			
Share capital	2.14 and 16.1	46 000 000	36 000 000
Own shares	2.14 and 16.2	-11 180 516	-11 180 516
Share premium		29 900 789	469 937
Legal reserves		1 751 081	1 629 598
Translation reserve		-11 331 432	-12 821 109
Other Reserves & Retained Earnings		142 053 271	197 372 003
Net profit for the period		31 379 907	-55 197 249
		228 573 100	**156 272 664**
Non-controlling interests	16.4	90 482	133 241
Total Equity		**228 663 582**	**156 405 905**
LIABILITIES			
Non-current			
Loans	2.15 and 17	140 439 066	145 494 956
Lease liabilities	2.2 and 17	121 422 685	254 632 020
Deferred tax	2.16 and 18	3 376 658	3 896 164
Provisions	2.17 and 19	2 428 023	33 257
Derivative financial instrument	2.22 and 20	18 976	63 078
Other non-current liabilities		4 176	6 026
Total non-current liabilities		**267 689 584**	**404 125 501**
Current			
Loans	2.15 and 17	26 593 284	19 573 625
Lease liabilities	2.2 and 17	21 645 649	74 382 513
Accounts payable to suppliers and accrued costs	2.12 and 21	72 507 391	61 958 343
Income tax payable	2.16 and 18	456 400	15 329
Other current liabilities	22	14 798 541	12 275 797
Total current liabilities		**136 001 265**	**168 205 607**
Total Liabilities		**403 690 849**	**572 331 108**
Total Equity and Liabilities		**632 354 431**	**728 737 013**

Porto, 29th April 2022

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED ON DECEMBER 31st 2021
(values in euros)

	Notes	2021	2020
Sales	2.18 and 6	355 710 459	287 641 094
Rendered services	2.18 and 6	1 624 795	1 231 197
Cost of sales	13	-88 351 603	-73 729 378
External supplies and services	23	-89 896 562	-69 599 355
Personnel costs	24	-113 389 660	-106 529 115
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	6, 7, 8 and 9	-83 650 728	-94 511 604
Other operating gains (losses)	25	70 200 603	4 555 204
Operating Income		52 247 304	-50 941 957
Financial expenses and losses	26	-17 623 542	-21 384 933
Financial income and gains	26	673 762	1 744 362
Gains (losses) in associated and joint controlled sub. - Equity method		-59 343	133 325
Profit before tax		**35 238 181**	**-70 449 203**
Income tax	27	-3 901 033	15 141 994
Net profit		**31 337 148**	**-55 307 209**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		1 489 677	-2 465 556
TOTAL COMPREHENSIVE INCOME		**32 826 825**	**-57 772 765**
Net profit attributable to:			
Owners of the parent		31 379 907	-55 197 249
Non-controlling interest	16	-42 759	-109 960
		31 337 148	-55 307 209
Total comprehensive income attributable to:			
Owners of the parent		32 869 584	-57 662 805
Non-controlling interest	16	-42 759	-109 960
		32 826 825	-57 772 765
Earnings per share:	28		
Basic		**0,93**	**-1,70**
Diluted		**0,93**	**-1,70**

Porto, 29th April 2022

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH TRIMESTER OF THE YEAR ENDED ON 31st DECEMBER 2021
(values in euros)

	4th TRIMESTER (unaudited)	
	2021	**2020**
Sales	115 139 423	74 711 431
Rendered services	504 273	270 842
Cost of sales	-28 188 726	-19 760 450
External supplies and services	-32 933 756	-19 770 269
Personnel costs	-33 950 721	-27 974 441
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	-19 911 173	-27 078 190
Other operating gains (losses)	61 350 531	216 049
Operating Income	62 009 851	-19 385 028
Financial expenses and losses	-2 841 541	-5 086 324
Financial income and gains	232 320	809 263
Gains (losses) in associated and joint controlled sub. - Equity method	-21 094	424 706
Profit before tax	**59 379 536**	**-23 237 383**
Income tax	-7 858 270	4 816 498
Net profit	**51 521 266**	**-18 420 884**
Other comprehensive income:		
Change in currency conversion reserve (net of tax and that can be recycled for results)	629 973	-537 162
TOTAL COMPREHENSIVE INCOME	**52 151 239**	**-18 958 046**
Net profit attributable to:		
Owners of the parent	51 516 666	-18 356 345
Non-controlling interest	4 600	-64 540
	51 521 266	-18 420 885
Total comprehensive income attributable to:		
Owners of the parent	52 146 639	-18 893 507
Non-controlling interest	4 600	-64 540
	52 151 239	-18 958 047
Earnings per share:		
Basic	**1,56**	**-0,57**
Diluted	**1,56**	**-0,57**

Porto, 29th April 2022

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Statement of Alterations to the Consolidated Equity
for the years ended 31 December, 2021 and 2020
(value in euros)

		Assigned to shareholders									
	Note	**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	213 935 468	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						-2 465 556			-2 465 556		-2 465 556
Net consolidated income for the year ended on 31 December, 2020								-55 197 249	-55 197 249	-109 960	-55 307 209
Total changes in the period		-	-	-	554 087	-2 465 556	16 995 141	-72 746 477	-57 662 805	-109 960	-57 772 765
Net profit								**-55 197 249**	**-55 197 249**	**-109 960**	**-55 307 209**
Total comprehensive income									-57 662 805	-109 960	-57 772 765
Transactions with capital owners in the period											
Application of the consolidated profit from 2019:											
Paid dividends	30								-	-49 806	-49 806
		-	-	-	-	-	-	-	-	-49 806	-49 806
Balance on 31 December 2020		**36 000 000**	**-11 180 515**	**469 937**	**1 629 598**	**-12 821 109**	**197 372 003**	**-55 197 249**	**156 272 662**	**133 241**	**156 405 905**
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	-		-
Capital increase	16	10 000 000		29 430 852					39 430 852		39 430 852
Conversion reserves - Angola						1 489 677			1 489 677		1 489 677
Net consolidated income for the year ended on 31 December, 2021								31 379 907	31 379 907	-42 759	31 337 148
Total changes in the period		10 000 000	-	29 430 852	121 483	1 489 677	-55 318 732	86 577 156	72 300 436	-42 759	72 257 677
Net profit								**31 379 907**	**31 379 907**	**-42 759**	**31 337 148**
Total comprehensive income									32 869 584	-42 759	32 826 825
Transactions with capital owners in the period											
Application of the consolidated profit from 2020:											
Paid dividends	30								-		-
		-	-	-	-	-	-	-	-	-	-
Balance on 31 December 2021		**46 000 000**	**-11 180 516**	**29 900 789**	**1 751 081**	**-11 331 432**	**142 053 271**	**31 379 907**	**228 573 100**	**90 482**	**228 663 582**

Porto, 29th April 2022

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Consolidated Cash Flow Statements
for the year ended 31st December, 2021
(value in euros)

	Note	Years ended on December 31st 2021	2020
Cash Flows from Operating Activities			
Receipts from clients		355 474 947	293 355 963
Payments to supliers		152 876 810	153 530 820
Staff payments		89 558 121	94 831 388
Flows generated by operations		113 040 016	44 993 755
Payments/receipt of income tax		27 658	-320 046
Other paym./receipts related with operating activities		-32 669 824	-21 574 032
Flows from operating activities (1)		**80 342 534**	**23 739 769**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		137 842	111 330
Tangible fixed assets		29 953	1 412
Investment benefits			
Interest received		570 729	1 125 648
Other financial assets	11	2 075 587	12 170 433
Payments for:			
Financial Investments		842 070	250 840
Other financial assets	11	1 467 453	
Tangible fixed assets		34 706 345	27 852 187
Intangible assests		3 080 111	2 299 083
Flows from investment activities (2)		-37 281 867	-16 993 287
Cash flows from financing activities			
Receipts from:			
Capital increases and issue premium	16	39 578 472	
Loans obtained	17	34 298 753	76 368 848
Payments for:			
Loans obtained	17	32 227 604	26 569 061
Leases agreements	17	28 991 264	27 325 135
Interest and similar costs		4 111 911	4 549 614
Interest on lease agreements	17	5 040 566	8 071 476
Flows from financing activities (3)		3 505 880	9 853 562
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**46 566 547**	**16 600 044**
Effects of exchange rate differences		-147 921	-735 471
Cash & cash equivalents at the start of the period		50 549 377	34 684 804
Cash & cash equivalents at end of the period	2.24 and 14	**96 968 003**	**50 549 377**

Porto, 29th April 2022

The Board of Directors,

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 621 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Ribs, FresCo, SantaMaria, Kentucky Fried Chicken, Burger King, O' Kilo, Quiosques, Pizza Móvil, Miit, Taco Bell, Sol, Silva Carvalho Catering e Palace Catering, coffe counters and other concessions. The group has 544 units which it operates and 77 units under a franchise contract. Of this universe, 383 are based in Portugal, of which 364 are owned and 1 franchised, and 225 are based in Spain, spread over 152 own establishments and 73 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..

Rentals at Airports managed by AENA

In Spain, on 2 October 2021, Law 13/2021 of October 1st was published, which established the new rules to apply to the minimum rents of lease contracts for restaurants and retail establishments located at airports managed by AENA.

This diploma determines that the guaranteed minimum annual income provided for in these contracts for the period between March 15, 2020 and June 20, both included, be eliminated and from June 21, 2020 and until the annual traffic of each Airport reach the values recorded in 2019, the minimum guaranteed annual rents of existing contracts are reduced in direct proportion to the variation in passenger traffic compared to those verified in 2019.

The difference between Law 13/2021 and the rebalancing claimed by Ibersol lies in the fact that:
• according to the new law, the value of the minimum rent is the rent established in the contract for that year multiplied by the ratio of "airport traffic in the year / 2019 airport traffic", until the 2019 traffic is exceeded. From that date, the RMMG becomes the contractually foreseen for that year.
• according to Ibersol's claim, the aforementioned ratio would be applied to the 2019 RMMG (and not to that forecast for each subsequent year).

As a result of the application of the Ley, it was possible to determine the amounts of the rents payable for the years 2020 and 2021 (less than the contractual rents by, respectively, 23.1 and 20.4 million euros), with future rents being dependent on the traffic that may occur. The new law thus introduces a contractual modification, changing the rents of these contracts to variables, as there is no longer a guaranteed minimum payment. In this sense, such rents are no longer relevant to the lease liability, so as from the date of entry into force of Law 13/2021, the lease liability associated with these contracts was derecognized against the respective right of use, with the difference resulting income has been recognized as a gain in profit or loss for the year.

In terms of the financial position, the application of the law results in a relevant decrease in liabilities and assets, since the leasing contributions associated with the contracts with AENA are therefore recognized as rent and rental expenses from 1 October of 2021.

The impact of the adoption of the new Law 13/2021, on October 1, 2021, on the consolidated statement of financial position and on the consolidated statement of income and other comprehensive income is presented as follows:

	AENA Ajustment	31/12/2021
Assets		
Rights of use (Note 7)	-128 474 135	138 871 151
Deferred tax (Note 18)	-16 677 344	11 088 442
Liabilities		
Non-current Lease liabilities (Note 17)	124 796 839	-140 439 066
Current Lease liabilities (Note 17)	70 386 671	-21 645 649
Accounts payable to suppliers and accrued costs (Note 21)	-5 354 440	-72 507 391

	AENA Ajustment	31/12/2021
Other operating gains (losses) (Note 25)	61 354 936	70 200 603
Profit before tax	61 354 936	35 238 181
Income tax (Nota 27)	-16 677 344	-3 901 033
Net Profit	44 677 592	31 337 148

Additionally, under Law 13/2021, the amount of 5.7 million euros was considered in rents for the period from October to December 2021.

As a result of the new rules to be applied to rents and the accounting treatment of liabilities, the Ibersol group carried out a review of the business plans of the concessions in Spain, taking into account the most recent traffic estimates by Eurocontrol, which point to a recovery in 2024 of the 2019 traffic, as well as the effects of the new rules to be applied to the rents of concessions in Spain, as described above. The following impacts were determined on the financial statements:

• recognition of impairments in the CGUs of Gran Canaria and Málaga airports in the amount of 2.1 million euros;

• constitution of a provision for onerous contract, at Gran Canaria airport, in other operating costs, in the amount of 1.6 million euros.

2. <u>MAIN ACCOUNTING POLICIES</u>

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 financial statements were prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the previous Standards Interpretation Committee (SIC), as adopted and effective by the European Union as of 1 January 2021. Regarding Group companies that use different accounting standards, conversion adjustments were made to IFRS.

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

The preparation of these financial statements requires Management to perform estimates and judgments, as disclosed in Note 4.

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 financial years beginning on or after 1 January 2021:

a) Covid 19 - Rent concessions Amendment to IFRS 16

In May 2020, the IASB issued “Covid-19 – Rent concessions”, which amended IFRS 16 Leases. If certain conditions are met, the amendment allows tenants, 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 lease concessions as if they were not lease modifications, so that, for example, the amount of lease forgiven on or before June 30, 2021 is recognized in profit or loss. in the same year the concession is granted, rather than being
allocated over the duration of the contract, as would be the case if the practical expedient were not permitted.

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

In 2021, the IASB has extended the practical expedient by 12 months - i.e. allowing lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2021. 2022
The 2021 changes are effective for annual reporting periods beginning on or after April 1, 2021. Renters may apply early.

The 2021 amendments are applied retrospectively with the cumulative effect of the initial application recognized in retained earnings. The disclosure requirements of Paragraph 28(f) 1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply to initial application.

This change to the standard did not impact the Group's financial statements.

b) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2

In August 2020, the IASB issued the Interest Rate Reference Reform - Phase 2, which amends IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases.

The purpose of the amendments is to help entities provide useful information to users of financial statements and to assist preparers in applying IFRSs when changes are made to contractual cash flows or hedging relationships as a result of a transition from an interest rate IBOR benchmark for alternative benchmark rates, in the context of the ongoing risk-free rate reform ('IBOR reform').

The changes are the result of the second phase of the IASB project that deals with the accounting impacts of the IBOR reform, which gave rise to the Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) issued by the IASB on 26 September 2019. They complement the first phase of the project that addressed the accounting impacts of pre-replacement of the IBOR reform and which were issued by the IASB in 2019.

Changes must be applied retrospectively for annual periods beginning on or after January 1, 2021.

This change to the standard did not impact the Group's financial statements.

c) Extension of the temporary exemption from the application of IFRS9 (amendments to IFRS 4)

The IASB issued “Extension of the Temporary Exemption from the Application of IFRS 9 (Amendments to IFRS 4) on June 25, 2020.

The purpose of the amendments is to extend the expiry date of the temporary exemption from the application of IFRS 9 (i.e. to 2023) in order to align the effective dates of IFRS 9 Financial Instruments with IFRS 17 Insurance Contracts.

This change to the standard did not impact the Group's financial statements.

2.2.2. The Group decided to opt not to apply in advance the following standards and/or interpretations, adopted by the European Union:

a) References to the Conceptual Framework (amendments to IFRS 3)

In May 2020, the IASB issued “References to the Conceptual Framework”, amending IFRS 3 Business Combinations.

The amendments updated IFRS 3, replacing the reference to an older version of the Conceptual Framework with a reference to the most recent version, which was issued in March 2018.

The amendments shall apply to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022. Early application is permitted if, at the same time or rather, an entity would also apply all changes made in “Changes to References to the Conceptual Framework in IFRS”, issued in March 2018.

The Group/Entity is evaluating the impacts that this standard will have on its financial statements.

b) Tangible fixed assets - Revenue before intended use, amendments to IAS 16 Tangible fixed assets

In May 2020, the IASB issued “Tangible fixed assets – Income before Intended Use”, which amended IAS 16 Tangible fixed assets.

The amendments prohibit the deduction from the cost of an item of property, plant and equipment, of any income from the sale of items produced in bringing that asset into the place and condition necessary for it to be able to operate in the manner intended by management. Instead, the entity shall recognize such sales revenue in profit or loss.

Changes must be applied retrospectively for annual periods beginning on or after January 1, 2022, with earlier application permitted.

The Group/Entity is evaluating the impacts that this standard will have on its financial statements.

c) Onerous Contracts - Cost of fulfilling a contract

In May 2020, the IASB issued “Onerous Contracts - Cost of Fulfilling a Contract”, which amended IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The purpose of the amendments is to clarify the requirements of IAS 37 on onerous contracts regarding the assessment of whether, in a contract, the unavoidable costs of fulfilling the obligations arising from the contract exceed the economic benefits expected to be received from it.

The amendments must apply for annual periods beginning on or after January 1, 2022, with earlier application permitted.

The Group/Entity is evaluating the impacts that this standard will have on its financial statements.

d) Improvements in the 2018-2020 cycle

On 14 May 2020, the IASB issued improvements to IFRS 2018–2020 containing the following amendments to IFRSs:

(i) allow an entity, as a subsidiary, associate or joint venture, to adopt IFRS for the first time after its parent and elect to apply paragraph D16(a) of IFRS 1 First-time Adoption of International Financial Reporting Standards , can measure cumulative translation differences using the amounts reported by the parent, based on the respective date of transition to IFRS;

(ii) clarify that the reference to fees in the 10 percent test includes only fees paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other (IFRS 9);

(iii) remove potential confusion regarding the treatment of lease incentives by applying IFRS 16 Leases, as illustrated in Illustrative Example 13 accompanying IFRS 16; and

(iv) remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value by applying IAS 41.

The changes will apply for annual periods beginning on or after January 1, 2022, with early application permitted.

The Group/Entity is currently evaluating the impacts that this standard will have on its financial statements.

This change is effective for periods after January 1, 2023.

e) Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures of Accounting Policies

Following feedback obtained on the need for more guidance to help companies decide on what information to disclose regarding accounting policies, the IASB issued on February 12, 2021 amendments to IAS 1 – Presentation of financial statements and to the IFRS Practice Statement 2 – Making materiality judgments.

The main changes to IAS 1 include: i) requiring entities to disclose information regarding material accounting policies rather than significant accounting policies, ii) clarifying that accounting policies related to intangible transactions are also immaterial and as such do not need to be disclosed and iii) clarify that not all accounting policies relating to material transactions are themselves material to an entity's financial statements.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. These changes are consistent with the revised definition of material:

"Information regarding accounting policies is material if, when considered together with other information included in an entity's financial statements, it is reasonably expected to influence the decisions that major users of financial statements generally make on the basis of those financial statements."

The changes are effective as of January 1, 2023, but early application is permitted.

f) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The IASB issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on defining and clarifying accounting estimates.

The amendments introduce a new definition for accounting estimates: clarifying that monetary values in the financial statements are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates, specifying that an entity develops an accounting estimate to achieve the objective established by an accounting policy. The effects of changes in such data or measurement techniques are changes in accounting estimates.

The changes are effective for periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the start of the first annual reporting period to which the entity applies the changes.

2.2.3. 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) Clarification of the requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements)

The IASB issued on 23 January 2020 an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current and non-current.

The amendments clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The changes aim to:
i. specify that an entity's right to defer settlement must exist at the end of the reporting period;
ii. clarify that the classification is not affected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
iii. clarify how loan conditions affect the rating; and
iv. clarify the requirements for classifying liabilities that an entity will settle, or may settle, by issuing its own equity instruments.

b) Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction

The IASB issued amendments to IAS 12 - 'Income Taxes' on 7 May 2021.

The amendments require companies to recognize deferred taxes on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

In certain circumstances, companies are exempt from recognizing deferred taxes when they first recognize assets or liabilities. Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning provisions, that is, transactions under which companies recognize an asset and a liability. The amendments clarify that the exemption does not apply to this type of transactions and that companies are required to recognize deferred taxes. The purpose of the amendments is to reduce the diversity in the disclosure of deferred taxes on leases and provisions for decommissioning.

The changes are effective for annual periods beginning on or after January 1, 2023. Early application is permitted.

c) Amendments to IFRS 17 - Insurance contracts: initial application of IFRS 17 and IFRS 9 - Comparative Information

The International Accounting Standards Board (IASB) has issued an amendment to the scope of the transition requirements of IFRS 17 - Insurance Contracts, providing insurers with an option aimed at improving the usefulness of information for investors in the initial application of the new Standard.

The amendment does not affect any other requirements of IFRS 17.

IFRS 17 and IFRS 9 - Financial Instruments have different transition requirements. For some insurers, these differences may cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in the financial statements when applying IFRS 17 and IFRS 9 for the first time.

The amendment will help insurers avoid these temporary accounting lags and therefore increase the usefulness of comparative information for investors.

IFRS 17, including this amendment, is effective for annual reporting periods beginning on or after 1 January 2023.

These standards, not yet adopted by the European Union, were not applied by the Group in 2021.

2.3 Consolidation

(a) Controlled companies
Financial investments in companies in which the Group is exposed or has rights, to variable returns, as a result of its involvement in these companies, and has the ability to influence those returns, through the power over these companies (definition of control used by the Group) , were included in these consolidated financial statements through the full consolidation method. The equity and net income of these companies, corresponding to the participation of third parties, is presented separately in the consolidated statement of financial position and statement of comprehensive income, under the heading non-controlling interests. The companies included in the financial statements are detailed in Note 5.

When the losses attributable to the non-controlling interests exceed the minority interest in the subsidiary's equity, the non-controlling interests absorb this excess, in the% held.

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

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

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

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

Balances and gains arising from transactions between group companies are eliminated. Unrealized losses are also eliminated, unless the transaction reveals evidence of impairment of a transferred asset. The accounting policies of the subsidiaries are changed, whenever necessary, in order to ensure consistency with the policies adopted by the Group.

(b) Entities where the group exercises control jointly with other partners

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

The entities where the group exercises control jointly with other partners are detailed in Note 5.

(c) Entities where the group has significant influence

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

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

Financial investments in associated companies are recorded using the equity method, being included in the consolidated statement of financial position under the heading “Financial investments in associated companies”.

Financial investments in associates are subject to impairment tests whenever there are signs of impairment. An impairment loss is recognized in the income statement by the amount of the excess of the asset's carrying amount over its recoverable amount. The recoverable amount is the highest of an asset's fair value less the costs inherent in its sale and its value in use. For carrying out impairment tests, each participation is analyzed separately. Impairment losses on financial investments in associates are reversible.

The entities that qualify as associates are listed in Note 5.

2.4 Goodwill

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

The Group performs impairment tests on Goodwill on an annual basis or more frequently, if events or changes in circumstances indicate a potential impairment. The recognized amount of Goodwill is compared with the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Whenever the book value of Goodwill exceeds its recoverable value, the impairment is immediately recognized as an expense and is not subsequently reversed (note 2.9).

2.5 Report by segments

The Group presents the operating segments based on the management information produced internally.
In accordance with IFRS 8, an operating segment is a component of the Group:
(i) that develops business activities from which it can earn revenue and incur expenses;
(ii) whose operating results are regularly reviewed by the chief operating decision maker of the Group ("chief operating decision maker") for the purposes of making decisions on the allocation of resources to the segment and the assessment of its performance; and
(iii) for which separate financial information is available.

The group operates in three major segments of activity:
- Restaurants, which integrates the units offering catering for table service and home delivery;
- Counters, which comprises units for sale over the counter;
- Concessions and catering, which encompasses all other businesses, namely catering activities and units located in spaces under concession.

The segment assets mainly include property, plant and equipment, intangible assets, inventories, accounts receivable and cash and cash equivalents. Deferred taxes, financial investments and derivatives held for trading or designated as collateral for loans are excluded.

The segment liabilities correspond to operating liabilities. It does not include elements such as income taxes (current and deferred), loans and related hedging derivatives.

Unallocated assets and liabilities (Note 6) are not included in the measurement of assets and liabilities of the segments analyzed by the main person responsible for making operational decisions and are analyzed from a centralized perspective of the group.

Investments include additions to property, plant and equipment (Note 8) and intangible assets (Note 9).

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

2.6 Currency exchange rate

a) Working and reporting currency
The Financial Statements of each group entity are prepared using the currency of the region in which the entity operates ("working currency"). The consolidated financial statements are presented in Euro. Ibersol's working currency and the Group's reporting currency.

b) Transactions and balances
Exchange differences resulting from the settlement of monetary items or from the conversion of monetary items at rates different from those at which they were converted at initial recognition or, in previous financial statements, are recognized in the income statement, unless they result from monetary items that are part of net investment in a foreign operation. In this case, exchange differences are initially recognized in other comprehensive income and are reclassified from equity to the consolidated net income for the period on the total or partial disposal of that operating unit.

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

c) Financial statements
Financial statements assets and liabilities of foreign entities are converted to Euro through the exchange rates at the balance sheet date. Profit and loss as well as the cash flows statements are translated into Euro through the

average exchange rate recorded during the period. The resulting exchange difference is recorded in equity under the heading “Exchange rate reserves”.

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

When a foreign entity is disposed, the accumulated exchange rate difference is recognised in the income statement as a gain or loss on disposal.

As at 31 December 2021 and 2020 the exchange rate used for conversion of transactions and balances denominated in Kwanzas in were, respectively:

Dec/21

Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2021	Average interest rate year 2021
Kwanza de Angola (AOA)	635,728	705,219

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

2.7 Property, plant and equipment

Buildings and other constructions include own properties assigned to restaurant activities and expenses on works at third-party properties, in particular those required for setting up restaurant shops.

Property, plant and equipment are presented at the acquisition cost, net of the respective amortisation and accumulated impairment losses.

The historic cost includes all expenses attributable directly to the acquisition of goods.

Costs with loans incurred and with loans obtained for the construction of property, plant and equipment are recognized as part of the construction cost of the asset.

Subsequent costs are added to the amounts for which the good is recorded or recognised as separate assets, as appropriate, only when it is probable that the company will obtain the underlying economic benefits and the cost may be reliably measured. Other expenses on repairs and maintenance are recognised as an expense in the period in which they are incurred.

Depreciation of assets is calculated by the equal annual amounts method in order to allocate its cost at its residual value, according to its estimated useful life, as follows:

- Buildings and other constructions	10-35 years*
- Equipment:	10 years
- Tools and utensils:	4 years
- Vehicles:	5 years
- Office equipment:	10 years
- Other property, plant and equipment:	5 years

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

The amounts which assets may be depreciated, their lifetime and the depreciation method are reviewed and adjusted if necessary on the consolidated statement of financial position date. Changes in lifetime are treated as a change in accounting estimate and are applied prospectively.

If the accounted amount is higher than the asset’s recoverable amount, it is immediately readjusted to the estimated recoverable amount (Note 2.9).

Gains and losses consequent to a reduction or sale are determined by the difference between receipts from the sale and the asset's accounted value, and are recognised as other operating income or other operating costs in the profit and loss account. When revaluated goods are sold, the amount included in other reserves is transferred to retained profit.

The assets in progress are recorded at acquisition cost less any impairment losses. These assets are amortized as from the moment when the underlying assets are available for use.

2.8 Intangible Assets

a) Industrial property

a.1) Concessions and exploitation rights
Concessions and exploitation rights are presented at historic cost. Concessions and exploitation rights have a finite useful life associated to the contractual periods and are presented at cost minus accumulated impairment and amortisation.

a.2) Software
The cost of acquiring software licences is capitalised and includes all costs incurred for acquiring and installing the software available for use. These costs are amortised during the estimated useful life (not exceeding 5 years).

Software development or maintenance costs are recognised as expenses when incurred. Costs associated directly with creating identifiable and unique software controlled by the Group and that will probably generate future economic benefits greater than the costs, for more than one year, are recognised as intangible assets. Direct costs include personnel costs for developing software and the share in relevant general expenses.

Software development costs recognised as assets are amortised during the software's estimated lifetime (not exceeding 5 years).

a.3) Brands

Brands acquired in business combinations are reflected at fair value at the date of the concentration (Eat Out group). Brands life cycle was determined considering the benchmark of the sector for brands of this dimension, which in general point to a life cycle of 20 years.

b) Other Intangible assets

Assets in progress

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

2.9 Impairment of goodwill, rights of use, property, plant and equipment and intangible assets

Intangible assets that do not have a defined useful life are not subject to amortization but are subject to annual impairment tests (or in each reporting period in which there are signs of impairment). Assets subject to amortization are revaluated to determine any impairment whenever events or changes in circumstances occur that result in the amount at which they are recorded may not be recoverable. An impairment loss is recognized in the consolidated income statement and other comprehensive income for the amount in excess of the asset's carrying amount over its recoverable amount. The recoverable amount is the highest of an asset's fair value less the costs inherent in its sale and its value in use. For carrying out impairment tests, assets are grouped at the lowest level at which cash flows (cash flow generating units) can be separately identified.

Restaurants negative returns are an indication of impairment, and the subsequent impairment analysis considers the projected cash flows of each store. In the case of recent openings, such initial negative returns may not be representative of the expected return pattern for that store and may not constitute an indication of impairment if such behaviour was expected for that period.

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

A cash-generating unit (CGU) is the smallest group of assets that includes the asset and that generates cash inflows from continued use that are largely independent of the cash inflows from other assets or groups of assets. In the case of property, plant and equipment, intangible assets and rights of use, each restaurant was generally identified as a cash-generating unit. There are, however, other property, plant and equipment and intangible assets that are not associated with CGU - restaurants. Restaurants with signs of impairment are tested, considering operating results less amortization, depreciation and impairment losses on property, plant and equipment, intangible assets and goodwill, as well as other cash-generating units whenever circumstances dictate or unusual facts occur.
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Goodwill is distributed among the units (or group of units) generating the flows (CGU) of the Group, identified in each business segment. The recognized amount of Goodwill is compared with the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. The value in use of a CGU is determined based on cash flow projections based on financial budgets approved by managers, covering at least a period of 5 years.

The Board of Directors determines the budgeted gross margin based on past performance and on its market growth expectations. The average weighted growth rate used is consistent with provisions included in the sector's reports. The discount rates used after taxes and reflect specific risks related with the assets from a CGU.

2.10 Financial assets

2.10.1 Classification

The Group classifies its other financial assets at the time of initial recognition in accordance with the requirements introduced by IFRS 9, in the following asset categories.

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

Loans and accounts receivable from customers are generally held for the purpose of collecting contractual cash flows and it is expected that the underlying contractual cash flows represent only the payment of principal and interest and therefore comply with the requirements for measurement at amortized cost provided for in IFRS 9.

b) Assets measured at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if the objective inherent to the business model used is achieved either by collecting contractual cash flows or by selling financial assets and if the he underlying contractual cash flows represent only payment of principal and interest. The assets classified in this category are initially and subsequently measured at their fair value, and the changes in their accounting value are recorded against other comprehensive income, except for the recognition of impairment losses, interest and when the financial asset is derecognized, the gain or loss accumulated in other comprehensive income is reclassified to the income statement.

c) Assets measured at fair value through profit or loss
Financial assets that do not meet the requirements for classification in the situations referred to above are classified and measured at fair value through profit or loss, residual category under IFRS 9.

2.10.2 Recognition and derecognition

Acquisitions and disposals of financial assets are recognized on the date of their negotiation, that is, on the date on which the Group undertakes to acquire or dispose of these financial assets.

Financial assets are derecognised when the Group's contractual rights to the receipt of its future cash flows expire when the Group has substantially transferred all the risks and rewards associated with its detention or when it retains, but not substantially, part of the risks and benefits associated with their detention, the Group has transferred control over the assets.

2.10.3 Impairment

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

The impairment model depends on the occurrence or not of a significant increase in credit risk since the initial recognition. If the credit risk of a financial instrument has not increased significantly since its initial recognition, the Group recognizes an accumulated impairment equal to the expected loss that is expected to occur in the following 12 months. If the credit risk has increased significantly, the Group recognizes an accumulated impairment equal to the expected loss that is estimated to occur up to the respective maturity of the asset.

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

a) Accounts receivable from customers

The Group applies the simplified method and records expected loss to maturity for all its accounts receivable, including those that include a significant financial component. Estimated expected losses were calculated based on the experience of actual losses over a period that, by business or type of customer, were considered statistically significant and representative of the specific characteristics of the underlying credit risk.

b) Other amounts receivable and financial assets

For other receivables and financial assets valued at amortized cost, the Group prepares its analyzes based on the general model, assessing at each date whether a significant increase in credit risk has occurred since the date of initial recognition of such asset. If there has been no increase in credit risk, an impairment corresponding to the amount equivalent to expected losses within a 12-month period is calculated. If there has been an increase in credit risk, the impairment calculation considers the expected losses for all contractual cash flows until the asset's maturity.

It is assumed that there is a significant increase in credit risk (and the determination of impairment for all contractual flows of the asset up to its maturity date) if the debtor's external rating undergoes a material reduction or if a debtor is more than 90 days from the contractual payment date.

The Group makes estimates based on the risk of default and loss rates, which require judgment. The inputs used to assess the risk of losses on these financial assets include:
• credit ratings (to the extent available) obtained through information provided by rating agencies such as Standard and Poor's and Moody's;
• significant changes in expected performance and debtor behavior; and
• data extracted from the market, in particular on probabilities of non-compliance.

2.11 Inventories

Inventories are presented at the lowest value between their cost and the net realisation value. The cost is calculated using the weighted mean cost, and it is equivalent to the acquisition cost deducted from quantity discounts.

Personal alimentation costs are reflected in personnel expenses, against stocks inventory.

The net realisation value corresponds to the estimated sale price during normal business operations, minus variable sale costs.

2.12 Accounts receivable and other debtors and accounts payable to suppliers and other creditors

Accounts receivable and other debtors are initially recognised at the fair value. Medium and long term debts are subsequently measured at the amortised cost, using the effective rate method minus the impairment adjustment.

Debts to suppliers and non-interest bearing third parties are measured at amortized cost so that they reflect their net present value. However, these amounts are not discounted because the effect of their financial update is considerer immaterial.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other investments up to 3 months that can be mobilized immediately, with a low risk of change in value. Bank overdrafts are presented in the Statement of Cash Flows as Cash and Cash Equivalents and in the Consolidated Statement of Financial Position in current liabilities under the heading “Loans obtained” item.

2.14 Share capital

Ordinary shares are classified in equity.

Incremental costs directly attributable to the emission of new shares or options are presented in equity as a deduction, net of taxes, of entries.

When any group company acquires shares in the parent company (own shares), the amount paid, including costs directly attributable (net of taxes), is deducted from the equity attributable to the shareholders of the parent company until the shares are cancelled, re-issued or sold. When those shares are subsequently sold or re-issued and after deducting directly imputable transaction costs and taxes, any receipt is included in the equity of the company’s shareholders.

2.15 Loans obtained

Loans are recorded in liabilities at the nominal value received, net of expenses with the issue, which corresponds to the respective fair value on that date. Subsequently, they are measured through the amortized cost method, with the corresponding financial charges calculated according to the effective interest rate and recorded in the income statement in accordance with the assumption of accrual basis, with the amounts past due and not settled at the date balance sheet, classified under “Accounts payable” (Note 20).

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

2.16 Income tax and deferred taxes

Current income tax is calculated based on the taxable results of the companies included in the consolidation perimeter in accordance with the tax rules in force at the location of the headquarters of each company. In Portugal, the tax estimate (IRC) was calculated according to the Special Regime for Taxation of Groups of Companies (RETGS). In Spain, the current tax of subsidiaries based in Vigo, Madrid and Barcelona (except Cortsfood and Dehesa) was calculated under the special tax regime for economic groups. The remaining subsidiaries, based in Luanda - Angola, calculate their current tax individually, in the light of the regulations in force in the country of their registered office (Note 5).

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

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available to use the temporary difference.

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

2.17 Provisions and contingent assets and liabilities

Contingent liabilities are defined by the Company as (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence or not of one or more uncertain future events not wholly under the control of the Company or (ii) present obligations Which arise from past events but are not recognized because it is not probable that an outflow of resources embodying economic benefits is required to settle the obligation or the amount of the obligation can not be measured reliably.

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

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

Contingent assets are not recognized in the Company's financial statements but are disclosed in these Notes to the Financial Statements when it is probable that there will be a future economic benefit.

In identifying onerous contracts, the group considers whether the unavoidable costs of fulfilling the contract exceed the economic benefits expected under such a contract. In the event that an onerous contract is identified, a provision is recognized for the difference between the unavoidable costs and the expected benefits of the contract.

2.18 Recognising revenue

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

The revenue recognition model is based on five steps of analysis, in order to determine when the revenue should be recognized and the amount to be recognized:
1) Identify the contract with the customer;
2) Identification of performance obligations;
3) Determine the transaction price;
4) Allocate the transaction price; and
5) Recognition of revenue.

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

Revenue is recognized as follows:

Sale of goods - retail
In most of the Group's sales of goods, there is only one performance obligation, so revenue is recognized immediately, with the delivery of the goods to the customer. A performance obligation corresponds to a commitment to deliver goods or services to customers that are different between.

When evaluating contracts with customers in which a third party is involved, namely at the level of deliverers (home delivery), the Group assesses its relationship between agent and principal, having concluded that with regard to the obligation of performance of delivery of the goods, it acts as an agent, since this performance obligation belongs to the respective aggregators, and in relation to the performance obligation for the sale of goods, Ibersol acts as the principal and the aggregators with an agent, since Ibersol is responsible for its production, manufacture packaging and shipping.

2.19 Right of use and leases liabilities

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

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

- Leases in Shopping Centers: these are, as a rule, for a period of 6 years, with a fixed monthly income or an income based on monthly sales, if this is greater than the fixed income

- Leases in street locations: they are usually for longer periods of 10 to 20 years with a fixed monthly income, and there may be an option to terminate by the lessee for a shorter period. There are other contracts that are concluded for shorter periods and the lessee has the right to successive renewals up to a maximum period that is usually 20 years.

- Leases in concession spaces: for the contractual period with a variable rent based on annual sales subject to a guaranteed minimum annual value.

Occasionally, there are variable rent lease contracts or, in the case of Airports in Spain, pursuant to Law 13/2021 in which the minimum annual rents are based on the traffic of the Airports until the traffic of the year 2019 is reached.

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

On the effective date of the lease, the Group recognizes the lease liability at the present value of lease payments that are not paid on that date and the respective right to use.

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

For the year ended December 31, 2021, exposure to variable lease payments is reduced. For a variation of more than 5% in sales in all the group's restaurants, an increase in total rentals of 0.5% is estimated.

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

Right of use

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

The right of use is constituted by the initial value of the liabilities with leases and by initial direct costs and payments made to the lessor before the date of entry into force of the lease, less the rental incentives received.

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

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

Leasing liabilities

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

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

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

In determining the lease term, the Group therefore makes a judgment about the relevant factors that create an economic incentive to exercise the renewal or termination (in cases where such options belong to the lessee and the lessor, the Group exercises judgment about the economic incentives for lessor and lessee). Among other aspects, the Group takes into account:
- the value of the non-transferable investments made in each commercial space and the estimate of the recovery period and use of such investments;
- if the renewal / termination option takes place in a shorter or more distant time horizon (the shorter the non-cancellable period of the contract, the greater the probability that the Group will exercise the renewal option, the opposite being true in the case of contracts with long non-cancelable periods)
- conditions for contract renewal – for example with regard to the renewal period or rent conditions
- termination penalties
- location of assets and existence of viable alternatives to other commercial spaces.

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

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

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

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

Lease liabilities are remeasured due to revaluations or changes to the lease.

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

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

The practical expedient is only applicable when the following conditions are cumulatively met:
a) the change in lease payments results in a revised fee for the lease that is substantially equal to, or less than, the fee immediately prior to the change;
b) any reduction in lease payments only affects payments due on or before 30 June 2022; and
c) there are no substantive changes to other lease terms and conditions.

2.20 Profit per share

Basic
The basic profit per share is calculated by dividing the profit payable to shareholders by the weighted mean number of ordinary shares issued during the period, excluding ordinary shares acquired by the company and held as own shares (Note 16).

Diluted
The profit diluted per share is calculated by dividing the profit payable to shareholders – adjusted by the dividends of convertible preference shares, convertible debt interest and gains and expenses resulting from the conversion – by the average number of ordinary shares issued during the period plus the average number of ordinary shares that may be issued in the conversion of ordinary shares that may be potentially used in the dilution.

2.21 Subsequent events

Events occurring between the date of the statement of consolidated financial position and the date of issue of the consolidated financial statements and the consolidated financial position (“adjusting events”) are reflected in the consolidated financial statements. Events that occur between the date of the consolidated statement of financial position and the date of issue of the consolidated financial statements that provide information on conditions that occur after the date of the consolidated statement of financial position (“non adjusting events”), if material, are disclosed in note 34.

2.22 Derivatives financial instruments

The Group uses derivatives financial instruments, such as exchange forwards and interest rate swaps, only to cover the financial risk witch the Group is exposed to. The Group doesn’t use derivatives financial instruments for speculation. Derivatives financial instruments negotiation is performed by the Group, on behalf of their subsidiaries, by the financial department under the policies approved by the Board of directors. Derivative financial instruments are initially measured at the transaction date fair value, being subsequently measured at each reporting date fair value. Gains or losses of fair value changes are recognised as follows:

Fair value hedge

In an operation to hedge the exposure to fair value of an asset or liability (“fair value hedge”) determined as effective hedges, the fair value changes are recognised in the income statement jointly with the fair value changes of the risk component of the hedged item.

Cash flow hedge

In an operation to hedge the exposure to future cash-flows of an asset or liability (“cash-flow hedge”), the effective part of the fair value changes in the hedging derivative are recognizes in equity; the ineffective part of the hedging is recognized in the income statement when it occurs.

Net investment hedge

Currently, Ibersol does not consider the realization of currency hedging on net investments in foreign operating units (subsidiaries), as it is not significantly exposed to foreign exchange gains and losses on monetary items that in substance can be considered as a net investment in foreign operations.

The Group has well identified the nature of the involved risks, guarantees through its software that each hedge instrument is followed under the Group's risk policy, recording thorough and formally the hedges relationships; the hedges goal and strategy; classification of the hedges relationship; description of the nature of the risk that's being cover; identification of the hedge instrument and covered item; description of initial measure and future effectiveness of the hedge; identification of the excluded, if any, part of the hedge instrument.

The Group will consider discontinued an hedge instrument when it is sold, expires or is realised; the hedge ceases to fulfil the hedge accounting criteria; for the cash flow hedge the expected transaction in unlikely or unexpected; the Group cancels the hedge instruments for managing reasons.

2.23 Consolidated statement of cash flows

The Cash Flow Statement is prepared using the direct method, through which cash receipts and payments in operating, investing and financing activities are disclosed.

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

Investment activities include, in particular, acquisitions and disposals of investments in subsidiaries, payments and receipts arising from the purchase and sale of assets and receipts of interest and dividends. Financing activities include payments and receipts related to loans obtained, finance lease contracts, interest paid and dividend payments.

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

2.24 State grants awarded

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

Subsidies granted by the State to finance staff training actions are recognized as income in the consolidated income statement during the period during which the Group incurred the respective training costs.

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

Subsidies granted by the State to finance investments in tangible or intangible assets are deferred and recorded as liabilities. Investment subsidies are recognized in the consolidated income statement over the estimated useful life of the subsidized assets under the heading "Other operating income / (costs)".

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 give rise to significant exchange rate variations of the kwanza, so it is to be considered that there is an exchange rate risk. 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 in the past, 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. In 2020 and 2021, the monetary policy adopted by the Angolan government allowed the fluidity of access to foreign currency necessary to meet payment commitments abroad and regularize all situations of delay.

As at 31 December 2021 and 2020 currency exchange risk was as follows:

	YEAR 2021					
Financial Assets	Kwanzas	Equivalent EUR	USD (*)	Equivalent EUR	EUR	TOTAL (EUR)
Cash and cash equivalents	1 985 351 043	3 122 957	4 746	4 225	10 366	3 137 549
Treasury bonds	1 524 073 958	2 397 368	-	-	-	2 397 368
Others	116 134 591	182 680	-	-	-	182 680
	3 625 559 591	5 703 005	4 746	4 225	10 366	5 717 597
Financial Liabilites						
Loans	203 333 333	319 843	-	-	-	319 843
Suppliers	198 555 933	312 328	113 585	101 121	83 913	497 363
Others	16 381 909	25 769	-	-	-	25 769
	418 271 176	657 941	113 585	101 121	83 913	842 975

	YEAR 2020					
Financial Assets	Kwanzas	Equivalent EUR	USD (*)	Equivalent EUR	EUR	TOTAL (EUR)
Cash and cash equivalents	2 999 003 480	3 763 749	4 759	3 996	10 654	3 778 400
Treasury bonds	2 076 445 638	2 605 939	-	-	-	2 605 939
Others	58 434 356	73 335	9 319	7 825	-	81 160
	5 133 883 474	6 443 024	14 078	11 821	10 654	6 465 500
Financial Liabilites						
Loans	741 666 667	930 792	-	-	-	930 792
Suppliers	233 790 783	293 407	228 434	191 819	176 539	661 765
Others	8 603 908	10 798	-	-	-	10 798
	984 061 358	1 234 997	228 434	191 819	176 539	1 603 354

(*) exchange rate USD / EUR 0.89 and 0.84, respectively, in 2021 and 2020.

Additionally, in Angolan subsidiaries, there are debts to suppliers - mainly group companies - denominated in EUR, which, after conversion, generate exchange differences in the consolidated financial statements (other operating costs). On the other hand, the same subsidiaries hold financial assets indexed to the USD in an amount necessary to fully cover foreign currency liabilities.

Based on simulations performed on 31 December 2021, a decrease from 10% to 15% in AOA, concerning EUR and USD currency, keeping everything else constant, would have an impact of 106 thousand and 905 thousand Euros (1.295 thousand Euros and 1.943 thousand Euros in 2020), respectively, on the Group’s equity.

ii) Price risk

The Group is not greatly exposed to goods 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 6.4 million Euros are subject to interest maturities and repayment plans identical to the terms of the loans. A loan of 36 million Euros with fixed rate debt is contracted.

Based on simulations performed on 31 December 2021, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 522,000 Euros (610,000 Euros in 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 3.8% 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, with no information on the rating assigned to these entities. Credit situations in arrears for more than 30 days are subject to an analysis of future losses based on historical information and taking into account the established business relationship as well as existing real guarantees, with adjustments being recognized for impairment losses.

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 31 December 2021, is not significant, with the exception of the above mentioned Treasury Bonds of the Republic of Angola in the amount of 2.2 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.

As at 31 December 2021 and 2020, the ratings of the major credit institutions where Ibersol Group has its deposits are presented as follows:

Agency	Bank	Year 2021		Year 2020	
		Deposits	Rating	Deposits	Rating
Standard & Poor´s	Banco Santander (ES)	426 913	A+	1 737 653	A
Standard & Poor´s	Banco Bilbao Vizcaya	761 595	A	822 113	A-
Standard & Poor´s	La Caixa (ES)	4 687 565	A-	10 289 245	BBB+
Standard & Poor´s	Bankinter	411 450	BBB+		
Standard & Poor´s	Banco BPI	12 020 442	BBB	9 094 167	BBB
Standard & Poor´s	Banco Santander Totta	28 945 140	BBB	8 222 650	BBB
Standard & Poor´s	Banco Sabadell (ES)	3 949 056	BBB-	3 129 181	BBB
Standard & Poor´s	Millenium BCP	29 746 647	BBB-	3 814 145	BBB-
Fitch	ABANCA (ES)	121 645	BBB-		
Fitch	Banco Popular	1 013 452	A-		
Moody's	Caixa Geral Depósitos	4 881 956	Baa2	2 867 157	Ba1
Moody's	Banco Montepio	316 523	B1	474 437	B1
Moody's	Novo Banco	4 757 423	B1	4 779 951	Caa2
Fitch	BAI (Angola)	235 998	B-		
Não disponível (Angola)	n/a	2 898 392	n/a	4 229 828	n/a
Não disponível (outros)	n/a	764 095	n/a	185 382	n/a
		95 938 292		**49 645 909**	

Deposits in Angola are distributed by four of the largest commercial banks in Angola - BFA, BCGA, ATL and BAI - but which do not have a rating. As at 31 December 2021, the Group has deposited Treasury Bonds with a rating of the Republic of Angola, Rating B3 (Moody`s), recorded in the amount of 2,179,956 euros, as detailed in note 11.

The quality of financial assets not due or impaired is detailed in Note 15.

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 the end of the year, current liabilities reached 136 million Euros, compared with 141 million Euros in current assets. Without prejudice to the fact that this year, as a result of excess liquidity, the Group does not present a situation of current liabilities greater than current assets, a financial characteristic of this business, it is important to note that current liabilities include 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. On the other hand, 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.

The Group considers 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 all current liabilities.

On 31 December 2021, the Group had Commercial Paper Programs and unused medium and long-term lines of 24 million Euros and unused short term liquidity cash flow amounted to 14 million Euros. Investments in term deposits and other application of 94 million Euros, match 54% of liabilities paid.

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

	< 1 year	from 1 to 5 years	> 5 years
Bank loans and overdrafts	26 593 284	137 664 847	2774218,54
Lease liabilities	21 645 649	65 842 690	55579995,06
Other non-current liabilities	-	4 176	-
Accounts payable to suppliers and accrued costs (*)	63 520 159	-	-
Other current liabilities (**)	5 536 323	-	-
Total	117 295 415	203 511 713	58 354 214

(*) amount excluding remunerations to be paid (note 21).
(**) amount excluding balances with the state and deferred income (note 22).

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 31 December 2021 and 2020 the gearing ratio was of 48% and 74%, respectively, as follows:

	Dec-21	Dec-20
Lease liabilities	143 068 334	329 014 533
Bank loans	167 032 350	165 068 581
Other financial assets	-2 179 955	-2 442 186
Cash and bank deposits	-96 968 003	-50 550 293
Net indebtedness	210 952 725	441 090 634
Equity	228 663 582	156 405 905
Total capital	439 616 307	597 496 539
Gearing ratio	48%	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 and the obligation to open new restaurants. In case of non-compliance with the opening plans provided for in these contracts, franchisors may terminate their development contracts.

The group has signed development contracts with Taco Bell and KFC (Portugal and Spain) and Burger King (Portugal and Spain). In unusual circumstances, such as the current pandemic crisis, readjustments to the development programs with the different brands Taco Bell and KFC were agreed. In the case of Burger King for Portugal, an amendment to the contract was being negotiated, but Burger King decided to terminate it (note 36.2).

In the franchise agreements of several international brands operated by the subsidiaries of Ibersol SGPS, S.A. requirements and conditions are foreseen to be fulfilled prior to the disposal of the participation of the subsidiary that operates the contract, issuance of equity instruments and/or change of control in said subsidiaries, as well as the disposal of the business or restaurants owned by those subsidiaries, which include , among others: the prior agreement of the franchisors, information obligations and various transmission procedures, eventual payment of charges or fees, as well as the right of first refusal in favor of the franchisors. Franchise agreements with some international brands provide for the possibility of termination in the event of a change in control of Ibersol SGPS, S.A. without prior agreement from the franchisor.

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.

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

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.

The group makes estimates and outlines premises about the future. 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).

Information on the most relevant assumptions used in the impairment analysis, as well as the sensitivity of the results obtained in the face of certain changes in assumptions, is disclosed in Notes 2.9, 8 and 9.

b) Measurement and recognition of deferred taxes

Deferred tax assets are recognized only when it is probable that there will be sufficient taxable profits or taxable temporary differences related to the same tax authority to use those same 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/ reversal of taxable temporary differences that allow their recovery.

c) Lease term and financing rate increases

The Group makes estimates on lease terms and the incremental financing rate.

The Group determines the lease term as the non-cancellable period of the lease, taking into account the periods covered by an option to extend the contract if it is reasonable for the Group to exercise it, or any periods covered by an option to terminate the contract, if it is reasonably certain that the Group will not exercise it. In determining the lease term, the Group therefore makes a judgment on the relevant factors that create an economic incentive to exercise the renewal or termination (in cases where such options belong to the lessee and the lessor, the Group exercises judgment about the economic incentives for lessor and lessee). See more details in note 2.19.

In most leases, the Group is not able to readily determine the interest rate implicit in the contracts, so it considers its incremental financing rate to measure lease liabilities. The incremental financing rate is the interest rate that the Group would have to pay to obtain loans of similar terms and guarantees, to acquire an asset identical to the leased asset in a similar economic environment. In this way, the incremental financing rate reflects what the Group would have to pay, which requires an estimate when there are no observable rates available (such as in subsidiaries that do not carry out financing operations) or when they need to be adjusted to reflect the terms and conditions of the lease (for example when the contracts are not in the Group's functional currency). The Group estimates the incremental funding rate using observable information (such as market interest rates) when available, and it is necessary to make some specific estimates based on consultations with funding institutions such as Banks and Investment Funds. The average incremental financing rate used by the Group to discount lease liabilities was 5.12% in Portugal and 5.44% in Spain (5.04% and 5.25%, respectively, in Portugal and Spain as at 31 December 2020.

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 31 December 2021 and 2020:

Company	Head Office	% Shareholding	
		Dec/21	Dec/20
Parent company			
Ibersol SGPS, S.A.	Porto	mãe	mãe
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.

The above entities develop their business in the countries where they are based.

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 (Note 2.3).

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 periods ended 31 December 2021 and 2020 there were no acqusitions of subsidiaries.

5.2.2. Disposals

In the periods ended 31 December 2021 and 2020 there were no disposals of subsidiaries.

6. REVENUE FROM CONTRACTS WITH CLIENTS AND INFORMATION PER SEGMENT

6.1. Revenue from contracts with clients

Revenue from contracts with customers (note 2.18) is presented as follows:

	2021	**2020**
Turnover	**357 335 254**	**288 872 291**
Restaurant activity sales	**348 551 311**	**281 860 398**
Restaurants sales	340 306 451	276 996 994
Event catering sales	5 270 739	3 175 895
Catering sales in concessions	2 974 120	1 687 509
Merchandise sales	**7 159 148**	**5 780 696**
Rendered services	**1 624 795**	**1 231 197**
Franchised Royalties	1 401 493	1 167 546
Others	223 302	63 651

In 2021, sales through Aggregator platforms amounted to 43.4 million euros.

6.2. Information per segment

Ibersol Administration monitors the business based on the following segmentation (Note 2.5):

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, Travel and catering	Sol (SA)	Concessions	Catering	Convenience stores		Travel	

DETAILED INFORMATION CONCERNING THE OPERATING SEGMENTS

	Restaurants		Counters		Concessions, Travel and Catering		Other, write off and adjustments		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Turnover	**77 754 411**	**71 023 975**	**223 677 168**	**178 537 605**	**55 660 542**	**39 141 980**	**243 133**	**168 731**	**357 335 254**	**288 872 291**
Operating income net of Amortization, deprec. and impairment losses	**15 399 087**	**6 021 137**	**47 199 367**	**32 843 628**	**73 052 275**	**4 554 759**	**247 303**	150 123	**135 898 032**	**43 569 647**
Amortization, depreciation and impairment losses	-13 197 178	-16 503 064	-34 075 419	-31 561 947	-35 168 703	-44 853 517	-1 209 428	-1 593 076	-83 650 728	-94 511 604
Operating income	**2 201 909**	**-10 481 927**	**13 123 948**	**1 281 681**	**37 883 572**	**-40 298 758**	**-962 125**	-1 442 953	**52 247 304**	-50 941 957
Financial gains (losses)									-16 949 780	-19 640 571
Financial gains (losses)									-59 343	133 325
Income tax									-3 901 033	15 141 994
Net profit									**31 337 149**	**-55 307 209**
Total assets allocated	123 439 559	115 153 151	379 901 762	304 314 664	99 196 967	277 790 739	12 518 242	10 677 837	615 056 529	707 936 391
Total liabilities allocated	42 821 202	35 347 373	163 854 471	133 242 383	25 333 521	234 304 331	797 271	393 868	232 806 465	403 287 955
Net investment in fixed tangible and intagible assets	3 167 059	1 491 820	28 896 284	22 062 749	28 256	2 935 422	658 968	862 086	32 750 568	27 352 077

In the Concessions, Travel and Catering segment, the impact of the adoption of the new Law 13/2021, according to the introductory note, amounts to an operating income of 61.4 million euros resulting from the derecognition of non-payable rent lease liabilities referring to to 2020 in the amount of 23.1 million euros, the derecognition of non-payable rent lease liabilities referring to the first new months of 2021 in the amount of 15.1 million euros and the difference between lease liabilities referring to future rents and the right of use in the amount of 23.1 million euros.

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

	Dec/21		Dec/20	
	Assets	Liabilities	Assets	Liabilities
Deferred taxes	11 088 442	3 376 658	14 914 797	3 896 164
Current taxes	110 222	456 400	169 241	15 329
Current bank loans	-	26 593 284	-	18 780 133
Non current bank loans	-	140 439 066	-	146 288 448
Derivative financial instrument	-	18 976	-	63 078
Non-current financial assets	978 965	-	574 737	-
Financial investments - joint controlled subsidiaries	2 940 318	-	2 699 661	-
Other financial assets	2 179 955	-	2 442 186	-
Total	17 297 902	170 884 384	20 800 622	169 043 152

	Dec/21		Dec/20	
	Assets	Liabilities	Assets	Liabilities
Allocated by segment	615 056 529	232 806 465	707 936 391	403 287 955
Not allocated	17 297 902	170 884 384	20 800 622	169 043 152
	632 354 431	403 690 850	728 737 013	572 331 108

BRAND INFORMATION (Turnover)

Turnover by brand (sub-segments) is detailed as follows:

Brand/Segment	2021	2020	Var %
Pizza Hut	57 891 083	53 348 719	8,5%
Pasta Caffe	510 555	1 001 559	-49,0%
Pizza Móvil	4 870 665	4 887 787	-0,4%
FrescCo	384 382	650 357	-40,9%
Ribs	14 541 822	11 093 296	31,1%
Santa Maria	30 210	42 257	-28,5%
Restaurants	**78 228 717**	**71 023 975**	**10,1%**
Burger King	148 982 829	117 697 970	26,6%
Pans & Company	31 248 448	26 135 105	19,6%
KFC	36 108 685	30 750 282	17,4%
O'Kilo/Miit	532 834	817 914	-34,9%
Coffee Counters	958 917	1 016 620	-5,7%
Taco Bell	5 371 148	2 119 713	153,4%
Counters	**223 202 861**	**178 537 605**	**25,0%**
Sol (Service Areas)	5 234 092	4 159 868	25,8%
Travel (Airports)	45 004 612	31 764 880	41,7%
Catering	5 421 837	3 217 232	68,5%
Concessions e Catering	**55 660 542**	**39 141 980**	**42,2%**
Others	243 133	168 731	44,1%
TOTAL	**357 335 254**	**288 872 291**	**23,7%**

INFORMATION BY GEOGRAPHY

As at 31 December 2021 and 2020 income and non-current assets by geography is presented as follows:

31 DECEMBER 2021	**Portugal**	**Angola**	**Spain**	**Group**
Turnover	**232 019 461**	**8 647 451**	**116 668 342**	**357 335 254**
Property, plant and equipment and intangible assets	183 302 165	16 913 672	50 028 570	250 244 407
Rights of use	76 171 530	514 414	62 185 207	138 871 151
Goodwill	7 474 768	130 714	71 427 339	79 032 821
Deferred tax asset	4 899 059	-	6 189 382	11 088 442
Financial investments - joint controlled subsidiaries	2 940 318	-		2 940 318
Non-current financial assets	578 965	-	400 000	978 965
Other financial assets	-	841 165	-	841 165
Other non-current assets	-	-	7 524 331	7 524 331
Total non-current assets	**275 366 805**	**18 399 965**	**197 754 830**	**491 521 600**

31 DECEMBER 2020	Portugal	Angola	Spain	Group
Turnover	**190 529 880**	**7 371 461**	**90 970 950**	**288 872 291**
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	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 periods ended on 31 December 2021 and 2020, rights of use, as well as in the respective accumulated amortizations and impairment losses, were as follows:

	Stores and Commercial Spaces	Buildings	Equipment	Other assets	Total
1 January 2020					
Initial net amount	308 977 174	9 362 195	3 244 949	227 861	321 812 179
Currency conversion	-396 773	-	-	-	-396 773
Increases	20 842 751	712 830	272 712	20 635	21 848 928
Decreases	-3 612 854	-6 053	-1 409	-	-3 620 316
Transfers	-	-767 669	14 493	2 266	-750 910
Depreciation in the year	-55 410 213	-1 279 677	-536 873	-33 754	-57 260 517
Final net amount	**270 400 085**	**8 021 626**	**2 993 872**	**217 008**	**281 632 591**
31 December 2020					
Cost	376 173 626	14 752 819	5 192 087	303 347	396 421 879
Accumulated depreciation	-105 773 543	-6 731 194	-2 198 215	-86 340	-114 789 292
Net amount	**270 400 085**	**8 021 626**	**2 993 872**	**217 007**	**281 632 588**

	Stores and Commercial Spaces	Buildings	Equipment	Other assets	Total
1 January 2021					
Initial net amount	270 400 085	8 021 626	2 993 872	217 007	281 632 588
Currency conversion	154 069	-	-	-	154 069
Increases	32 581 675	50 201	2 270 203	203 951	35 106 030
Decreases	-128 752 142	-38 928	-	-	-128 791 070
Transfers	-	-3 022	-75 610	-11 364	-89 996
Depreciation in the year	-46 258 100	-2 148 068	-691 846	-42 456	-49 140 470
Final net amount	**128 125 587**	**5 881 809**	**4 496 619**	**367 138**	**138 871 151**
31 December 2021					
Cost	185 762 640	14 604 837	7 132 225	470 934	207 970 636
Accumulated depreciation	-57 637 054	-8 723 027	-2 635 606	-103 796	-69 099 483
Net amount	**128 125 587**	**5 881 809**	**4 496 619**	**367 138**	**138 871 151**

The value of the increases corresponds to 44 new leases (34 of spaces and 10 of equipment), 23 renewals of contracts for restaurants and support facilities, and also the effect of remeasurement of contracts by the rent updates by the Price Index in the Consumer and other changes to expected lease payments (eg in cases of lease term reassessment).

The amount recognized as decreases essentially refers to the write-off of AENA contracts (128,474,135 euros), as detailed in the introductory note and note 17, since according to Law 13/2021 of 1 October:

• The guaranteed minimum annual income ("RMAG") 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;
• As of June 21, 2020, the guaranteed minimum annual income established in the aforementioned 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 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.

In this way, and in accordance with the provisions of paragraph 39 of IFRS 16, the entire lease liability referring to the contracts with AENA was derecognised as a contra entry to the Right of Use, with reference to the date of entry into force of the aforementioned law. Since the value of the lease liability, on the derecognition date, was higher than that of the Right of use, a gain was recognized in the income statement for the difference in these balances in the amount of 61,354,936 euros (note 25). In addition to this impact, the Group also settled the deferred tax assets associated with these lease contracts (note 18.2.1). As a result of this change, in the fourth quarter, amortization of the right of use decreased by 7.7 million euros.

As mentioned in Note 2.9, the impairment of the right to use is analyzed on an aggregate bases with each Cash Generating Unit (Note 8).

8. PROPERTY, PLANT AND EQUIPMENT

During the periods ended 31 December 2021 and 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	168 469	177 992	27 483	-17	47 175	421 102
Charge-off	4 647 921	18 519 568	4 743 443	1 690 090	142 409	29 743 432
Decreases	-	-117 430	-55 986	-19 595	-	-193 009
Transfers	-	396 419	485 375	36 569	-843 745	74 617
Depreciation in the year	-47 575	-13 778 150	-8 587 171	-2 353 322	-	-24 766 218
Impairment in the year	-9 000	-3 526 492	-627 433	-47 315	-	-4 210 240
Final net amount	**19 497 339**	**153 238 101**	**31 204 592**	**9 664 958**	**768 719**	**214 373 712**
31 December 2021						
Cost	19 835 816	290 078 276	144 097 484	33 130 863	768 720	487 911 159
Accumulated depreciation	-329 477	-125 922 984	-112 137 610	-23 414 548	-	-261 804 619
Accumulated impairment	-9 000	-10 917 191	-755 280	-51 359	-	-11 732 830
Net amount	**19 497 339**	**153 238 101**	**31 204 592**	**9 664 958**	**768 719**	**214 373 712**

In 2021, the investment basically refers to the opening of five Taco Bells (2 due to the conversion of other existing units), five Pizza Huts, twelve Burger Kings, six KFC and the acquisition of land for the installation of 5 restaurants. 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.

Under the expansion and development contracts with the brands (see note 3.2 b), the Group assumed the commitment to make investments in tangible and intangible fixed assets associated with new store openings and remodelling.

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 an annual basis as referred to in Note 2.9.. Each store / restaurant is considered a CGU, and in the case of airports each airport it's a CGU.

Each UCG is composed of all the assets and liabilities attributable to each restaurant, namely: tangible fixed assets, intangible assets, rights of use and respective lease liabilities.

Methods and assumptions

As at 31 December 2021 and 2020, the methods and main assumptions used in the preparation of impairment tests on the Group's main property, plant and equipment that showed signs of impairment were as follows:.

	2021		**2020**	
	Portugal	**Spain**	**Portugal**	**Spain**
Method used	Use Value		Use Value	
Base used*	Projections with perpetuity	Projections with perpetuity	Projections with perpetuity	Projections with perpetuity
Used Period (years)	5	5	5	5
Discount rate for the period (WACC)	6,7%/7,3%	6,4%/6,9%/7,5%	7,3%/7,6%	6,6%/6,9%/8,5%

* The discount rate presented was calculated based on the methodology WACC (Weighted Average Cost of Capital).
** According to the business segment, Quick service (Burger King, Pans and KFC), Restaurants and Travel, respectively.

The growth rate in perpetuity used in cash flow projections is 2%.

Results of impairment tests

The tests performed on Ibersol Group restaurants with signs of impairment resulted in the need to record impairment in the amount of 4,861,694 Euros (4,210,240 euros in property, plant and equipment assets and 651,454 euros in intangible assets) in 2021 and 831,559 euros in 2020 (only related to property, plant and equipment assets), as follows:

Year2021

Unit	Segment	Recovarable amount (use value)	Assets account value	Property, plant and equipment Impairment	Intangible assets Impairment	TOTAL
Aeroport Gran Canaria (ES)	Concessions and Travel	0	1 116 441	1 092 082	24 359	1 116 441
Aeroport Malaga (ES)	Concessions and Travel	333 355	1 346 916	996 222	17 339	1 013 561
Service Areas (5 units)	Concessions and Travel	1 549 914	2 809 884	650 214	609 756	1 259 970
KFC (1 unit)	Counters	0	616 438	616 438	-	616 438
Burger King (1 unit)	Counters	520 662	778 705	258 043	-	258 043
Pans & C.ª (1 unit)	Counters	0	518 577	518 577	-	518 577
FresCo (1 unit)	Restaurants	0	23 228	23 228	-	23 228
Storage (ES)	Restaurants	206 114	261 550	55 436	-	55 436
TOTAL		2 610 045	7 471 739	4 210 240	651 454	4 861 694

Year 2020

Unit	Segment	Recovarable amount (use value)	Assets account value	Property, plant and equipment Impairment losses	Intangible assets Impairment losses	TOTAL
Service Areas (2 units)	Concessions and Travel	0	112 721	112 721	-	112 721
Pasta Caffe (2 units)	Restaurants	0	542 735	542 735	-	542 735
Ribs (1 unit)	Restaurants	0	55 043	55 043	-	55 043
Pans & C.ª (1 unit)	Counters	0	121 060	121 060	-	121 060
TOTAL		0	831 559	831 559	-	831 559

A lower penetration in the "home delivery" segment as well as greater difficulties of these units in the short-term recovery of pre-covid transactions indicated impairment losses of these assets.

In the case of Gran Canaria and Málaga Airports, the evidence comes from the minimum contractual rents that are adjusted by Ley13/2021 being substantially higher than those requested by Ibersol in the lawsuit filed in Court.

Sensitivity analysis

In 2021, the analysis of the sensitivity to the discount rate for the CGUs that are impaired in the year is presented as follows:

Discount Rate	Impairment	Change in inpairment - increase/(decrease)
-1,00%	4 638 908	-222 786
-0,50%	4 773 074	-88 620
WACC rate applied	4 861 694	
0,50%	5 030 941	169 247
1,00%	5 258 589	396 895

In 2021, the analysis of the sensitivity to the growth rate in perpetuity is presented as follows:

Perpuity growth rate	Impairment	Change in inpairment - increase/(decrease)
1% less than base	5 052 578	190 884
0.5% less than base	4 950 161	88 467
base: 2%	4 861 694	
0.5% more than base	4 843 933	-17 761
1% more than base	4 786 125	-75 569

The impairment determined in the CGUs identified above was allocated to the corresponding tangible fixed assets and intangible assets. Notwithstanding that the UCGs include other assets (RoU), taking into account the materiality of the impairment determined and the lower weight of the other assets of each UCG, the allocation of the determined impairment would not result in material differences in the presentation of financial statements.

As mentioned in note 1, the impairment analyzes of the assets associated with the travel segment, namely, airports in Spain, were carried out based on the effects arising from the application of Law 13/2021, as well as the most recent traffic estimates from Eurocontrol, which point to a recovery in 2024 of 2019 traffic. If the outcome of the dispute with AENA is in its entirety favorable to Ibersol, the value of the impairments recognized in the units in Málaga and Gran Canaria, as well as the provision recognized in the Gran Canaria onerous contract (note 19), the eventual total or partial reversal of these effects will have to be evaluated.

9. INTANGIBLE ASSETS AND GOODWILL

Goodwill and intangible assets are broken down as follows:

	Dec/21	Dec/20
Goodwill	79 032 821	80 509 642
Intangible assets	35 870 696	36 849 594
	114 903 517	**117 359 236**

During the periods ended 31 December 2021 and 2020, intangible assets, amortization and accumulated impairment losses were as follows:

	Goodwill	Brands	Industrial property	Other intangible Assets	Intangible Assets in progress	Total
1 January 2020						
Cost	93 984 684	22 000 000	45 735 432	13 793 294	1 415 225	176 928 635
Accumulated amortization	-	-3 483 333	-27 637 453	-11 659 270	-	-42 780 055
Accumulated impairment	-6 016 459	-	-3 681 055	-41 875	-	-9 739 389
Net amount	**87 968 225**	**18 516 667**	**14 416 924**	**2 092 155**	**1 415 225**	**124 409 189**
1 January 2019						
Initial net amount	87 968 225	18 516 667	14 416 923	2 092 155	1 415 225	124 409 189
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	93 984 684	22 000 000	49 137 541	12 867 206	1 655 511	179 644 942
Accumulated amortization	-	-4 583 333	-29 430 863	-11 075 698	-	-45 089 894
Accumulated impairment	-13 475 042	-	-3 681 055	-39 711	-	-17 195 808
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	-	-	10 101	-	26 373	36 474
Charge-off	-	-	3 458 095	5 000	136 179	3 599 274
Decreases	-	-	-146 657	-	-252 470	-399 127
Transfers	-	-	308 401	-	-335 351	-26 950
Amortization in the year	-	-1 100 000	-2 091 966	-345 149	-	-3 537 115
Impairment in the year	-1 476 821	-	-651 454	-	-	-2 128 275
Final net amount	**79 032 821**	**16 316 667**	**16 912 143**	**1 411 650**	**1 230 242**	**114 903 517**
31 Decemberr 2021						
Cost	93 984 684	22 000 000	52 839 447	12 232 341	1 230 241	182 286 713
Accumulated amortization	-	-5 683 333	-31 599 025	-10 788 395	-	-48 070 753
Accumulated impairment	-14 951 863	-	-4 328 280	-32 296	-	-19 312 439
Net amount	**79 032 821**	**16 316 667**	**16 912 142**	**1 411 652**	**1 230 242**	**114 903 517**

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

9.1 Goodwill

Goodwill is allocated to each of the groups of homogeneous cash-generating units as follows:

	Dec/21	Dec/20
Restaurants	7 147 721	8 624 542
Counters	37 199 991	37 199 991
Concessions and Catering	34 505 388	34 505 388
Other, write off and adjustments	179 721	179 721
	79 032 821	**80 509 642**

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

	Dec/21	Dec/20
Restaurants		
Ribs	5 175 479	5 175 479
Frescco	-	1 476 821
Pizza Hut	1 972 242	1 972 242
Sub-total	7 147 721	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, Travel and Catering		
Concessions and Travel (SP)	30 630 919	30 630 919
Concessions and Travel (PT)	850 104	850 104
Catering	3 024 365	3 024 365
Sub-total	34 505 388	34 505 388
Others	179 721	179 721
TOTAL	79 032 821	80 509 642

Goodwill – Impairment tests

Goodwill is not amortized. The Group performs impairment tests on goodwill annually, or whenever there are signs of impairment, as mentioned in Note 2.9.

For the purpose of impairment tests on CGU, the recoverable amount was determined based on the value in use, according to the discounted cash flow method. The recoverable value of the CGU derives from assumptions related to the activity, namely, sales volumes, operating costs, planned investments, 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.

In terms of impairment losses, the effects of the pandemic on the restaurant sector and the pace of recovery, particularly in locations most dependent on the recovery of tourist traffic, namely in concessioned spaces, resulted in the maintenance of the application of different risks in determining the value recoverable from the tests carried out, depending on the business areas.

With the exception of the results obtained in the analysis of the FresCo operation in Spain, the remaining impairment tests did not result in impairment losses, which is in line with Management's expectations, which effectively indicate that there are no other permanent losses in its businesses, with the clear expectation of business recovery in the medium term to pre-Covid-19 levels.

Sensitivity analyses were also performed on the main assumptions used in the base calculation, with impairment losses only occurring in very conservative scenarios.

Methods and assumptions:

In order to determine the recoverable amount of goodwill, the value in use was considered based on the 5-year business and perpetuity projections. The methods and main assumptions used in preparing the impairment tests for the Group's goodwill were as follows:

	WACC 2021	**Growth rate for residual value**	**WACC 2020**	**Growth rate for residual value**
Portugal - Quick Service	6,7%	2,0%	7,3%	2,0%
Portugal - Restaurantes e Catering	7,3%	2,0%	7,6%	2,0%
Portugal - Travel	7,8%	2,0%	8,5%	2,0%
Espanha - Quick Service	6,4%	2,0%	6,6%	2,0%
Espanha - Restaurantes	6,9%	2,0%	6,9%	2,0%
Espanha - Travel	7,5%	2,0%	8,5%	2,0%
Angola - Quick Service	15,7%	2,0%	20,8%	2,0%

The discount rate presented was calculated based on the WACC methodology (Weighted Average Cost of Capital).

In 2021, with the effects of the pandemic on the restaurant sector and in particular in the locations most dependent on the recovery of tourist traffic, impairment tests were carried out on Goodwill, based on the expectations of recovery of tourist flows, namely air traffic in Europe, that have been taking place in recent months.

The publication of Ley 13/21 (introductory note), clarified the rules in force for minimum rents at airports in Spain and with the publication of new forecasts from the airspace regulatory authorities, the group adjusted Travel projections, considering a recovery of traffic from 2019 to 2024 and future rents as established in the aforementioned law.

The discount rates adopted correspond to the estimated weighted average cost of capital (WACC) estimated for each of the segments operated in Portugal and Spain with the highest risk in those segments that have a tendency of greater resistance to the recovery from the pandemic crisis.

As previously mentioned, impairment analyzes of assets associated with the travel segment, namely airports in Spain, were carried out based on the effects arising from the application of Law 13/2021, as well as the most recent traffic estimates from Eurocontrol, which point to for a 2024 recovery of 2019 traffic.

Results of impairment tests:

In 2021, the tests performed resulted in the need to record impairment related to the goodwill allocated to Frescco units in the amount of 1,476,821 euros (compared to a goodwill impairment value of 7,458,583 euros in 2020), as follows:

Year 2021

Unit	Segment	Recoverable amount (use value)	Assets account value	Impairment losses
FresCo	Restaurants	0	1 476 821	1 476 821
TOTAL		0	1 476 821	1 476 821

Year 2020

Unit	Segment	Recoverable amount (use value)	Assets account value	Impairment losses
EatOut	Concessions and Travel	30 630 919	34 973 215	4 342 296
Vidisco	Restaurants	0	3 116 287	3 116 287
TOTAL		30 630 919	38 089 502	7 458 583

The FresC0 business showed greater difficulties in the post-Covid recovery, which explains the loss of impairment for all the goodwill associated with the FresCo business.

Sensitivity analysis:

In the current climate of uncertainty, the assumptions used are sensitive to changes in macroeconomic indicators and to the business assumptions used by management. Considering the uncertainties regarding the goodwill recovery value due to the fact that they are based on the best information available at the date, changes in the assumptions could result in impacts in determining the level of impairment and, consequently, in the results.

In 2021, the sensitivity tests in the aggravation at the wacc rate by 1% and 2%, would represent an impairment in the Travel GW of around 5 million euros and 8.5 million euros, respectively.

From the sensitivity analysis carried out, a reduction in the growth rate of 1% would lead to an additional impairment to be recognized at the level of goodwill on travel from Spain of approximately 2 million euros, without changing the conclusion regarding the recoverability of the remaining amount of goodwill.

9.2 Other Intangible Assets - Brands, Industrial Property and Other Intangible Assets

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

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

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

Industrial property includes: space exploitation rights (entrance rights or surface rights), trademark exploitation rights and concession rights.

The group's main operating rights relate to the franchise rights paid to international brands at the opening of the restaurants operating under the brand: 20 years for Burger King and 10 years for Pizza Hut and KFC, which are renewable by others 10 years by option of the franchisee.

On 31 December 2021, the group's concessions, territorial rights and related life cycle are shown below:

Concession Rights	No of years	Termination Date
Lusoponte Service Areas	33	2032
2ª Circular Service Areas	10	2027
Portimão Marina	60	2061
Aeroport Service Area	20	2022
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 Areas	24	2030
Talhada (Vouzela) Service Areas	25	2031
Viseu Service Areas	25	2031
Matosinhos Service Areas	24	2030
Maia Service Areas	26	2032

As intangible assets related to industrial property are allocable to cash-generating units, the impairment analysis is carried out as described in note 8, in the section "Impairment tests for cash-generating units".

10. FINANCIAL INVESTMENTS AND OTHER NON-CURRENT ASSETS

10.1. Investments in jointly controlled entities and associated

Investment related to the joint controlled entity UQ Consult and associate Ziaicos (Note 5), the details of which are as follows:

	Dec/21	Dec/20
UQ Consult - Serviços de Apoio à Gestão, S.A.	2 636 662	2 695 964
Ziaicos - Serviços e gestão, Lda	303 656	3 697
	2 940 318	**2 699 661**

10.1.1. Jointly controlled entity UQ Consult – Serviços de Apoio à Gestão, S.A.:

	Dec/21	Dec/20
Goodwill (1)	2 168 982	2 168 982
Equity (2)	467 680	526 982
	2 636 662	2 695 964

(1) an impairment test was carried out on the equity interest in UQ Consult, SA, considering its value in use, with the results being as follows:

Goodwill	2 168 982
Other liquid assets	467 680
Total	2 636 662
Recoverable value	**2 926 646**

With the discount rate used of 6.7%, it was concluded that this participation was not impaired.

(2) the reconciliation of equity and net income of the jointly controlled entity UQ Consult is presented as follows:

	Dec/21	Dec/20
Equity	935 359	1 053 964
	50%	50%
	467 680	526 982
Net profit	-118 605	266 731
	50%	50%
	-59 303	133 365

As at 31 December 2021 and 2020, statements of financial position and comprehensive income of Ibersol's jointly controlled interest UQ Consult, were as follows:

Balance sheet	**Dec/21**	**Dec/20**
Property, plant and equipment and intangible assets	1 703 755	1 486 329
Non-current financial assets	2 605	656
Receivables from third parties	1 765 356	1 528 442
Cash and cash equivalents	339 299	233 074
Accruals and deferrals	436 119	504 864
Total assets	4 247 134	3 753 365
Equity	935 359	1 053 964
Long-term term debts	1 451 053	1 356 245
Short-term debts	1 630 964	1 032 917
Accruals and deferrals	229 759	310 240
Total liabilities	3 311 776	2 699 402
Total equity and liabilities	4 247 134	3 753 367

Profit and loss account	**Dec/21**	**Dec/20**
Operating income	4 224 070	4 164 161
Operating costs	-4 315 578	-3 872 610
Net financing cost	-40 387	-27 913
Pre-tax income	-131 895	263 638
Income tax	13 290	3 093
Net profit	-118 605	266 731

10.1.2. Associate Ziaicos, S.A.

	Dec/21	Dec/20
Equity (1)	347 656	3 697
	347 656	3 697

(1) the reconciliation of equity and net income of the associate Ziaicos is presented as follows:

	Dec/21	Dec/20
Equity	869 140	9 241
	40%	40%
	347 656	3 697
Net profit	-101	-101
	40%	40%
	-40	-41

As at 31 December 2021 and 2020, statements of financial position and comprehensive income of Ibersol's associated Ziaicos, were as follows:

Balance sheet	Dec/21	Dec/20
Non-current financial assets	860 000	
Cash and cash equivalents	9 140	9 241
Total assets	869 140	9 241
Equity	869 140	9 241
Total liabilities	0	0
Total equity and liabilities	869 141	9 241

Profit and loss account	Dec/21	Dec/20
Operating costs	-81	-81
Net financing cost	-20	-20
Pre-tax income	-101	-101
Income tax	0	0
Net profit	-101	-101

10.2. Non-current financial assets

Non-current financial assets are presented as follows:

	Dec/21	Dec/20
Non-current financial assets	978 965	838 737
	978 965	**838 737**
Accumulated impairment losses	-	264 000
	978 965	**574 737**

In 2021, the entity Change Partners, whose share value had recorded an impairment loss of the same amount, was liquidated.

Therefore, the balance refers mainly to the Work Compensation Fund.

11. OTHER FINANCIAL ASSETS

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

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

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

	Dec/21			Dec/20		
	Current	**Non current**	**Total**	**Current**	**Non current**	**Total**
Treasury bonds	1 429 154	968 215	2 397 368	1 655 983	949 956	2 605 939
Sub-total	1 429 154	968 215	2 397 368	1 655 983	949 956	2 605 939
Accumulated impairment losses	90 363	127 050	217 413	37 724	126 029	163 753
TOTAL	1 338 791	841 165	2 179 955	1 618 259	823 927	2 442 186

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

Indices used for Probability of Default and Loss Given Default are in accordance with the publication of Moodys and S&P, the probability of default considered was 7.9% and the loss given default considered to be 59%.

Movements in 2021 and 2020 in treasury bonds are presented as follows:

	2021	**2020**
1st January	2 442 186	15 626 772
Acquisition of treasury bonds	1 467 453	-
Reimbursement of treasury bonds	-2 075 587	-12 170 433
exchange rate variation effect	399 562	-1 557 765
Change in impairment losses	-53 660	543 613
31st December	2 179 955	2 442 187

11.1. Non-current

Treasury bond securities held by the group on 31 December 2021 with a maturity of more than 12 months are as follows:

Non-current			
Issue date	28/02/2019	08/07/2020	31/08/2017
Acquisition date	05/05/2021	25/05/2021	06/05/2021
Due date	28/02/2023	08/07/2023	31/08/2024
BNA exchange rate	n/a	n/a	645
Amount	1 000	1 350	250
Amount as at 31/12/2021	145 487	193 243	321 397
Gross annual return	16,5%	16,25%	7%

Non-current			TOTAL
Issue date	21/04/2021	31/07/2020	-
Acquisition date	04/10/2021	24/11/2021	-
Due date	21/04/2023	31/07/2024	-
BNA exchange rate	n/a	n/a	-
Amount	1 200	1 000	-
Amount as at 31/12/2021	175 169	132 919	**968 215**
Gross annual return	16%	16,50%	-

11.2. Current

Treasury bond securities held by the group as at 31 December 2021 with a maturity of less than 12 months are presented as follows:

Current		
Issue date	26/10/2017	16/04/2021
Acquisition date	07/04/2021	25/05/2021
Due date	26/10/2022	16/10/2022
BNA exchange rate	n/a	n/a
Amount	600	2 000
Amount as at 31/12/2021	83 489	302 016
Gross annual return	12%	15,75%

Current			TOTAL
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 31/12/2021	1 008 677	34 972	**1 043 649**
Gross annual return	5%	12%	-

12. OTHER NON-CURRENT ASSETS

Other non-current assets breakdown is presented as follows:

	Dec/21	Dec/20
Other non-current assets	7 524 331	7 743 025
	7 524 331	**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, in the case of medium and long-term debt, are subsequently measured at amortized cost using the effective interest method, less impairment.

The Group considers that this asset is not exposed to significant credit risk, since in general these assets are directly associated with rent payment obligations.

These guarantees may be enforced by the beneficiaries in the event of breach of contract by Ibersol, for example in cases where the rent is not paid.

The value of bonds and deposits related to contracts with AENA as at 31 December 2021 total 5,242,081 euros.

13. INVENTORIES

As at 31 December 2021 and 2020, stocks were broken down as follows:

	Dec/21	Dec/20
Raw material and consumables	15 326 340	11 309 509
Goods	466 099	367 487
	15 792 439	**11 676 996**
Decreases	-74 981	-74 981
Net inventories	**15 717 458**	**11 602 015**

The cost of inventories recognized in 2021 as an expense and included under "cost of sales" amounted to 88,351,603 Euros (2020: 73,729,378 Euros), as shown below:

	Dec/21	Dec/20
Opening balance	11 676 996	12 089 967
Currency conversion	343 490	-329 980
Purchases	95 540 820	76 870 326
Inventories changes	-3 417 264	-3 223 939
Closing balance	15 792 439	11 676 996
Cost of sales	**88 351 603**	**73 729 378**

The value of stocks changes mainly relates to staff meals at the workplace (3,592,212 euros, as in note 24) and other adjustments.

14. CASH AND CASH EQUIVALENTS

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

	Dec/21	Dec/20
Cash	1 029 212	903 884
Bank deposits	95 938 291	49 645 909
Treasury applications	500	500
Cash and bank deposits in the balance sheet	96 968 003	50 550 293
Bank overdrafts	-	-916
Cash and cash equivalents in the cash flow statement (1)	96 968 003	50 549 377

(1) there are no significant cash and cash equivalents unavailable for use by the Ibersol Group. From this amount 3,137,549 Euros (2020: 3,778,400 Euros) are deposited in Angola, with restrictions on its use outside the country, authorization from BNA (Banco Nacional de Angola) and access to the purchase of foreign currency is required.

The amount of other payments / receipts relating to operating activities in the consolidated cash flow statement include, essentially, payments to Social Security, VAT and related to other debtors and creditors, given the AENA effect – as of October, AENA rent payments will appear in payments to suppliers.

15. OTHER CURRENT ASSETS

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

	Dec/21	Dec/20
Clients (1)	6 369 453	4 896 323
State and other public entities (2)	5 803 060	5 660 701
Other debtors (3)	10 895 308	11 239 465
Advances to suplliers	202 341	124 317
Advances to fixed suppliers	225 008	408 264
Accruals and income (4)	4 386 985	4 243 357
Deferred costs (5)	1 698 608	1 757 482
Other current assets	**29 580 764**	**28 329 909**
Accumulated impairment losses	2 882 406	2 584 702
	26 698 358	**25 745 207**

(1) Current balance arising essentially by the Catering and Franchising activity developed by Ibersol (direct goods or through the logistics operator, and royalties), respectively, from approximately 2.4 million Euros and 2.7 million Euros (2020: 1 million and 2.8 million, respectively). The increase in balances reflects the growth in activity in the second half of 2021.

(2) Current balance of recoverable VAT amounts 5,672,782 Euros as at 31 December 2021 (5,511,014 Euros in 2020).

(3) As at 31 December 2021, the balance in Other debtors includes aggregators, other debtor balances from suppliers c/c, debts to suppliers for the recovery of charges for marketing and rappel co-payments, meal vouchers (delivered by customers), short-term bails and various advances, as follows:

	2021	2020
Meal card/Aggregators (*)	3 939 484	5 496 928
Deposits and bails (**)	2 611 543	1 429 523
Marketing and rappel (***)	2 244 102	2 619 527
Suppliers and other debit balances	1 674 746	1 101 562
Advances	136 857	386 955
Personnel expenses	79 559	36 086
Credit sales	69 143	30 595
Insurance	68 692	129 209
IEFP	43 708	1 310
Continente card	27 475	7 770
	10 895 308	11 239 465

(*) “Meal card” amounts refer to payments in establishments that are charged electronically to card issuers after 15 days of processing or when by physical delivery after collection, checking and deposit. Aggregators transfer the charges made on behalf of the restaurants within an average period of 15 days.

(**) Following an appeal against an unfavorable decision against Pansfood in a case brought by a service provider, a security deposit in the amount of 744,766 euros was provided, which is recognized in Other debtors and with an provision in accordance with note 19.

Additionally, a deposit of 847,735 euros was made at Juzgado in Barcelona regarding the process that is taking place with AENA.

(***) “Marketing and rappel” corresponds to amounts debited to Suppliers at the end of the year.

(4) Accruals and income item is broken down into the following items:

	Dec/21	Dec/20
Suppliers contracts	2 321 033	1 902 850
Ascendi reimbursement	497 307	497 307
Program "Cartão Continente"	506 780	318 445
Other	1 061 866	1 524 755
	4 386 985	**4 243 357**

(5) Deferred costs are broken down as follows:

	Dec/21	Dec/20
Rents and condominium fees (*)	295 746	635 593
Discount value	223 603	228 532
External supplies and services	585 225	545 599
Expenses with raw material	140 771	95 424
Other	453 263	252 334
	1 698 608	**1 757 482**

(*) under the exemptions from recognition of IFRS 16.

Clients and other debtors can be broken down as follows in terms of impairment:

	Year ended on 31 December 2021				
Debts	**Opening balance**	**Currency Conversion**	**Increases**	**Decreases**	**Closing balnace**
Clients	4 896 323	1 983	1 471 147	-	6 369 453
Other debtors	11 239 465	31 742	1 854 745	-2 230 644	10 895 308
	16 135 788	33 725	3 325 892	-2 230 644	17 264 761
Clients impairment losses	-2 380 688	-	-420 324	126 208	-2 674 804
Other debtors impairment losses	-204 014	-3 588	-	-	-207 602
	13 551 086	30 137	2 905 568	-2 104 436	14 382 355

	Year ended on 31 December 2020				
Debts	**Opening balance**	**Currency Conversion**	**Increases**	**Decreases**	**Closing balnace**
Clientes	9 398 831	-3 332	597 976	-5 097 152	4 896 323
Outros devedores	8 659 243	-52 356	2 638 271	-5 693	11 239 465
	18 058 074	-55 688	3 236 247	-5 102 845	16 135 788
Perdas de imparidade Clientes	-2 378 212	-	-1 178 651	1 176 176	-2 380 688
Perdas de imparidade Outros devedores	-207 449	6 883	-3 449	-	-204 014
	15 472 413	-48 805	2 054 147	-3 926 669	13 551 086

The main activity of the Group is the operation of stores of several own brands and franchises (Note 3.b), and the preferred payment method for its sales is by cash, debit card (or other type of card, for example, “cartão refeição”). With the appearance of sales platforms for home delivery, sales charged through the intermediary are growing. The greater volume of credits results from the activity of delivery through Aggregators, from catering sales, although the advance payment model was implemented at the time of contracting the event, as well as from the supply of goods and royalties to franchisees.

With regard to non-impaired Clients debts, their maturity is as follows:

	Dec/21	Dec/20
Debt not due	2 251 063	419 402
Debt due:		
For less than 1 month	361 575	171 808
From one to three months	1 176 946	428 570
Over three months	2 579 869	3 876 544
Total Clients	**6 369 453**	**4 896 323**
Accumulated impairment losses	2 674 804	2 380 688
	3 694 649	**2 515 635**

The increase in customer debt is due to the resumption of catering activity, namely in football stadium concessions, in the second half of 2021.

The group considers default for debt overdue for more than three months in customers with risk of default. The impairment on the total debt of customers with risk of default is recognized.

In other debtors, balances with Cards/aggregators are paid immediately after the respective summaries, and the balance corresponds to the last period of sales charged by that operator in accordance with the contracted conditions, balances with suppliers correspond to the debits made in the month of December and are charged on the payment date of the following month, and deposits and bonds, considered to be overdue for more than three months, do not present any risk. The maturity of other debtors is presented as follows:

	Dec/21	Dec/20
Debt not due	7 855 573	711 631
Debt due:		
For less than 1 month	871 158	6 020 200
From one to three months	718 664	1 739 080
Over three months	1 449 914	2 768 555
Total Other debtors	**10 895 308**	**11 239 465**
Accumulated impairment losses	207 602	204 014
	10 687 706	**11 035 451**

The last two months of 2020 were greatly affected by the restrictions and confinements to combat the pandemic, so there were delays in the processing of payments / collections that led to a concentration of third-party debt in the "debt overdue for more than 1 month". As at 31 December 2022, the situation was settled. On the other hand, as at 31 December 2021, collateral and deposits up to the time when the term for which they were constituted is not reached are considered as “unmatured debt” while on 31 December 2020 they were included in “overdue debt”. more than three months ago”.

Debt overdue for more than three months is duly analyzed and essentially corresponds to debts owed by suppliers for guarantees or advances made and whose conference processes require more time than the normal period of commercial relations, not historically justifying the constitution of impairments.

Impairment losses in 2021 and 2020 regarding other current assets are broken down as follows:

	Dec/21					
	Opening balance	Currency Conversion	Debt cancellation	Losses in the Year (note 25)	Impairment reversion (note 25)	Closing balance
Clients c/ a	2 380 687	-	-96 037	420 324	-30 173	2 674 804
Other debtors	204 015	3 588	-	-	-	207 602
	2 584 702	3 588	-96 037	420 324	-30 173	2 882 406

	Dec/20					
	Opening balance	Currency Conversion	Debt cancellation	Losses in the Year (note 25)	Impairment reversion (note 25)	Closing balance
Clients c/ a	2 378 212	-	-1 132 793	1 178 651	-43 383	2 380 687
Other debtors	207 449	-6 883	-	3 449	-	204 015
	2 585 661	-6 883	-1 132 793	1 182 100	-43 383	2 584 702

16. EQUITY

16.1. Share Capital

On October 19, Ibersol's Board of Directors decided on a capital increase, carried out through a public subscription offer for ten million shares at a price of €4 (four euros) per share addressed to the company's shareholders. At the end of the subscription period, the capital increase was fully subscribed and carried out, with an issue premium in the amount of 30 million euros, of which 29,430,852 euros after deducting the costs associated with this capital increase in the amount of 569,148 euros.

As at 31 December 2021 and 2020, fully subscribed and paid up share capital was represented by, respectively, 46.000.000 and 36.000.000 shares to the bearer with a nominal value of 1 Euro each.

16.2. Own shares

There were no transactions with own shares in 2021 and 2020.

At the end of the year the company held 3.599.981 own shares acquired for 11.180.516 Euros.

16.3. Other reserves and retained earnings

The group's non-available reserves reached 11.180.516 Euros and refer to own shares held by the group (11.180.516 Euros).

The amounts distributed to shareholders are determined based on the parent individual financial statements, which show the available amount of 160,928,369 Euros.

There are no limits to Ibersol's ability to assign or use Group assets and settle Group liabilities, other than those which result directly from the law.

16.4. Non-controlling interests

In the periods ended 31 December 2021 and 2020, non-controlling interests were as follows:

	%		Dec/21	Dec/20
	Dec/21	Dec/20		
Restmon	39%	39%	-62 026	-60 684
Cortsfood	50%	50%	170 245	211 662
Others			-17 737	-17 737
			90 482	**133 241**

In 2021 and 2020 changes in non-controlling interests were as follows:

	2021	2020
1st January	133 241	293 007
Increases	-	-
Decreases (1)	-42 759	-159 766
31st December	90 482	133 241

(1) Amounts referring to profit and loss for the period attributable to non-controlling interests in 2021 and 2020 in the amount of, respectively, 42,759 euros and 109,960 euros. Additionally, in 2020 there is a decrease resulting from the distribution of dividends (49,806 euros).

17. LOANS AND LEASE LIABILITIES

17.1 Loans

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

Non-current	**Dec/21**	**Dec/20**
Bank loans	75 839 066	65 496 857
Commercial paper programmes	64 600 000	79 998 099
	140 439 066	**145 494 956**
Current	**Dec/21**	**Dec/20**
Bank overdrafts	-	916
Bank loans	13 325 470	17 972 709
Commercial paper programmes	13 267 814	1 600 000
	26 593 284	**19 573 625**
Total loans	**167 032 350**	**165 068 581**
Average interest rate	**1,9%**	**1,9%**

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

The maturities of non-current bank loans are broken down as follows:

	Dec/21	**Dec/20**
From 1 to 2 years	37 055 776	33 815 546
From 2 to 5 years	100 609 070	112 342 860
> 5 years	2 774 219	130 042
	140 439 065	**146 288 448**

Regardless of its ending stated period, for the subscribed commercial paper programmes the Group considers the full repayment on its maturity date (the renewal date).

There are commercial paper financing agreements that include cross default clauses. Such clauses refer to breach of contract in other contracts or with fiscal breach, in which case it does not occur.

The interest rate in force on 31 December 2021 for PPCs and bank loans was on average around 1.50% (1.24% on 31 December 2020). In the last two years, during the pandemic crisis, the loans negotiated by the Group were contracted under identical conditions to the previous ones, there was only an increase due to the inclusion of State guarantee commissions under the ICO-Covid19 Lines in Spain. Bank loans indexed to variable rates are indexed to Euribor.

Movements in 2021 and 2020 in current and non-current loans, except financial leases and bank overdrafts, are as follows:

	2021	2020
1st January	165 068 581	121 162 682
Variations with impact on cash flows:		
Loan receipts obtained	34 298 753	76 368 848
Financial debt payments	-32 227 604	-26 569 061
Variations without impact on cash flows:		
Variation effect of bank overdrafts (note 14)	-916	-3 739 037
Financing assembly costs	-344 259	-793 492
Capitalized interest and others	237 793	-1 361 359
31st December	167 032 350	165 068 581

Using the functional currency in which they were subscribed, total loans as at 31 December 2021 and 2020 were as follows:

	Dec/21	Dec/20
EUR	167 631 441	164 993 444
AOA	203 333 333	741 666 667

At the end of the period the Group had 38 million Euros of unissued commercial paper programmes and available but not disposable credit lines.

Some of the Ibersol Group's bank loan agreements and commercial paper programs with financial institutions, corresponding to a total amount owed as at 31 December 2021 of 44.1 million euros, include Financial Covenants (i.e. 26% of the total amount loans outstanding at that date. Such covenants can be summarized as follows:

	Financial Covenants (consolidated ratios)
ND/EBITDA	**< 4,5x a 5,5x**
ND/EBITDA (without IFRS16)	**< 3,5x a 4x**
ND/EBITDAR	**< 5x**
Equity/Assets	**> 30%**

Some contracts still have Debt/EBITDA adjusted for the effects of applying IFRS 16 (fozzen gapp).

Despite compliance with all consolidated covenants, considering the possibility of non-compliance with some of the covenants, the Ibersol Group obtained a waiver from all institutions from complying with these covenants in relation to the 2021 indicators for all financing with maturities greater than 1 year.

In the case of the subsidiary Eat Out Group, the financial covenants refer to consolidated indicators of this with its subsidiaries (ND/EBITDA< 1.5x and EBITDA/interest>5) and were not complied with: Since the beginning of the pandemic crisis, there has been monitoring and understanding of the situation by the banking union. The Loan was contracted in 2016 and the outstanding amount of €5,145,000 matures in 2022.

Additionally, the total amount owed as at 31 December 2021 in financing from the Ibersol Group for which the respective creditors have the possibility of considering the debt overdue in the event of a change in shareholder control was 41.1 million euros (i.e. , 24.5% of the total amount of loans outstanding on that date.

As at 31 December 2021 the future (contractual) Cash Flows concerning the above stated financial liabilities are broken down as follows:

	CF 2022	CF 2023	CF 2024	CF 2025	CF 2026	CF 2027/40	TOTAL
Bank loans	13 325 470	16 205 776	23 135 217	20 519 659	7 669 346	8 309 067	89 164 535
Commercial paper programmes	13 267 814	20 850 000	27 950 000	14 800 000	1 000 000	-	77 867 814
Interest	3 216 578	2 551 533	1 629 730	795 103	292 082	100 000	8 585 025

17.1 Lease liabilities

As at 31 December 2021, 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:

	Current	Non-current					
	FC 2022	**FC 2023**	**FC 2024**	**FC 2025**	**FC 2026**	**FC 2027/39**	**Total non-current**
Leases	21 645 649	27 314 626	15 796 345	12 509 231	10 222 488	55 579 995	**121 422 684**
Interest	6 606 571	5 641 556	4 763 038	4 054 626	3 450 973	17 011 183	**34 921 377**

The movements in 2021 and 2020 in liabilities with leases are presented as follows:

	2021	2020
1st January	329 014 533	339 983 201
Variations with impact on cash flows:		
Financial debt payments (1)	-34 031 830	-35 396 611
Variations without impact on cash flows:		
Update of liabilities with leases	13 361 651	16 770 370
Lease contract increases	35 106 030	21 972 110
Contract terminations / store closings	-276 893	-3 625 157
Write-off Liabilities lease contracts AENA (2)	-195 183 511	-
Income concessions resulting from the COVID-19 pandemic	-4 681 174	-10 378 560
Others	-240 474	-310 820
31st December	143 068 335	329 014 533

(1) Lease payments include 28,991,264 euros (27,325,135 euros in 2020) of principal and 5,040,566 euros (8,071,476 euros in 2020) of interest.
(2) the debt of concession contracts at airports in Spain managed by AENA was derecognised, pursuant to the application of Law 13/2021 (introductory note and note 7). This diploma determines the reduction of the minimum guaranteed annual rents of the contracts, in direct proportion to the reduction of annual passenger traffic compared to those verified in 2019, until the annual volume of passengers at the airport resumes the traffic of the same year, thus making it impossible for the future responsibilities of these same contracts are determined.

During 2021, the Group obtained discounts on rent payments with the amount of 4,681,174 Euros that led to the respective decrease in liabilities without outflow of funds.

18. INCOMES TAXES AND DEFERRED TAXES

18.1. Income tax

18.1.1. Income tax receivable

As at 31 December 2021, income tax receivable amounts to 110,222 Euros (2020: 169,241 Euros), presented as follows:

	Dec/21	Dec/20
Inverpeninsular Group (1)	35 614	20 403
RETGS (2)	-	121 615
Ibersol Angola	70 100	-
Cortsfood	-	15 483
Others	4 508	11 740
	110 222	169 241

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

18.1.2. Income tax payable

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

	Dec/21	Dec/20
RETGS (1)	444 395	-
Ibersol Angola	-	5 473
Others (2)	12 006	9 856
	456 401	15 329

(1) amount of tax resulting from the tax group of subsidiaries in Portugal (RETGS) calculated in 2021.
(2) excluded from RETGS, income tax to be paid by subsidiary Iberusa ACE.

18.2. Deferred tax

Changes in deferred taxes in the period are:

Deferred taxes	**31.12.2021**	**31.12.2020**	**Movement in the year (1)**
Assets	11 088 442	14 914 797	3 826 355
Liabilities	-3 376 658	-3 896 164	-519 506
Total	**7 711 784**	**11 018 633**	**3 306 849**

(1) tax for the year in the amount of 3,389,070 euros (note 27) and 82,222 euros of currency exchange conversion recognized in reserves.

Nominal tax rates of the jurisdictions in which the Group is present are as follows:

Portugal	21%
Spain	25%
Angola	25%

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

a) has a right of mandatory compliance to offset current tax assets against current tax liabilities; and

b) deferred tax assets and deferred tax liabilities relate to income taxes assessed by the same tax authority on or:

i) the same taxable entity, or
ii) different taxable entities that intend to either settle current tax liabilities and assets on a net basis, or realize the assets and settle the liabilities simultaneously, in each future period when significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

18.2.1 Deferred tax assets

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

	2021			**2020**		
Deferred tax assets	**Portugal**	**Spain**	**Total**	**Portugal**	**Spain**	**Total**
Tax losses carried forward	-	7 005 961	7 005 961	1 378 625	4 153 688	5 532 313
Ded. temporary differences (IFRS16) (1)	-	744 265	744 265	-	11 158 906	11 158 906
Taxable temporary differences	-33 859	-1 572 089	-1 605 947	-33 859	-1 220 171	-1 254 030
Homogenization of property, plant and equipment and intangible assets (2)	-5 065 885	-677 689	-5 743 575	-5 606 236	-1 161 182	-6 767 418
Other temporary differences (3)	9 998 803	688 934	10 687 737	5 640 488	604 538	6 245 026
	4 899 059	6 189 382	11 088 442	1 379 018	13 535 779	14 914 797

(1) deferred taxes resulting from a temporary difference due to the application of IFRS16 in the Group's consolidated accounts, not applicable in the statutory accounts of subsidiaries in Spain.
(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 to tax benefits. As at 31 December 2021, there are 147,000 euros of tax benefit associated with the capital increase and 9,847,534 euros of tax benefits not deducted, to be used in subsequent years, 1,337,879 euros of RFAI for 2019, 2,066,044 euros of 2020 RFAI, 4,731,689 euros from 2021 RFAI and 1,711,922 euros from CFEI II (1,142,477 euros deductible until 2025 and 569.45 euros until 2026, inclusive). 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.

The detail of the reportable tax losses of the Spain jurisdiction is presented as follows:

	SP - no limit previous to 2015	SP - no limit 2016	SP - no limit 2018	SP - no limit 2019	SP - no limit 2020	SP - no limit 2021	Total
Spain	1 090 963	3 212 698	89 461	6 826 073	25 028 169	14 326 948	50 574 312
Total	1 090 963	3 212 698	89 461	6 826 073	25 028 169	14 326 948	50 574 312

Regarding the reportable tax losses of Spain, detailed above, the Group did not recognize deferred tax assets on reportable tax losses generated in Spain in the amount of 22,553,272 Euros (corresponding to 5,638,318 Euros in deferred taxes), given that there is no reasonable certainty as to the recoverability of all tax losses carried forward.

In analyzing the recoverability of deferred tax assets, the Group considered the best estimates of projections of future taxable profits against which tax losses, tax credits and deductible temporary differences can be used.

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

As mentioned in notes 1, 8 and 9, the business plans associated with the travel segment, namely, for airports in Spain, were carried out based on the effects arising from the application of Law 13/2021, as well as the most recent traffic estimates from the Eurocontrol, which point to a recovery in 2024 of 2019 traffic.

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

Deferred tax assets relating to reportable tax losses are presented as follows:

Limit year of use	unlimited	Total
Start year		
Reportable tax losses		
Portugal		0
Spain	28 023 843	28 023 843
Deferred tax assets		28 023 843
Portugal		0
Spain	7 005 961	7 005 961
		7 005 961

18.2.2 Deferred tax liabilities

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

	Dec/21	**Dec/20**
Deferred tax liabilities	**Angola**	**Angola**
Homogenization of property, plant and equipment and intangible assets (1)	-450 931	-131 783
Hyperinflationary Economies (IAS 29)	3 927 202	4 210 251
Deductible temporary differences (IFRS16)	-45 259	-34 217
Other temporary differences	-54 354	-148 087
	3 376 657	3 896 164

(1) deferred taxes corresponding to the difference of the net value as in the individual financial statements of the subsidiaries and the net amount that they contribute in the consolidated.

19. PROVISIONS

As at 31 December 2021 and 2020, the detail of provisions is presented as follows:

	dez/21	**dez/20**
Onerous contracts (1)	1 560 000	-
Compensation (2)	834 766	-
Others	28 000	28 000
Litígios judiciais	5 257	5 257
Provisions	**2 428 023**	**33 257**

(1) as a result of the application of Law 13/2021 (introductory note) and the loss of passenger traffic caused by the pandemic, the Ibersol group carried out a review of the business plans of the concessions in Spain, recognizing a provision for an onerous contract, in the Gran Canaria airport in the amount of 1.6 million euros (see notes 8 and 25);
(2) provision referring to a judicial decision for compensation, in the amount of 744,766 euros and 90,000 euros, under appeal and corresponding to a deposit in the Juzgado in Barcelona of the same amount (note 15).

20. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2021 and 2020 the detail of Ibersol derivative financial instruments are presented as follows:

	Dec/21	**Dec/20**
Swap	18 976	63 078
Derivative financial instruments	**18 976**	**63 078**

Ibersol Group's derivatives are hedging for an interest rate swap with the purpose of covering the risk of future cash flows and are detailed as follows:

	Ibersol SGPS	Ibersol SGPS
Initial date	19/05/2017	08/06/2017
Due date	20/10/2022	14/11/2022
Fixed interest rate	0,39%	0,395%
Variable interest rate	Euribor 6M *	Euribor 3M *
Amounts at 31 December 2021	4 800 000	1 600 000

(*) with floor zero

These derivatives is classified as a level 2 category and its technical valuation is based on a market approach (MTM).

As the derivative financial instrument was not registered under hedge accounting, the change in the fair value of the derivative is reflected in income for the period (Note 26).

21. ACCOUNTS PAYABLE TO SUPPLIERS AND ACCRUED COSTS

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

	Dec/21	**Dec/20**
Suppliers c/ a	38 501 025	26 475 002
Suppliers - invoices pending approval	3 196 603	2 760 018
Suppliers of fixed assets c/ a	10 063 593	15 406 934
Total accounts payable to suppliers	51 761 221	44 641 954

	Dec/21	**Dec/20**
Accrued costs - Payable insurance	108 056	124 828
Accrued costs - Payable remunerations	8 987 232	9 242 973
Accrued costs - Rent and lease (1)	5 583 055	480 010
Accrued costs - External services	5 583 485	5 591 633
Accrued costs - Other	484 342	1 876 945
Total acrrued costs	20 746 170	17 316 389
Total accounts payable to suppl.and accrued costs	72 507 391	61 958 343

(1) accrued costs- rent and lease include only the amount related to variable rents that are not included in the lease liability, of which 4.3 million euros correspond to the adjustment of annual rents for 2021 and 1.1 million euros to variable rents in December at airports from Spain.

22. OTHER CURRENT LIABILITIES AND INCOME TAX PAYABLE

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

	Dec/21	**Dec/20**
Other creditors (1)	5 536 323	5 632 840
State and other public entities (2)	8 480 036	4 857 655
Deferred income (3)	782 182	1 785 302
	14 798 541	12 275 797

(1) this amount relates mainly to services rendered by third parties.

(2) balance mainly arising from payable VAT amounts (3,045,221 Euros) and Social Security (4,140,146 Euros).

(3) Deferred Income includes the following amounts:

	Dec/21	Dec/20
Compensation	311 864	338 983
Contracts with suppliers (1)	254 682	1 229 109
Investment subvention	149 792	200 100
Other	65 844	17 110
	782 182	1 785 302

(1) the value of contracts with suppliers corresponds to revenue obtained from suppliers up to 31 December and for subsequent periods.

23. EXTERNAL SERVICES AND SUPPLIES

External services and supplies in the periods ended 31 December 2021 and 2020 are broken down as follows:

	2021	2020
Subcontracts	93 699	82 044
Electricity, water, fuel and other fluids	12 612 650	11 983 142
Rents and rentals (1)	7 942 530	-1 544 798
Condominium	4 713 657	4 679 272
Tools and utensils and office supplies	1 818 093	1 563 210
Royalties	14 017 332	11 669 478
Travel and accommodations and transportation of goods	1 133 549	1 130 051
Services fees	2 126 636	1 340 919
Conservation and repairs	8 540 333	7 436 143
Advertising and propaganda	14 628 971	11 399 102
Cleaning, hygiene and comfort	3 439 735	3 569 389
Specialised works	14 972 253	14 009 364
Communications, Insurance and Other ESS'	3 857 124	2 282 039
	89 896 562	69 599 355

(1) Rents and rentals are detailed as follows:

	2021	2020
Rents from contracts with a lease term of less than 1 year and other rent charges	4 868 176	4 578 182
Variable rents (1)	7 755 528	4 255 580
Rent concessions (2)	-4 681 174	-10 378 560
	7 942 530	-1 544 798

(1) variable rents includes fourth quarter rents of 5.6 million euros from Airports in Spain, as a result of Ley13/2021.
(2) the amount reflects the application of the practical expedient introduced by the amendment to IFRS 16, according to Note 2.2.1.a), whereby the group recognized in income rents concessions in the amount of 4,681,174 Euros (10,378,560 Euros in 2020).

24. PERSONNEL COSTS

Personnel costs for the periods ended 31 December 2021 and 2020 are broken down as follows:

	2021	2020
Salaries and wages	87 862 688	81 742 374
Social security contributions	18 961 084	19 749 954
Personnel meals	3 564 449	3 216 062
Work accident insurance	950 993	964 099
Other personnel costs (1)	2 050 446	856 626
	113 389 660	106 529 115
Average number of employees	9 704	9 380

(1) other personnel costs include compensation, employee recruitment and training and occupational health.

With the adhesion to ERTE (*Expediente de Regulación Temporal de Empleo*) in Spain and the simplified and normal Lay-off in Portugal, which enabled support in 2021 in the amount of 2.9 million Euros in Portugal (3.5 million Euros in 2020) and 6.1 million Euros in Spain (6.8 million Euros in 2020).

25. OTHER OPERATING INCOME AND COSTS

Other operating and income costs in the periods ended 31 December 2021 and 2020 are broken down as follows:

Other operating costs	2021	2020
Provisions (1)	1 560 000	-
Direct/indirect taxes not assigned to operating activities	866 488	994 677
Losses in fixed assets	659 380	918 295
Currency exchange differences	634 103	1 346 841
Membership fees, donations samples and inventory offers	133 288	96 013
Impairment adjustments (debts receivable) (Note 15)	420 324	1 182 100
Other operating costs	309 751	575 851
	4 583 334	5 113 777

Other operating income	2021	2020
Derecognition of the lease agreement with AENA (1)	61 354 936	-
Operating grants (2)	7 641 783	1 915 210
Supplementary income (3)	4 308 826	2 942 989
Currency exchange differences	667 055	3 929 104
Compensations	356 122	547 190
Indemnities	260 000	-
Gains in fixed assets	33 078	76 005
Impairment adjustments reversion (debts receivable) (Note 15)	30 173	43 383
Investment grants	47 672	58 953
Other operating gains	84 291	156 147
	74 783 936	9 668 981
Other operating income / (costs)	70 200 603	4 555 204

(1) as a result of the application of IFRS16 – Financial Leases, the 2021 results are strongly impacted by the derecognition of the debt of the concession contracts in the airports in Spain managed by AENA, due to the application of Law 13/2021, as explained in the introductory note. The total impact of the derecognition of the responsibilities inherent to these same contracts, which had been fully recorded until September 2021, amounts to 46.5 million euros at the level of the 2021 consolidated net income, with operating income arising from the write-off rising the derecognition of IFRS16 to 61.4 million euros and the provision for onerous contract, at Gran Canaria airport, in other operating costs, in the amount of 1.6 million euros (see notes 1, 8 and 19);
(2) amount referring, essentially, to government support within the scope of Covid-19 earned in 2021 and 2020 in the amount of, respectively, 6,323,098 euros and 1,816,735 euros (IENAE – Incent. Extr. Norm. Ativ. Business);
(3) arise essentially from revenue from contracts with suppliers and franchisees (Eat Out group).

26. FINANCIAL EXPENSES AND LOSSES AND INCOME AND GAINS

Financial expenses and losses in the periods ended 31 December 2021 and 2020 are broken down as follows:

Financial expenses and costs	**2021**	**2020**
Interest on rentals liabilities (IFRS16)	13 361 651	16 770 370
Interest paid	2 796 002	3 122 898
Other financial expenses and costs	1 465 889	1 491 665
	17 623 542	21 384 933

Leases liability interest (IFRS16) by geography, is presented as follows:

	2021	**2020**
Spain	9 239 646	12 615 118
Portugal	3 964 785	3 953 381
Angola	157 220	201 871
	13 361 651	16 770 370

The detail of other financial expenses is presented as follows:

	2021	**2020**
Bank services	792 531	677 208
Commercial paper programmes charges	445 024	483 975
Impairment reversal TB's (Note 11)	53 660	-
Other commissions	69 061	89 084
Other financial cost	105 613	241 398
	1 465 889	1 491 665

Financial income and gains in the periods ended 31 December 2021 and 2020 are broken down as follows:

Financial income and gains	**2021**	**2020**
Interest earned (1)	496 268	924 705
Other financial income and gains	177 494	819 657
	673 762	1 744 362

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

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

	2021	2020
Financial instruments - cash flow hedge	44 102	65 620
Impairment reversal TB's (Note 11)	-	543 613
Other financial gains	133 392	210 424
	177 494	819 657

In 2020, with the reimbursement of a large part of the OTs held, impairments were reversed, amounting to 543 thousand euros. In 2021, the amount of reimbursement/sale of securities was reduced and more acquisition transactions were carried out, which resulted in an impairment loss.

27. INCOME TAX

Income tax recognised in 2021 and 2020 are broken down as follows:

	Dec/21	Dec/20
Current taxes	736 389	554 076
Insufficiency (excess) of income tax	-224 427	-17 293
Deferred taxes	3 389 070	-15 678 777
	3 901 032	-15 141 994

The group's income tax prior to taxes is not the same as the theoretical amount that would result from applying the mean weighted income tax rate to the consolidated profit, as follows:

	2021	2020
Pre-tax profit	**35 238 181**	**-70 449 203**
Tax calculated at the appliacble tax rate in Portugal (22,5%)	**7 928 591**	**-15 851 071**
Fiscal effect caused by:		
Tax losses without deferred tax	728 642	4 922 780
Tax credits/tax incentives in the year	-4 368 239	-3 318 223
Insufficiency (excess) of income tax	-224 427	-17 293
Tax pours	191 864	38 375
Special tax (independent)	311 578	401 131
Deferred tax adjustments and other effects	-666 977	-1 317 693
Income Tax Expenses	3 901 032	-15 141 994

As at 31 December 2021 the effective tax rate is 11% (21% in 2020).

28. INCOME PER SHARE

Income per share in the periods ended 31 December 2021 and 2020 was calculated as follows:

	Dec/21	Dec/20
Profit payable to shareholders	31 379 907	-55 197 249
Number of shares issued at the beginning of the year	36 000 000	36 000 000
Number of shares issued at the end of the year	46 000 000	36 000 000
Average weighted number of ordinary shares issued (i)	37 205 479	36 000 000
Average weighted number of own shares (ii)	-3 599 981	-3 599 981
Weighted average number of outstanding shares (i-ii)	33 605 498	32 400 019
Basic earnings per share (€ per share)	0,93	-1,70
Earnings diluted per share (€ per share)	0,93	-1,70
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.

29. FINANCIAL ASSETS AND LIABILITIES

At the end of the period 2021 and 2020, financial assets and liabilities were broken down as follows:

Financial Assets	Category	Accounting Value		Valuation Method
		2021	2020	
Other non-current assets	Loans and accounts receivable	7 524 331	7 743 025	Amortized cost
Other financial assets	Loans and accounts receivable	2 179 955	2 442 186	Amortized cost
Non-current financial assets	Other assets	978 965	574 737	Amortized cost
Cash and cash equivalents	Loans and accounts receivable	96 968 003	50 550 293	Amortized cost
Clients	Loans and accounts receivable	6 369 453	4 896 323	Amortized cost
Other debtors	Loans and accounts receivable	10 895 308	11 239 465	Amortized cost
		124 916 016	77 446 029	

Financial Liabilites	Category	Accounting Value		Valuation Method
		2021	2020	
Loans	Other liabilities	167 032 350	165 068 581	Amortized cost
Suppliers	Other liabilities	51 761 221	44 641 954	Amortized cost
Cost accruals	Other liabilities	11 758 938	8 073 416	Amortized cost
Other creditors	Other liabilities	5 540 499	5 638 866	Amortized cost
Derivative financial instruments	Other liabilities	18 976	63 078	Fair value
		236 111 984	223 485 895	

Financial assets (such as Accounts receivable and Other Debtors) and Other financial assets presents impairment losses, as shown in Note 15 and 11, respectively. As at 31 December 2021 and 2020, gains or losses related with these financial assets and liabilities were as follows:

	Profit/ (Loss)	
	Dec/21	Dec/20
Accounts receivable	-390 151	-1 138 717
Other financial assets	-53 660	543 613
	-443 811	**-595 104**

The interest of financial assets and liabilities were as follows:

	Interest	
	Dec/21	**Dec/20**
Accounts receivable	-	-
Non-current financial assets	-	-
Liabilities at amortised cost	2 796 002	3 122 898
	2 796 002	**3 122 898**

30. DIVIDENDS

In 2021 and 2020 no dividends were distributed to shareholders..

31. 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.

32. OTHER COMMITMENTS ASSUMED

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

	Dec/21	**Dec/20**
Bank guarantees	24 929 721	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
24 611 233	23 327	230 430	44 000	20 731

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

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 Airports.

Regarding the precautionary measures requested, aiming at preventing AENA from executing the guarantees and deposits (see Note 12), which has a 24.7 million Euros benefit. On 26 March 2021, the Court ruled in favour of the precautionary measure. In March 2022, the higher court once again confirmed Pansfood in relation to the process of injunctions, in response to the appeal filed by AENA, regarding the first decision and March 2021. A hearing on the substantive case is scheduled for May, with a decision of the court of first instance on the same by the end of the year 2022.

33. COMPENSATION TO KEY MANAGEMENT

The compensation attributed to key managers corresponds to the remuneration of the members of the Board of Directors and refers to:

a) ATPS -Sociedade Gestora de Participações Sociais, S.A provides administration and management services for the group, under a service agreement with the subsidiary Ibersol, Restauração, S.A. in the annual amount of €1,000,000 (in 2020: €1,000,000). Among the obligations of ATPS - Sociedade Gestora de Participações Sociais, S.A. this includes ensuring that the company's administrators, Dr. António Carlos Vaz Pinto de Sousa and Dr. António Alberto Guerra Leal Teixeira, perform their duties without Ibersol having to incur any additional burden.

b) Remaining members in the amount of 101,135 euros, and for 2 of the 3 members it corresponds only to the period after their election (June 2021). In 2020 it was 6,000 euros.

Remunerations are fixed and as at 31 December 2021 there are no benefit and incentive plans or outstanding balances or other commitments.

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions with related parties in 2021 and 2020 can be presented as follows:

	Parent entitie		Jointly controlled entitie		Associated entitie		Other entities	
	2021	2020	2021	2020	2021	2020	2021	2020
Supplies and services	1 000 000	1 000 000	4 174 391	3 667 953	-	-	-	-
Rental lease	-	-	-	-	-	-	2 200 946	1 373 755
Accounts Payable	-	-	1 395 331	1 215 575	-	-	-	-
Other current assets	-	-	-	-	-	300 000	-	-
Financial investments	-	-	-	-	300 000	-	-	-
Other financial investments	-	-	-	-	-	-	400 000	-

The parent company of Ibersol SGPS S.A. is ATPS - SGPS, SA, holder directly and indirectly of 26.004.023 shares.

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. As at 31 December 2021, the estimated payment commitments for rents over the term of the respective contracts amount approximately to 17.9 million Euros (31 December 2020: 18.4 million Euros).

35. IMPAIRMENT

During 2021 and 2020, impairment losses were as follows:

Dec/21	Opening balance	Currency conversion	Charge-off and reclassification	Impairment assets disposals	Impairment in the year	Impairment reversal	Closing balance
Property, plant and equipment	8 928 565	-	-50 095	-1 355 880 (5)	4 210 240 (1)	-	11 732 829
Goodwill	13 475 042	-	-	-	1 476 821 (1)	-	14 951 863
Intangible assets	3 720 766	-	-4 958	-6 686 (5)	651 454 (1)	-	4 360 577
Inventories	74 981	-	-	-	-	-	74 981
Other current assets	2 584 702	3 588	-96 037	-	420 324 (2)	-30 173 (3)	2 882 404
Other financial assets (current and non-current)	163 753	-	-	-	53 660 (4)	-	217 413
	28 947 808	3 588	-151 090	-1 362 566	6 812 499	-30 173	34 220 066

Dec/20	Opening balance	Currency conversion	Charge-off and reclassification	Impairment assets disposals	Impairment in the year	Impairment reversal	Closing balance
Property, plant and equipment	10 981 144	-	-285 115	-2 599 023 (5)	831 559 (1)	-	8 928 565
Goodwill	6 016 459	-	-	-	7 458 583 (1)	-	13 475 042
Intangible assets	3 722 929	-	-2 163	-	-	-	3 720 766
Inventories	74 981	-	-	-	-	-	74 981
Other current assets	2 585 661	-6 883	-1 132 793	-	1 182 100 (2)	-43 383 (3)	2 584 702
Other financial assets (current and non-current)	707 366	-	-	-	-543 613 (4)	-	163 753
	24 088 540	-6 883	-1 420 071	-2 599 023	8 928 629	-43 383	28 947 808

(1) recorded in amortisation, depreciation and impairment losses of PPE, IA and Goodwill, Notes 8 and 9;
(2) recorded in other operating costs;
(3) recorded in other operating income;
(4) recorded in other financial expenses and losses and financial income and gains, Note 25;
(5) Write-off of assets with impairment losses are detailed as follows:

	Year 2020
Pans & C.ª (4 units)	1 258 554
Pizza Móvil (6 units)	385 346
Ribs (1 unit)	955 123
	2 599 023

	Year 2021
Pans & C.ª (2 units)	794 186
Pasta Caffe (3 units)	561 694
	1 355 880

36. SUBSEQUENT EVENTS

36.1 The beginning of the military conflict triggered by the invasion of Ukraine by the Russian Federation on 24 February, has resulted in high human and material losses, leading to a massive exodus of the population from the affected territories.

This situation triggered increased uncertainty about the evolution of economies and financial markets worldwide, with the following expected: i) increase in prices of fossil fuels and cereals; ii) greater volatility in interest rates and an increase in the rate of inflation; iii) possible increase in cyber-attacks, which may affect public and private entities in countries that have shown support for Ukraine or imposed sanctions on Russia.

Notwithstanding the fact that the Group does not have direct exposure to conflict zones, it is not possible, at the moment, to estimate the potential indirect effects that may occur, so the Group is attentive to the evolution of the conflict, taking the measures it deems appropriate for the course of the conflict. situation. No relevant impacts on the financial statements as of December 31, 2021 have been identified as of this date.

36.2 Burger King

At the end of January 2022, BK Portugal announced its decision to terminate the contract for the development of the Burger King brand in Portugal, citing failure to comply with the obligation to open 2 restaurants and remodel 3 restaurants in 2021 (in addition to the 12 inaugurated and the 7 renovations carried out in 2021). Consequently, the Group loses the right to build 27 restaurants during the years 2022 and 2023. As the Group does not yet hold assets or has incurred significant costs for this expansion program, there are no impacts on the Financial Statements as at 31 December 2021.

On March 10, 2022, Ibersol Group and Restaurant Brands Iberia, S.A. started negotiations on an exclusive basis, regarding a potential acquisition of Burger King restaurants, operated in Portugal and Spain, for an Enterprise Value of 250 million Euros, on a cash and debt-free basis, which may be increased by up to 7 million Euros, relating to the potential use of tax credits.

On the present date, the process of confirmatory due diligence is in progress and the obtaining of internal authorizations and external financing by the proposing entity, conditioning the proposal received.

The Ibersol Group will continue to operate the 157 Burger King restaurants that it owns in Iberian territory, in accordance with the best standards of service and quality in accordance with the respective contracts in force.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 29 April 2022.

Shareholders are entitled to not approve the accounts authorized for issue by the Board of Directors and propose their amendment.

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STATUTORY AUDITORS' REPORT and AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Ibersol, S.G.P.S., S.A.** (the Group), which comprise the consolidated statement of financial position as at 31 December 2021 (showing a total of 632,354,431 euros and equity of 228,663,582 euros, including a profit for the year attributable to shareholders of 31,379,907 euros), the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **Ibersol, S.G.P.S., S.A.** as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section below. We are independent of the entities that comprise the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of non-current assets (tangible fixed assets (214,373,712 euros), right-of-use assets (138,871,151 euros), goodwill (79,032,821 euros) and intangible assets (35,870,696 euros)

See notes 2.4, 2.7, 2.8, 2.9 and 2.19 of the Main accounting policies, note 4.a) of the Main accounting estimates and judgments and notes 7, 8, 9 and 35 to the consolidated financial statements.

The Risk

The recoverability of non-current assets is considered a key audit matter due to the materiality of the amounts involved and the complexity and subjectivity associated with impairment tests, namely due to the uncertainty inherent to the financial projections, which are based on the Board of Directors' expectations.

These projections are materialised in valuation models based on business plans, which are underpinned by several assumptions not observable in the market, associated with discount rates, expected margins, short and long-term growth rates, investment plans and demand behaviour, amongst others.

In 2021, as a result of the internal analysis of the recoverability of tangible fixed assets, right-of-use assets, goodwill and intangible assets, the Group recorded impairment losses amounting to approximately 6.3 million euros.

Our response to the identified risk

Our audit procedures included amongst others, those that we describe below:

- We have inquired the Board of Directors about the basis of their estimates and judgements and challenged the assumptions made;
- We have evaluated the design and implementation of the main controls implemented by the Group in this area and the reasonableness of the budgeting procedures on which the projections are based, by comparing past performance with the estimates made in previous periods and by reference to macroeconomic and sectorial information and projections produced by independent external bodies;
- We have analysed the basis of the projections made by the Board of Directors regarding the activity developed in the airports managed by AENA, considering the dispute between the Group and this entity, through the subsidiary Pansfood SAU, and also considering Law 13/2021, of October 2021, which regulates the rents payable in these airports. We have inquired the Group's legal advisors on the prospects for the outcome of such actions, and on the potential impacts of alternative scenarios for the outcome of this dispute;

- We have reviewed the assumptions used, such as inflation, projected economic growth and discount rates, and assessed their reasonableness and consistency, where applicable, for the various assets in the different locations and segments, and have also assessed the impacts of alternative scenarios;
- We have tested the integrity and mathematical accuracy of the discounted cash flow model;
- We have carried out sensitivity analyses to changes in the relevant assumptions used;
- We have involved our experts in order to assess the discounted cash flow model and the average cost of capital rate considered in the valuations made by the Group; and
- We have assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Measurement of right-of-use assets (138,871,151 euros) and lease liabilities (143,068,334 euros)

See Note 2.19 of the Main accounting policies, note 4.c) of the Main accounting estimates and judgments and notes 7, 17.2, 23 and 25 to the consolidated financial statements.

The Risk

The measurement of right-of-use assets and lease liabilities, namely in relation to new leases and lease modifications, involves significant amounts, given the Group's large number of leases, and entails management judgements regarding lease term and discount rates.

Law 13/2021 of October 2021 introduced changes to the terms and conditions of lease agreements of commercial spaces in airports managed by AENA.

Such changes entailed complex and material accounting impacts on the financial statements in 2021.

Our response to the identified risk

Our audit procedures included amongst others, those that we describe below:

- We have assessed the design and implementation of the main controls implemented by the Group in this area and the adequacy of the accounting policies adopted, considering the requirements and practical expedients foreseen in the standard;
- We have tested the completeness of the lease agreements and rent concessions;
- We have validated the accounting impacts of the lease modifications other than those

within IFRS 16 amendment, namely regarding the changes in the lease agreements of spaces in airports in Spain;

- We have validated the movements occurred in the right-of-use assets and lease liabilities captions;
- We have assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards, as adopted by the European Union;
- the preparation of the consolidated management report, corporate governance report, non-financial statement and remunerations report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatements whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Group's ability to continue as a going concern and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and,
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards.

Our responsibility also includes the verification that the information contained in the consolidated management report is consistent with the consolidated financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code regarding the corporate governance report, as well as the verification that the non-financial statement and the remunerations report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the consolidated management report

Pursuant to article 451, nr. 3, al. e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatements. As defined in the article 451, nr. 7 of the Portuguese Companies' Code, this opinion is not applicable to the consolidated non-financial statement that is included in the consolidated management report.

On the corporate governance report

Pursuant to article 451, nr. 4 of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Group in accordance with Article 29-H of the Securities Code, and we have not identified any material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of that article.

On the consolidated non-financial information

Pursuant to article 451 nr. 6 of the Portuguese Companies' Code, we inform that the Group has included in its management report the non-financial statement defined in article 508-G of the Portuguese Companies’ Code.

On the remunerations report

Pursuant to article 26-G, nr. 6 of the Portuguese Securities Code, we inform that the Group has included in the corporate governance report in a separate chapter the information defined in nr. 2 of that article.

On the European single electronic format (ESEF)

The consolidated financial statements of Ibersol, S.G.P.S., S.A. for the year ended 31 December 2021 have to comply with the applicable requirements established by the European Commission Delegated Regulation 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for the preparation and presentation of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, have been prepared in accordance with the requirements of the ESEF Regulation.

Our procedures considered the OROC (Portuguese Institute of Statutory Auditors) technical application guide on ESEF reporting and included, amongst others:

- obtaining an understanding of the financial reporting process, including the presentation of the annual report in a valid XHTML format;

- identifying and assessing the risks of material misstatement related to the tagging of information in the financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the information tagging process implemented by the Entity.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements established by the ESEF Regulation.

On the additional matters provided for in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) No. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were first appointed as auditors in the shareholders general assembly held on 14 May 2018 for a mandate from 2017 to 2020. We were reappointed as auditors of the Entity in the shareholders general assembly held on 18 June 2021 for a second mandate from 2021 to 2024.

- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism, and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the consolidated financial statements due to fraud.

- We confirm that the audit opinion we issue is consistent with the additional report that we prepared and delivered to the supervisory body of the Group on 29 April 2022.

- We declare that we have not provided any prohibited services as described in article 5 of Regulation (EU) nr. 537/2014 of the European Parliament and of the Council of 16 April 2014 and we have remained independent of the Group in conducting the audit.

- We inform that, in addition to the audit, we provided to the Group with the following services as permitted by law and regulations in force:
  - Issue of Comfort Letter to the Financial Intermediaries, in the context of the Prospectus for the public offering for subscription of ordinary, registered and nominative shares representing the share capital of Ibersol, S.G.P.S., S.A.

3 May 2022

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with no. 20161489)
represented by
Pedro Manuel Bouça de Morais Alves da Costa
(ROC no. 1466 and registered at CMVM with no. 20161076)

Responsibility Statement

In accordance with paragraph c) number 1 of article 29-G of the Portuguese Securities Market Code the Fiscal Board informs as far as its members know and regarding the elements we assessed, the information contained in the individual and consolidated financial statements of 2021 was prepared in accordance with applicable accounting standards, giving a true and appropriate view of the assets and liabilities, financial position and the results of IBERSOL-SGPS, SA, and the companies included in the consolidation perimeter, and that the management reports faithfully describes the business evolution, performance and financial position of the company and of the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties they face.

Porto, 3 May 2022

The Fiscal Board

Dr. Herminio António Paulos Afonso
(Chairman)

Doutora Maria José Martins Lourenço da Fonseca
(Member)

Dr. Carlos Alberto Alves Lourenço
(Member)

FISCAL BOARD REPORT

To the Shareholders of IBERSOL SGPS, S.A.:

In compliance with the legal and statutory requirements, the Fiscal Board in the fulfilment of the mandate in which he is invested issues its report on the supervisory action carried out as well as its opinion on the Management Report and remaining consolidated and individual financial statements for the year ended 31 December 2021, and issue its consequent opinion:

1. Supervisory Activity Report:

The Fiscal Board accompanied, within the scope of its competencies and mandate, during the 2021 financial year, the management of the company and its subsidiaries, having received for that purpose, timely and adequate information from the Company's Board of Directors and the Statutory Auditor **KPMG & Associados, SROC, S.A.**

Over the course of 2021 the Fiscal Council held quarterly meetings with all members present, which examined and considered the matters subject to the powers of this body. In these ordinary meetings the Auditor, ***KPMG & Associados, SROC, S.A.***, was represented by the Statutory Auditor Dr. Pedro Manuel Bouça de Morais Alves, Statutory Auditor number 1466.

The Statutory Auditor / External Auditor KPMG & Associados, SROC, SA presented and proposed to the Audit Committee, at an extraordinary meeting on 9th September 2021, convened for this purpose, the "2021 Year-End Audit Plan and Strategy" with the main points of the plan of its supervisory activity, as well as the performance calendar of the members assigned to the team for 2021. Along the exercise they provided the detailed information about the actions performed and the resulting conclusions.

The Fiscal Board met quarterly with the Board of Directors and this last organ was forthcoming in providing the Fiscal Board information over the society's activity and explanations needed to understand the activity and financial information drawn up by same Board of Directors in previously moment to its disclosure.

The Fiscal Board reviewed the terms of the capital increase project communicated by the Board of Directors. Once it was verified that the terms of the aforementioned capital increase project were in accordance with the authorization contained in article 4, nr. 2 of the Company's articles of association granted in General Meeting and considering the interest of the operation for the society and for the shareholders highlighted in that project, the Supervisory Board issued a favorable opinion to the aforementioned capital increase project in the exact terms presented to it, for the purposes of the provisions of nr.3 of article 456 of the Commercial Companies Code and in the Company's articles of association.

The Fiscal Board did not come across any constraint during their supervision action and verified the inexistence of any irregularities or fraud attempts by shareholders, company employees, External Auditor or any other regulatory, supervisory or inspection bodies that were communicated to the Fiscal Board.

The Fiscal Board exercised its powers to supervise the activities and independence of the External Auditor and the Auditor, having the perception that the recommended practices were observed; and the Fiscal Board has rendered its approval to additional services to the auditory services that were hired to the External Auditor, having considered that it’s independence was safeguarded, its remuneration was contained in market conditions, and, therefore, it was in the society’s interest to benefit of the knowledge and punctuality assured in those services. The provision of additional services performed by the external auditor did not overcome the established by European regulations and national legislation in force.

The Fiscal Council, in compliance with Art. 29-S nr 1 of the Securities Code and in compliance with the internal policy regarding transactions with related parties proceeded to the assessment of such transactions. During the year, transactions with related parties or qualified shareholders were part of the company’s current activity, were carried out under market conditions, in compliance with the applicable legal and regulatory requirements, without conflicts of interest identified.

The Fiscal Board observed the recommendations I.2.2, I.2.3, I.2.4, I.3.1, I.3.2, I.4.1, I.4.2., I.5.1, I.5.2, III.6, VI.2., VI.3, VI.4, VI.5, VI.7, VII.1.1, VII.2.1., VII.2.2., VII.2.3. of the Corporate Governance Code of the IPCG.

The Fiscal Board examined the individual and consolidated management report and the individual and consolidated financial statements, their respective attachments, including the 2021 Corporate Governance Report presented by the Board of Directors, having examined, as well, the Legal Certification of Accounts and Audit Report submitted by the Auditor ***KPMG & Associados, SROC, S.A.,*** attached to the "Additional Report of the External Auditor to the Supervisory Body", that it produced and referring to the 2021 financial year, provided for in Article 11 of regulation (EU) nr 537/2014 of the Parliament and of the Council of 16th April 2014. It covers the scope of the Audit, the partners and employees of the Statutory Auditor who participated in it, the evaluation methods used with reference to impairment tests and corporate concentrations, the consolidation perimeter with mention of entities not audited by KPMG, materiality, Independence and the additional services provided, as well as, among others, the results of the analysis of Internal Control that responds to the questions raised, the answers obtained and the recommendations made.

The Fiscal Board also examined the compliance of the Corporate Governance Report included in the Management Report in compliance to the no. 5 article 420 of the Commercial Societies Code, focusing its analysis in the inclusion, in that Governance Report, of the required elements of the 29-H article of the Portuguese Securities Market Code.

Given the relevance and possible consequences of the beginning of the military conflict triggered by the invasion of Ukraine, by the Russian Federation on February 24th, 2022, on the activity and results of the companies of the IBERSOL group, the Supervisory Board follows the considerations made on the matter by the Board of Directors in Note 35 of the Annex to the consolidated financial statements.

2. Opinion:

Considering the above, the opinion of the Fiscal Board is that are fulfilled the conditions of the approval, by the General Meeting, of:

a) The Management Report, the financial consolidated and individual statements of 2021 and respective annexes, namely the Governance Report;

b) The proposal of distribution of year-end results presented by the Board of directors.

Porto, 3 May 2022

The Fiscal Board

Dr. Hermínio António Paulos Afonso
(Chairman)

Doutora Maria José Martins Lourenço da Fonseca
(Member)

Dr. Carlos Alberto Alves Lourenço
(Member)

Ibersol – SGPS, SA

Individual Financial Statements

31 December 2021

Statement of financial position

	Notes	31/12/2021	31/12/2020
ASSETS			
Non-current Asset			
Property, plant and equipment	3.2 and 5	-	-
Financial investments in subsidiaries	3.1 and 6	99 426 347	99 426 347
Loans granted to subsidiaries	9	165 348 996	162 448 996
Deferred tax assets	10 and 17	9 998 803	7 019 113
Total non-current assets		**274 774 147**	**268 894 456**
Current Asset			
State and other public entities	8	-	121 615
Group subsidiaries	9	4 211 818	4 021 696
Other debtors		12 938	15 916
Deferrals		6 882	4 087
Cash and cash equivalents	3.5 and 4	32 269 158	313 046
Total current assets		**36 500 796**	**4 476 360**
Total Assets		**311 274 943**	**273 370 816**
EQUITY AND LIABILITIES			
Share capital	3.6 and 8	46 000 000	36 000 000
Own shares	8	-11 180 516	-11 180 516
Share premium		29 900 788	469 937
Legal reserves	8	1 751 080	1 629 598
Other reserves	8	136 815 570	134 507 395
Retained earnings		35 305 425	35 305 425
Net profit for the period		4 486 805	2 429 657
Total Equity		**243 079 153**	**199 161 496**
LIABILITIES			
Non-current			
Provisions	3.10	5 257	5 257
Loans obtained	3.7 and 11.1	51 600 000	70 200 000
Derivative financial instruments	11.2	18 976	63 078
Total non-current liabilities		**51 624 233**	**70 268 335**
Current			
Suppliers		5 701	1 573
Group subsidiaries	9	2 322 967	2 172 703
Loans obtained	3.7 and 11.1	13 267 814	1 398 100
Other current liabilities	12	521 255	368 609
Total current liabilities		**16 571 557**	**3 940 985**
Total Liabilities		**68 195 790**	**74 209 320**
Total Equity and Liabilities		**311 274 943**	**273 370 816**

Statement of income and other comprehensive income

	Notes	2021	2020
Rendered services	3.10 and 13	720 000	720 000
External supplies and services		-79 411	-74 048
Personnel costs	14	-324 029	-253 529
Impairment of investments in subsidiaries (losses / reversals)	9.1	4 147	-1 276 000
Impairment of debts receivable (losses / reversals)		-	-336 473
Other operating income / (costs)	3.9	-29 513	-40 615
Operating Income		**291 195**	**-1 260 665**
Financial income/(costs)	15	1 309 704	1 129 477
Dividends	15	3 165	212 438
Pre-tax income		**1 604 064**	**81 250**
Income tax	3.6 and 16	2 882 741	2 348 407
Net profit in the year		**4 486 805**	**2 429 657**
Other comprehensive income:		-	-
TOTAL COMPREHENSIVE INCOME		**4 486 805**	**2 429 657**
Earnings per share	20	0,13	0,07
Income per share		0,13	0,07

Statement of changes in equity

		Share Capital	Own shares	Share premium	Legal Reserves	Other reserves	Retained earnings	Net Profit	Total Equity
Balance on 1 January 2020		36 000 000	-11 180 516	469 937	1 075 511	123 979 762	35 305 425	11 081 721	196 731 839
Changes in period									
Changes in accounting policies									0
Application of net profit					554 087	10 527 634		-11 081 721	0
Share capital increase									0
Acquisition / (disposal) of own shares									0
Realization of revaluation surpluses of tangible and intangible fixed assets									0
and their variations									0
Other changes in equity									
		0	**0**	**0**	**554 087**	**10 527 634**	**0**	**-11 081 721**	**0**
Net profit in the year								2 429 657	**2 429 657**
Total income								2 429 657	**2 429 657**
Transactions with capital owners in the period									
Capital increseases									0
Share prizes increases									0
Dividends paid	20								0
Other transactions									0
		0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance on 31 December 2020		**36 000 000**	**-11 180 516**	**469 937**	**1 629 598**	**134 507 395**	**35 305 425**	**2 429 657**	**199 161 495**

Statement of changes in equity

		Share Capital	Own shares	Share premium	Legal Reserves	Other reserves	Retained earnings	Net Profit	Total Equity
Balance on 1 January 2021		36 000 000	-11 180 516	469 937	1 629 598	134 507 395	35 305 425	2 429 657	199 161 495
Changes in period									
Changes in accounting policies									0
Application of net profit					121 483	2 308 175		-2 429 657	0
Share capital increase		10000000		29 430 852					39 430 852
Acquisition / (disposal) of own shares									0
Realization of revaluation surpluses of tangible and intangible fixed assets									0
Revaluation surpluses of tangible and intangible fixed assets and their variations									0
Other changes in equity									0
		10 000 000	**0**	**29 430 852**	**121 483**	**2 308 175**	**0**	**-2 429 657**	**39 430 852**
Net profit in the year								4 486 805	**4 486 805**
Total income								4 486 805	**4 486 805**
Transactions with capital owners in the period									
Capital increseases									0
Share prizes increases									0
Dividends paid	20								0
Losses coverage									0
Other transactions									0
		0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance on 31 December 2021		**46 000 000**	**-11 180 516**	**29 900 789**	**1 751 080**	**136 815 570**	**35 305 425**	**4 486 805**	**243 079 153**

Statement of cash flows

	Notes	31st December 2021	31st December 2020
Cash Flows from Operating Activities			
Receipts from clients		720 000	720 000
Payments to supliers		2 950	13 170
Staff payments		270 358	334 055
Operational cash flows		**446 692**	**372 775**
Payments/receipt of income tax		-478 485	1 185 703
Other paym./receipts related with operating activities		-127 239	4 569 337
Flows from Operating Activities (1)		**797 938**	**3 756 409**
Cash Flows from Investment Activities			
Payments for:			
Tangible assets			
Intangible assests			
Financial Investments:			
Loans granted to subsidiaries	9	3 000 000	4 550 000
Other assets			
Receipts from:			
Tangible assets			
Intangible assets			
Financial investments:			
Loans granted to subsidiaries	9	100 000	330 000
Other assets		4 147	
Investment benefits			
Interest received	15	2 450 931	2 482 356
Dividends received	15	3 165	212 438
Flows from Investment Activities (2)		**-441 757**	**-1 525 206**
Cash flows from financing activities			
Receipts from:			
Loans obtained	11	9 500 000	14 000 000
Capital and other equity instruments increases		39 578 472	
Payments for:			
Loans obtained	11	16 300 000	15 265 620
Interest and similar costs	15	1 178 541	1 389 568
Flows from financing activities (3)		**31 599 931**	**-2 655 188**
Change in cash & cash equivalents (1)+(2)+(3)		**-423 985**	**568 483**
Cash & cash equivalents at the start of the period		**313 046**	**737 032**
Cash & cash equivalents at end of the period	3.5 and 4	**32 269 158**	**313 046**

Notes to the financial statements

1 Introduction

Ibersol – SGPS, SA ("Company" or "Ibersol") with head-office at Edifício Península – Praça do Bom Sucesso, 105/159 – 9º - 4150-146 Porto, Portugal, was incorporated on 30 December 1985. The company's main activity is the management of shareholdings.

Ibersol is owned by 54,91% by ATPS - SGPS, S.A., with head-office at Edifício Península – Praça do Bom Sucesso, 105/159 – 9º - 4150-146 Porto.

These financial statements were approved by the Board of Directors on 29h April 2022. The Board believes that these financial statements reflect the true and proper Ibersol operations, as well as its position and financial performance and cash flows.

2 Financial statements accounting standards

2.1. Basis of preparation

These financial statements have been prepared according to the International Financial Reporting Standards (IFRS), as applied in the European Union and in force on 1 January 2021. They have been prepared in accordance with the historical cost principle, changed to fair value in the case of derivative financial instruments.

The preparation of these financial statements in accordance with IFRS requires the use of estimates, assumptions and critical judgments in determining the accounting policies to be adopted by Ibersol SGPS, with a significant impact on the amount of assets and liabilities, as well as income and expenses in the period

Although these estimates are based on best experience of the Board of Directors and their best expectations regarding current and future events and actions, present and future profit may differ from these estimates. In Note 3 of these financial statements we have the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant.

The financial statements are expressed in Euro (rounded to the unit).

2.2. Derogation from SNC standards

In these financial statements, there has not been any exception involving directly the derogation of any IFRS standard.

2.3. Comparability of Financial statements

The elements contained in these Financial Statements are, in their entirety, comparable with those of the previous period.

2.4. New standards, change and interpretations

2.4.1. Accounting standards and interpretations recently issued that came into force and which Ibersol applied in the preparation of these financial statements, are as follows:

a) Covid 19 - Income concessions Amendment to IFRS 16

In May 2020, the IASB issued "Covid-19 – Rent concessions", which amended IFRS 16 Leases.

If certain conditions are met, the amendment allows tenants, 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 lease concessions as if they were not lease modifications, so that, for example, the amount of lease forgiven on or before June 30, 2021 is recognized in profit or loss. in the same year in which the concession is granted, rather than being awarded over the duration of the contract, as would be the case if the practical expedient were not permitted.

The change shall apply for annual periods beginning on or after June 1, 2020. Early application is permitted.

The adoption of this standard did not impact Ibersol's financial statements.

b) Reform of the Interest Rate Benchmark - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

In August 2020, the IASB issued the Interest Rate Reference Reform - Phase 2, which amends IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases.

The purpose of the amendments is to help entities provide useful information to users of financial statements and to assist preparers in applying IFRSs when changes are made to contractual cash flows or hedging relationships as a result of a transition from an interest rate IBOR benchmark for alternative benchmark rates, in the context of the ongoing risk-free rate reform ('IBOR reform').

The changes are the result of the second phase of the IASB project that deals with the accounting impacts of the IBOR reform, which gave rise to the Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) issued by the IASB on 26 September 2019. They complement the first phase of the project that addressed the accounting impacts of pre-replacement of the IBOR reform and which were issued by the IASB in 2019.

Changes must be applied retrospectively for annual periods beginning on or after January 1, 2021, with earlier application permitted.

c) Extension of the temporary exemption from the application of IFRS 9 (amendments to IFRS)

The IASB issued “Extension of the Temporary Exemption from the Application of IFRS 9 (Amendments to IFRS 4) on June 25, 2020.

The purpose of the amendments is to extend the expiry date of the temporary exemption from the application of IFRS 9 by two years (i.e. from 2021 to 2023) in order to align the effective dates of IFRS 9 Financial Instruments with IFRS 17 Contracts for Safe.

Not applicable to Ibersol's sector of activity.

2.4.2. Ibersol decided to chose not to apply in advance the following standards and / or interpretations, adopted by the European Union:

a) References to the Conceptual Framework (amendments to IFRS 3)

In May 2020, the IASB issued “References to the Conceptual Framework”, amending IFRS 3 Business Combinations.

The amendments updated IFRS 3, replacing the reference to an older version of the Conceptual Framework with a reference to the most recent version, which was issued in March 2018.

The amendments shall apply to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022. Early application is permitted if, at the same time or rather, an entity would also apply all changes made in “Changes to References to the Conceptual Framework in IFRS”, issued in March 2018.

b) Tangible fixed assets - Revenue before intended use, amendments to IAS 16 Tangible fixed assets

In May 2020, the IASB issued “Tangible fixed assets – Income before Intended Use”, which amended IAS 16 Tangible fixed assets.

The amendments prohibit the deduction from the cost of an item of property, plant and equipment, of any income from the sale of items produced in bringing that asset into the place and condition necessary for it to be able to operate in the manner intended by management. Instead, the entity shall recognize such sales revenue in profit or loss.

The changes shall be applied retrospectively for annual periods beginning on or after January 1, 2022, with earlier application permitted.

c) Onerous Contracts - Cost of fulfilling a contract

In May 2020, the IASB issued “Onerous Contracts - Cost of Fulfilling a Contract”, which amended IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The purpose of the amendments is to clarify the requirements of IAS 37 on onerous contracts regarding the assessment of whether, in a contract, the unavoidable costs of fulfilling the obligations arising from the contract exceed the economic benefits expected to be received from it.

The amendments shall apply for annual periods beginning on or after January 1, 2022, with earlier application permitted.

d) Improvements in the 2018-2020 cycle

On 14 May 2020, the IASB issued improvements to IFRS 2018–2020 containing the following amendments to IFRSs:

(i) allow an entity, as a subsidiary, associate or joint venture, to adopt IFRS for the first time after its parent and elect to apply paragraph D16(a) of IFRS 1 First-time Adoption of International Financial Reporting Standards , can measure cumulative translation differences using the amounts reported by the parent, based on the respective date of transition to IFRS;

(ii) clarify that the reference to fees in the 10 percent test includes only fees paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other (IFRS 9);

(iii) remove potential confusion regarding the treatment of lease incentives by applying IFRS 16 Leases, as illustrated in Illustrative Example 13 accompanying IFRS 16; and

(iii) remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value by applying IAS 41.

The changes will apply for annual periods beginning on or after January 1, 2022, with earlier application permitted.

e) IFRS 17 - Insurance Contracts

To be developed only for insurance companies or companies that have insurance subsidiaries, otherwise note that it is not applicable.

On May 18, 2017, the IASB issued a standard that replaced IFRS 4 and completely reformed the treatment to be given to insurance contracts. The standard introduces significant changes to the way in which the performance of insurance contracts is measured and presented, with different impacts also at the level of the financial position. The standard provides for its application for years beginning on or after 1 January 2023.

f) Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosures of Accounting Policies

Following feedback obtained on the need for more guidance to help companies decide on what information to disclose regarding accounting policies, the IASB issued on February 12, 2021 amendments to IAS 1 – Presentation of financial statements and to the IFRS Practice Statement 2 – Making materiality judgments.

The main changes to IAS 1 include: i) requiring entities to disclose information regarding material accounting policies rather than significant accounting policies, ii) clarifying that accounting policies related to intangible transactions are also immaterial and as such do not need to be disclosed and iii) clarify that not all accounting policies relating to material transactions are themselves material to an entity's financial statements.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. These changes are consistent with the revised definition of material:
"Information regarding accounting policies is material if, when considered together with other information included in an entity's financial statements, it is reasonably expected to influence the decisions that major users of financial statements generally make on the basis of those financial statements. ."

The changes are effective as of January 1, 2023, but early application is permitted.

g) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The IASB issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on defining and clarifying accounting estimates.

The amendments introduce a new definition for accounting estimates: clarifying that monetary values in the financial statements are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates, specifying that an entity develops an accounting estimate to achieve the objective established by an accounting policy. The effects of changes in such data or measurement techniques are changes in accounting estimates.

The changes are effective for periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the start of the first annual reporting period to which the entity applies the changes.

2.4.3. Standards, amendments and interpretations issued (but not yet effective for the company), for which no significant impacts are estimated:

a) Clarification of the requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements)

The IASB issued on 23 January 2020 an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current and non-current.

The amendments clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The changes aim to:
The. specify that an entity's right to defer settlement must exist at the end of the reporting period;

B. clarify that the classification is not affected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
ç. clarify how loan conditions affect the rating; and
d. clarify the requirements for classifying liabilities that an entity will settle, or may settle, by issuing its own equity instruments.

This change is effective for periods after January 1, 2023.

b) Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction

The IASB issued amendments to IAS 12 - 'Income Taxes' on 7 May 2021.

The amendments require companies to recognize deferred taxes on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

In certain circumstances, companies are exempt from recognizing deferred taxes when they first recognize assets or liabilities. Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and decommissioning provisions, that is, transactions under which companies recognize an asset and a liability. The amendments clarify that the exemption does not apply to this type of transactions and that companies are required to recognize deferred taxes. The purpose of the amendments is to reduce the diversity in the disclosure of deferred taxes on leases and provisions for decommissioning.

The changes are effective for annual periods beginning on or after January 1, 2023. Early application is permitted.

c) Amendments to IFRS 17 - Insurance contracts: initial application of IFRS 17 and IFRS 9 - Comparative Information

The International Accounting Standards Board (IASB) has issued an amendment to the scope of the transition requirements of IFRS 17 - Insurance Contracts, providing insurers with an option aimed at improving the usefulness of information for investors in the initial application of the new Standard.

The amendment does not affect any other requirements of IFRS 17.

IFRS 17 and IFRS 9 - Financial Instruments have different transition requirements. For some insurers, these differences may cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in the financial statements when applying IFRS 17 and IFRS 9 for the first time.

The amendment will help insurers avoid these temporary accounting lags and therefore increase the usefulness of comparative information for investors.

IFRS 17, including this amendment, is effective for annual reporting periods beginning on or after 1 January 2023.

Ibersol did not apply any of these standards in advance in the financial statements for the year ended 31 December 2021, as their application is not mandatory. Significant impacts on the financial statements resulting from their adoption are not estimated.

3 Main accounting policies

The main accounting policies applied in preparing these financial statements are described below. Unless otherwise stated these policies have been consistently applied in comparative periods.

3.1. Financial investments in subsidiaries and associates

Investments in equity investments of subsidiaries, associates and joint ventures are measured in accordance with the provisions of IAS 27, at acquisition cost less any impairment losses.

Subsidiaries are all entities (including structured entities) over which Ibersol has control. Ibersol controls an entity when it is exposed to, or has rights to, the variable returns from its involvement with Ibersol, and can affect those returns through its power exercised over Ibersol. Subsidiaries are consolidated from the date on which control is transferred to Ibersol, being excluded from consolidation from the date on which that control ceases.

Joint Venture corresponds to joint agreements through which the entrepreneurs who exercise joint control over the agreement with the purpose of sharing the return obtained from the activity of the Joint Venture.

Associates are investments in which the Company has significant influence, but in which it does not have joint or individual control. Significant influence (assumed when voting rights are equal to or higher than 20%) is the power to participate in the entity's financial and operational policy decisions, without, however, exercising control or joint control of those policies.

The existence of significant influence is usually evidenced in one or more of the following ways:
• representation in the investee's management or equivalent management body;
• participation in policy decision-making processes, including participation in decisions on dividends and other distributions;
• material transactions between the investor and the investee;
• exchange of management personnel; or
• provision of essential technical information.

The excess of the acquisition cost in relation to the fair value of the identifiable assets and liabilities acquired, goodwill, is recognized as part of the financial investment in investments in subsidiaries, associates, and joint ventures. If the acquisition cost is less than the fair value of the assets and liabilities of these acquired entities, the difference is recognized as a gain directly in the separate income statement.

Dividends received from these investments are recorded as gains on investments, when attributed.

The entities that qualify as subsidiaries and associates are listed in note 19.

Ibersol, SGPS, S.A. prepares consolidated accounts.

3.2. Financial assets

3.2.1 Classification

Ibersol classifies its other financial assets at the time of initial recognition in accordance with the requirements introduced by IFRS 9 in the following asset categories.

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

Loans and accounts receivable from customers are generally held for the purpose of collecting contractual cash flows and it is expected that the underlying contractual cash flows represent only the payment of principal and interest and therefore comply with the requirements for measurement at amortized cost provided for in IFRS 9.

b) Assets measured at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if the objective inherent to the business model used is achieved either by collecting contractual cash flows or by selling financial assets and (if the underlying contractual cash flows represent The assets classified in this category are initially and subsequently measured at their fair value, and the changes in their accounting value are recorded against other comprehensive income, except for the recognition of impairment losses, interest

and when the financial asset is derecognized, the gain or loss accumulated in other comprehensive income is reclassified to the income statement.

c) Assets measured at fair value through profit or loss
Financial assets that do not meet the requirements for classification in the situations referred to above are classified and measured at fair value through profit or loss, residual category under IFRS 9.

3.2.2 Recognition and derecognition

Acquisitions and disposals of financial assets are recognized on the date of their negotiation, that is, on the date on which the Ibersol undertakes to acquire or dispose of these financial assets.

Financial assets are derecognised when Ibersol's contractual rights to the receipt of its future cash flows expire when Ibersol has substantially transferred all the risks and rewards associated with its detention or when it retains, but not substantially, part of the risks and benefits associated with their detention, Ibersol has transferred control over the assets.

3.2.3 Impairment

IFRS 9 establishes a new impairment model based on "expected losses". Therefore, Ibersol starts to recognize impairment losses before there is objective evidence of loss of value resulting from a past event. This model is the basis for the recognition of impairment losses on financial instruments held whose measurement is at amortized cost or at fair value through other comprehensive income.

The impairment model depends on the occurrence or not of a significant increase in credit risk since the initial recognition. If the credit risk of a financial instrument has not increased significantly since its initial recognition, Ibersol recognizes an accumulated impairment equal to the expected loss that is expected to occur in the following 12 months. If the credit risk has increased significantly, Ibersol recognizes an accumulated impairment equal to the expected loss that is expected to occur up to the respective maturity of the asset.

Once the loss event has been verified under IFRS 9, the accumulated impairment is directly attributed to the instrument in question. The asset value is reduced and the amount of losses recognized in the income statement. If, in a subsequent period, the amount of impairment decreases, the amount of impairment losses previously recognized is also reversed in the income statement if the decrease in that impairment is objectively related to the event after the initial recognition.

a) Other amounts receivable and financial assets

For assets receivable valued at amortized cost and at fair value through other comprehensive income, Ibersol prepares its analyzes based on the general model. In preparing this valuation, Ibersol makes estimates based on the risk of default and loss rates, which require judgment. The inputs used to assess the risk of losses on these financial assets include:
• credit ratings (to the extent available) obtained through information provided by rating agencies such as Standard and Poor's and Moody's;
• significant changes in expected performance and debtor behavior; and
• data extracted from the market, in particular on probabilities of non-compliance.

3.3. Cash and cash equivalents

Cash and cash equivalents include cash amounts, bank deposits, other short-term investments with high liquidity and initial maturities of up to 3 months and bank overdrafts. Bank overdrafts are presented in the balance sheet, in current liabilities, in the heading “Loans Obtained” item, and are considered in the cash flow statement as cash and cash equivalents.

3.4. Share capital

When effected ordinary shares are classified in equity. Incremental costs directly attributable to the emission of new shares or options are presented in equity as a deduction, net of taxes, of entries.

3.5. Loans obtained

Loans obtained are initially recognised at the fair value, including incurred transaction costs. Medium and long term loans are subsequently presented at cost minus any amortisation; any difference between receipts (net of transaction costs) and the amortised value is recognised in the profit and loss account during the loan period, using the effective rate method.

Loans obtained are classified in current liabilities, except when Ibersol is entitled to an unconditional right to defer the liquidation of the liability for at least 12 months after the balance sheet date.

3.6. Income tax

Income tax for the period comprises current and deferred taxes. Income taxes are recorded in the income statement, except when they relate to items recognised directly in equity. The value of current tax payable is determined based on the result before taxes, adjusted in accordance with the tax rules in force.

Deferred taxes are recognised overall, using the liability method, and calculated based on the temporary differences arising from the difference between the taxable base of assets and liabilities and their values in the financial statements.

Deferred taxes are determined by the tax (and legal) rates decreed or substantially decreed on the date of the balance sheet and that can be expected to be applicable in the period of the deferred tax asset or in the liquidation of the deferred tax liability.

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

The estimated income tax (IRC) was calculated under the special taxation regime (RETGS), and the Group decided that the expense / income recognized in the subsidiaries will be reflected in other liabilities / current assets with the parent company (Note 9.2), and the tax savings being reflected in the accounts of the parent company.

3.7. Personnel benefits

The employee performance premiums are recorded in the period to which they relate, regardless of the year in which the payment occurs.

3.8. Provisions

Provisions for costs of restructuring activities, paid contracts and legal claims are recognised when: i) Ibersol has a legal or constructive obligation due to past events; ii) it is probable that a outflow of resources will be necessary to liquidate the obligation; e iii) the obligation amount may be reliably estimated. Whenever one of the criteria is not met or the existence of the obligation is subject to the occurrence (or not) of a certain future event, Ibersol discloses a contingent liability, unless the enforceability for payment is considered remote.

Provisions are measured at the present value of estimated expenditures to settle the obligation using a pre-tax rate that reflects market assessment for the period of discount and to the risk of that provision.

3.9. Costs and income

In accordance with the principle of accrual accounting expenses and income are recorded in the period to which they relate, regardless of their payment or receipt. The differences between the amounts received and paid and the corresponding revenues and expenses are recognised as assets or liabilities

3.10. Revenue

Revenue comprises the fair value of the sale of rendering of services from Ibersol's activities, net of taxes and discounts and after eliminating internal sales.

Rendering of services is recognised in the accounting period in which the services are rendered, in accordance with the percentage of completion or based on the period of the contract when the service is not associated with the implementation of specific activities, but to provide continuous service.
Revenue is recognized only when the performance obligation is satisfied, which depends on whether the performance obligations are met over time or whether, on the contrary, control over the good or service is transferred to the customer in a given time.

3.11. Derivative financial instruments

Ibersol uses derivatives financial instruments, such as exchange forwards and interest rate swaps, only to cover the financial risk witch the Group is exposed to. Ibersol doesn't use derivatives financial instruments for speculation. For the carrying amount of derivative financial instruments, Ibersol uses hedge accounting policies under the terms of the legislation in force. Derivatives financial instruments negotiation is performed by Ibersol's financial department under the policies approved by the Board of Directors. Derivative financial instruments are initially measured at the transaction date fair value, being subsequently measured at each reporting date fair value. Gains or losses of fair value changes are recognised as follows.

Fair value hedge

In an operation to hedge the exposure to fair value of an asset or liability ("fair value hedge") determined as effective hedges, the fair value changes are recognised in the income statement jointly with the fair value changes of the risk component of the hedged item.

Cash flow hedge

In an operation to hedge the exposure to future cash-flows of an asset or liability ("cash-flow hedge"), the effective part of the fair value changes in the hedging derivative are recognizes in equity; the ineffective part of the hedging is recognized in the income statement when it occurs.

Net investment hedge

Currently there are no foreign operational units (subsidiaries) in currencies other than the euro, therefore Ibersol is not exposed to foreign currency exchange-rate risks.

Ibersol has well identified the nature of the involved risks, guarantees through its software that each hedge instrument is followed under Ibersol's risk policy, recording thorough and formally the hedges relationships; the hedges goal and strategy; classification of the hedges relationship; description of the nature of the risk that's being cover; identification of the hedge instrument and covered item; description of initial measure and future effectiveness of the hedge; identification of the excluded, if any, part of the hedge instrument.

Ibersol will consider discontinued an hedge instrument when it is sold, expires or is realised; the hedge ceases to fulfil the hedge accounting criteria; for the cash flow hedge the expected transaction in unlikely or unexpected; the Group cancels the hedge instruments for managing reasons.

3.12. 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.

Due to its nature 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:

Main accounting estimates

3.12.1 Impairment

The Company performs impairment tests on financial investments in subsidiaries, joint ventures, and associates whenever events or changes in the surrounding conditions indicate that the amount for which they are recorded in the financial statements is not recoverable.

In addition to the recognition of impairment in these investments, Ibersol recognizes additional losses if it has assumed obligations, or if it has made payments for the benefit of these entities.

Impairment losses are calculated by comparing the recoverable amount of the investment, corresponding to the higher of the fair value less costs to sell and the value in use, and the book value of the financial holdings.

This estimate is made based on the valuation of holdings using discounted cash flow models in order to estimate the value in use of the said investments. In the case of subsidiaries or joint ventures whose most relevant assets correspond to holdings in real estate companies or real estate assets, the fair value of said holdings is estimated by reference to the market value of the real estate assets held by those held.

It is the opinion of the Board of Directors that the methodology described above leads to reliable results on the existence of any impairment of the investments under analysis since it considers the best information available at the date of preparation of the financial statements.

If, on a subsequent date, it is found that the impairment amount has decreased, and the decrease is objectively the result of a certain event that occurred after the initial recognition of the impairment, the amount then recorded is reversed up to the limit of the amount that would have been recognized, had it not been recognized any impairment loss is recorded.

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

3.12.2 Taxes

The current income tax is calculated based on the results in accordance with the tax rules in force at the location of the headquarters of each company included in the consolidation perimeter of Ibersol. In Portugal, the tax estimate (IRC) was calculated under the Special Regime for Taxation of Groups of Companies (RETGS).

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available to use the temporary difference.

3.13. Financial risk management

The group's activities are exposed to several financial risk factors: market risk (including interest rate risk), credit risk, liquidity risk and capital risk.

Ibersol maintains a risk management program that focuses its analysis on financial markets to minimise the potential adverse effects of those risks on the Ibersol's financial performance.

Risk management is headed by the Financial Department based on 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.

3.13.1 Interest rate risk

Ibersol main 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 totally or partially fixing the interest rates.

The Group's main interest rate risk arises from liabilities, namely long-term loans. Loans issued at variable rates expose the Group to the cash flow risk associated with the interest rate. Loans issued at fixed rates expose the Group to the risk of the fair value associated with the interest rate. With the current level of interest rates, the policy of the group is, in financing of greater maturity, to proceed with the fixing of interest rates of around 30% of the amount owed.

Interest-bearing debt bears interest at a variable rate, having been part of an interest rate fixing through an interest rate swap derivative. The interest rate swap contracts to cover the interest rate risk of part of the loans (commercial paper) of 6.4 million euros are based on the maturity of interest and repayment plans identical to the conditions of the loans. A loan of 35.4 million euros is contracted at a fixed rate.

Considering only the cost component, an increase of 100 basis points in the interest rate index would have an impact on the financing cost of 195 thousand euros.

3.13.2 Credit risk

Ibersol's credit risk stems from its liabilities, in particular from loans to subsidiaries. The credit risk is assured by the company's financial Direction, considering the historic trading relationship, its financial situation, as well as other information that may be obtained through the network business of Ibersol. If necessary, the credit limits established are regularly reviewed and revised. Credit risk is reduced.

3.13.3 Liquidity risk

Liquidity risk management implies maintaining enough cash and cash equivalents, 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.

As at 31 December 2021, current liabilities amounted to 16.6 million Euros, compared to 36.5 million Euros in current assets. The non-current assets include 165 million Euros of loans to subsidiaries, of which 162 million Euros reimbursement may be requested in the short term, if necessary.

3.13.4 Capital risk

The company aims to maintain an equity level suitable to the characteristics of its main business (cash sales and accounts 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 above 35%.

As at 31 December 2021 and 2020, the gearing ratio was as follows:

	Dec/21	Dec/20
Loans granted	-165 348 996	-162 448 996
Loans obtained	65 000 000	71 800 000
Cash and cash equivalents	-32 269 158	-313 046
Net indebtedness	-132 618 155	-90 962 043
Equity	243 079 153	199 161 496
Total capital	110 460 998	108 199 453

3.14 Subsequent events

If material, events that occurred between the date of the consolidated statement of financial position and the date of issue of the financial statements that provide information on conditions that occur after the date of the statement of financial position ("non adjusting events"), are disclosed in note 21.

4 Cash and cash equivalents

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

	2021	2020
Bank deposits	32 269 158	313 046
Cash and cash equivalents	32 269 158	313 046

The detail of the amount considered as the final balance in "Cash and cash equivalents", for the preparation of the statement of cash flows for the period ended 31 December 2021 and 2020 is as follows:

	2021	2020
Bank deposits	32 269 158	313 046
Term deposits	-	-
Other deposits	-	-
	32 269 158	313 046
Cash and cash equivalents (asset)	32 269 158	313 046
Cash equivalents (liabilities)	-	-
Cash and cash equivalents on the cash flows statement	32 269 158	313 046

The high amount in Bank Deposit results from the capital increase carried out on November 17, pending application. The largest amount, 22,084,619 euros, is at Millennium BCP, one of the banks organizing the operation.

5 Property, plant and equipment

As the assets are fully reinstated, in the periods ended 31 December 2021 and 2020, there has been no movement in property, plant and equipments and no depreciations.

	Land and buildings	Basic equipment	Transport equipment	Office equipment	Other tang. Assets	Total
31 December 2021						
Cost	29 828	3 736	-	215 338	18 289	267 191
Accumulated depreciation	29 828	3 736	-	215 338	18 289	267 191
Accumulated impairment	-	-	-	-	-	-
Net amount	-	-	-	-	-	-

6 Financial investments in subsidiaries

Financial investments in subsidiaries are as follows:

	2021	2020
Financial investments (6.1)	22 133 064	22 133 064
Supplementary capital contributions (6.2)	77 293 283	77 293 283
	99 426 347	99 426 347

6.1 Financial investments

Ibersol's financial investments are stated in the balance sheet through the cost method, as follows:

	%	2021 Acquisition value	2020 Acquisition value
Subsidiaries			
Asurebi SGPS, S.A.	10%	20 181 420	20 181 420
Ibersol Restauração, S.A.	100%	847 986	847 986
Iberusa-Hotelaria e Restauração, S.A.	5%	158 119	158 119
Ibersol Madeira Restauração, S.A.	100%	242 800	242 800
Restmon Portugal, Lda	61%	499 448	499 448
Eggon - SGPS, S.A.	2%	645 000	645 000
Ibergourmet-Prod.Alimentares, S.A.	100%	57 020	57 020
Ibersol Angola, S.A.	0.2%	720	720
		22 632 512	22 632 512
Accumulated impairment losses (1)		-499 448	-499 448
		22 133 064	22 133 064

(1) Total impairment of financial participation in the subsidiary Restmon Portugal, Lda

In the period ended 31 December 2021 and 2020, changes under investments in subsidiaries are presented as follows:

	Ibersol Rest., S.A.	Ibersol Madeira Rest., S.A.	Iberusa Hotelaria e Rest., S.A.	Asurebi SGPS, S.A.	Eggon - SGPS, S.A.	Restmon Portugal, Lda	Ibergourmet-Prod.Alimen., S.A.	Ibersol Angola, S.A	Total
1 January 2020	847 986	242 800	158 119	20 181 420	645 000	499 448	57 020	720	22 632 512
Acquisition	-	-	-	-	-	-	-	-	-
Gains/losses	-	-	-	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-	-	-	-
Other movement in Equity	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
31 December 2020	847 986	242 800	158 119	20 181 420	645 000	499 448	57 020	720	22 632 512

	Ibersol Rest., S.A.	Ibersol Madeira Rest., S.A.	Iberusa Hotelaria e Rest., S.A.	Asurebi SGPS, S.A.	Eggon - SGPS, S.A.	Restmon Portugal, Lda	Ibergourmet-Prod.Alimen., S.A.	Ibersol Angola, S.A	Total
1 January 2021	847 986	242 800	158 119	20 181 420	645 000	499 448	57 020	720	22 632 512
Acquisition/sale	-	-	-	-	-	-	-	-	-
Gains/losses	-	-	-	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-	-	-	-
Other movement in Equity	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
31 December 2021	847 986	242 800	158 119	20 181 420	645 000	499 448	57 020	720	22 632 512

As at 31 December 2021 and 2020, assets and liabilities, and gain and losses earned in 2021 and 2020, as recognised in the separate financial statements of subsidiaries are as follows:

	2021							
	Asurebi SGPS, S.A.	Ibersol Rest., S.A.	Ibersol Madeira Rest., S.A.	Iberusa Hotelaria e Rest., S.A.	Eggon SGPS, S.A.	Restmon Portugal, Lda	Ibergourmet-Prod.Alimen., S.A.	Ibersol Angola, S.A.
Equity	152 010 114	125 779 785	3 424 909	96 399 614	35 174 675	-2 295 211	3 550 059	7 787 965
Equity without supplementary capital contributions	152 010 114	55 779 785	3 346 409	929 614	31 664 675	-2 295 211	1 650 059	7 080 522
Total income	-606 789	-279 688	448 236	2 444 880	187 497	-3 441	-208 616	551 037

	2020							
	Asurebi SGPS, S.A.	Ibersol Rest., S.A.	Ibersol Madeira Rest., S.A.	Iberusa Hotelaria e Rest., S.A.	Eggon SGPS, S.A.	Restmon Portugal, Lda	Ibergourmet-Prod.Alimen., S.A.	Ibersol Angola, S.A.
Equity	152 616 903	126 059 474	2 976 673	94 130 378	35 187 178	-2 272 914	3 758 675	5 773 900
Equity without supplementary capital contributions	152 616 903	56 059 474	2 898 173	-1 339 622	31 627 178	-2 272 914	1 858 675	5 209 475
Total income	91 458	1 316 521	-972 647	-2 874 927	165 294	-17 317	-584 985	1 096 917

Impairment analyses require the determination of the fair value and / or use value of financial investments in subsidiaries. This process requires a high number of judgments, namely the estimation of future cash flows associated with said investments and the determination of an appropriate discount rate for calculating the present value of said cash flows. In this regard, Ibersol, 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).

The impairment tests performed on the investments of the subsidiaries Asurebi and Iberusa did not result in impairment adjustments. The assumptions used were as follows:

Perpetuity growth rate	
Portugal	2,00%
Discount rate	
Portugal	6,7%/7,3%
Spain	6,4%/6,9%/7,5%

The discount rates adopted correspond to the Weighted Average Cost of Capital (WACC) estimated for each of the segments operated in Portugal and Spain with the highest risk in those segments that have a tendency of greater resistance to the recovery from the pandemic crisis.

6.2 Supplementary capital contributions

As at 31 December 2021 and 2020, balances recognised under this heading relate to subsidiaries supplementary capital contributions. Subsidiaries supplementary capital contributions are not remunerated or have no fixed maturity.

	2021						
	Iberusa	Ibersol Restauração	Eggon	Ibergourmet	Ibersol Angola	Ibersol Madeira	TOTAL
Subsidiaries							
Supplementary capital contributions	5 870 000	70 000 000	240 000	1 100 000	4 783	78 500	77 293 283
Accumulated impairment losses	-	-	-	-	-	-	-
Total	5 870 000	70 000 000	240 000	1 100 000	4 783	78 500	77 293 283

	2020						
	Iberusa	Ibersol Restauração	Eggon	Ibergourmet	Ibersol Angola	Ibersol Madeira	TOTAL
Subsidiaries							
Supplementary capital contributions	5 870 000	70 000 000	240 000	1 100 000	4 783	78 500	77 293 283
Accumulated impairment losses	-	-	-	-	-	-	-
Total	5 870 000	70 000 000	240 000	1 100 000	4 783	78 500	77 293 283

The changes in this heading are presented as follows:

	2021	2020
Opening amount	77 293 283	77 293 283
Additions	-	-
Decreases	-	-
Closing amount	77 293 283	77 293 283

7 Income tax recoverable and payable

As at 31 December 2021 and 2020, Income tax is presented as follows:

	2021		2020	
	Debit balance	Credit balance	Debit balance	Credit balance
Income tax - IRC (1)	-	453 821	121 615	-
	-	453 821	121 615	-

(1) by applying the special taxation for corporate groups (RETGS), the shareholder Ibersol - SGPS, SA will carry out payments of its subsidiaries income tax (Note 9.2).

For the periods presented the debit balance of income tax has the following breakdown:

	2021	2020
Payments on account	31 980	599 662
Withholding taxes	7	144
Income tax - company (Note 16)	-82 183	-333 289
Income tax - subsidiaries (RETGS)	-389 453	-640 122
Tax saving (RETGS)	-14 172	495 220
Total	-453 821	121 615

8 Equity

8.1. Capital

On October 19, Ibersol's Board of Directors decided on a capital increase, carried out through a public subscription offer for ten million shares at a price of €4 (four euros) per share addressed to the company's shareholders. At the end of the subscription period, the capital increase was fully subscribed and carried out.

As at 31 December 2021 and 2020, fully subscribed and paid up share capital was represented by, respectively, 46.000.000 and 36.000.000 shares to the bearer with a nominal value of 1 Euro each.

8.2. Own shares

There were no transactions with own shares in 2021 and 2020.

Shares are subject to the regime established for own shares which determines that their voting rights and assets are suspended for as long as they remain in the ownership of the group, without prejudice of being sold.

At the end of the period the company held 3.599.981 own shares acquired for 11.180.516 Euros. According to the legislation in force, Ibersol shall maintain a non-available reserve by the same amount of the purchase of own shares. This reserve is included in Other reserves.

8.3. Reserves

As at December 2021 and 2020, reserves were broken down as follows:

8.4. Legal Reserves

	Legal reserves	
	2021	**2020**
1 January	1 629 598	1 075 511
Increase	121 483	554 087
Use	-	-
31 December	1 751 081	1 629 598

8.5. Other Reserves

	Own shares reserves		**Other reserves**	
	2021	**2020**	**2021**	**2020**
1 January	11 180 516	11 180 516	123 326 880	112 799 246
Increase (1)	-	-	2 308 175	10 527 634
Use	-	-	-	-
Transfer	-	-	-	-
31 December	11 180 516	11 180 516	125 635 054	123 326 880

(1) changes in 2021 and 2020 result from the increase in free reserves in the distribution of the result of the previous period.

Ibersol available reserves and retained earnings amount to 160.928.369 Euros. Own shares reserves held by Ibersol (11.180.516 Euros) are unavailable for distribution.

9 Subsidiaries loans

9.1. Non-current assets

As at 31 December 2021 and 2020, balances recognised under this heading relate to loans granted to subsidiaries of Ibersol. These loans with repayment periods exceeding 1 year accrues interest at a fixed rate based on Euribor 12 m + 1,25% and changed as variation of ECB reference rate.

An impairment was recognized in the year 2020on the balance receivable from Restmon, considering that it is in a negative net position and has no activity.

	2021				
	Ibersol Restauração	**Asurebi SGPS**	**Restmon**	**Iberusa**	**TOTAL**
n-current					
ns granted Subsidiaries	96 128 996	69 120 000	1 276 000	100 000	166 624 996
umulated impairment losses	-	-	-1 276 000	-	-1 276 000
Non-current total	96 128 996	69 120 000	-	100 000	165 348 996

	2020				
	Ibersol Restauração	**Asurebi SGPS**	**Restmon**	**Iberusa**	**TOTAL**
Non-current					
Loans granted					
Subsidiaries	96 128 996	66 220 000	1 276 000	100 000	163 724 996
Accumulated impairment losses	-	-	-1 276 000	-	-1 276 000
Non-current total	96 128 996	66 220 000	-	100 000	162 448 996

The changes in this heading are presented as follows:

	2021	**2020**
Opening amount	162 448 996	159 504 996
Additions	3 000 000	4 550 000
Decreases	-100 000	-1 606 000
Closing amount	165 348 996	162 448 996

9.2. Current assets and liabilities

As at 31 December 2021 and 2020, balances recognised under this heading relate to interest concerning loans granted to subsidiaries of Ibersol and subsidiaries current year income tax, as follows:

	2021		**2020**	
	Current asset	**Current liabilities**	**Current asset**	**Current liabilities**
Income tax - RETGS	629 716	2 322 967	355 354	2 172 703
Interest loans	3 582 102	-	3 666 342	-
	4 211 818	2 322 967	4 021 696	2 172 703

By applying RETGS, the shareholder Ibersol - SGPS, S.A. will perform income tax payments of its subsidiaries.

These balances are presented as follows (Note 19):

	2021		**2020**	
	Debit	**Credit**	**Debit**	**Credit**
Ibersol Restauração	-	47 569	-	61 249
Iberusa	-	564 308	-	693 163
Asurebi	-	327 089	-	61 632
IBR Imobiliária	240 879	-	146 606	-
Ibersol Hotelaria e Turismo	51 407	-	46 656	-
Eggon	-	5 904	-	2 580
Iber King	235 341	-	151 847	-
Ibersol Madeira & Açores	-	249 087	-	258 876
Sugestões & Opções	87 474	-	10 080	-
Anatir	-	562	165	-
Iberaki	-	22 348	-	43 814
Firmoven	-	145 878	-	151 897
JSCC	-	163 453	-	249 066
SEC	14 615	-	-	930
Ibersande	-	492 395	-	432 233
Ibergourmet	-	193 684	-	147 675
Maestro	-	110 690	-	69 588
	629 716	2 322 967	355 354	2 172 703

Regarding interest loans, short-term balances of the subsidiaries are presented as follows:

	2021	2020
Ibersol Restauração	2 332 813	2 094 315
Iberusa	1 250	2 504
Restmon	336 473	336 473
Asurebi	1 248 039	1 569 523
	3 918 575	4 002 815
Perdas por imparidade acumuladas	-336 473	-336 473
	3 582 102	3 666 342

10 Deferred taxes

The detail of deferred tax assets is presented as follows:

	2021	2020
Hedge instrument - SWAP	4 270	14 193
Reportable tax losses	-	1 378 625
Reportable tax credits	9 994 534	5 626 295
Deferred tax assets	9 998 803	7 019 113

As at 31 December 2021 there are 9,847,534 Euros of tax benefits not deducted, to be used in subsequent periods, 1,337,879 Euros of RFAI for 2019, 2,066,044 Euros of RFAI for 2020, 4,731,689 Euros of RFAI 2021 and 1,711,922 Euros of CFEI II (1,142,477 Euros deductible up to 2025 and 569.445 Euros up to 2026). It should be noted that these credits have a reporting period of 10 tax periods, a period whose count was suspended during the 2020 tax period and during the following tax period, under Law No. 21/2021, of 21 April.

In analyzing the recoverability of deferred tax assets, the Group took considered the best estimates of projections of future taxable profits against which tax losses, tax credits and deductible temporary differences can be used. Such estimates reflect conservative scenarios, given the current context of greater uncertainty.

11 Loans and derivative financial instruments

11.1. Loans obtained

As at 31 December 2021 and 2020, the detail of loans for the period (current and non-current) and by type of loan, is as follows:

	2021			2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Commercial paper	13 400 000	51 600 000	65 000 000	1 600 000	70 200 000	71 800 000
	13 400 000	51 600 000	65 000 000	1 600 000	70 200 000	71 800 000
Financial fees	-132 186	-	-132 186	-201 901	-	-201 901
Total	13 267 814	51 600 000	64 867 814	1 398 100	70 200 000	71 598 100

For Commercial Paper Programs we consider reimbursement on the date of filing regardless of the terms for which they are contracted. Ibersol is a subscriber of two commercial paper programs with possibility of termination in the amount of 5.000.000 Euros, being partially issued in the amount of €3,500,000 on 31

December 2021, and at that date was assured that it would not be exercised. The rest have long maturities, from 2 to 5 years.

The Commercial Paper Program contracts include cross default clauses. Such clauses refer to breach of contract in other contracts or with fiscal breach, in which case it does not occur.

Some of the commercial paper programs in the amount outstanding as at 31 December 2021 of 38.0 million euros, include Financial Covenants (ie 58% of the total amount of loans outstanding on that date). Such covenants can be summarized as follows:

	Financial Covenants (consolidated ratios)
ND/EBITDA	**< 4,5x a 5,5x**
ND/EBITDA (without IFRS16)	**< 3,5x a 4x**
ND/EBITDAR	**< 5x**
Equity/Assets	**> 30%**

Some contracts still have Debt/EBITDA adjusted for the effects of applying IFRS 16 (fozzen gapp)

Despite compliance with all consolidated covenants, considering the possibility of non-compliance with some of the covenants, the Ibersol Group obtained a waiver from the Banks from complying with these covenants in relation to the 2021 indicators.

Additionally, the total amount owed as at 31 December 2021 in financing for which the respective creditors are able to consider the debt overdue in the event of a change in shareholder control was 28.0 million euros (i.e. 43% of the total amount of loans outstanding on that date).

During 2021 there were no increases or amortization of other loans.

The (undiscounted) future cash flows associated with the loans (commercial paper) as at 31 December 2021 are detailed as follows:

	2022	**2023**	**2024**	**2025**	**2026**
Commercial paper	13 400 000	12 850 000	22 950 000	14 800 000	1 000 000
Interest	1 037 600	724 150	272 750	84 000	10 000

In 2020, the average cost of the loans is 1.9%.

11.2. Derivative financial instruments

Financial instruments relate to interest rate SWAP, as follows:

	2021			**2020**		
	Current	**Non-Current**	**Total**	**Current**	**Non-Current**	**Total**
Swap	-	18 976	18 976	-	63 078	63 078
Total	-	18 976	18 976	-	63 078	63 078

Swap contracts for interest rate risk coverage are associated with two commercial paper programs amounting to 6.4 million Euros and have underlying the interest maturities and reduction plans of these maximum amounts of issue. The last emission period will occur in 2022, and detailed as follows:

	Ibersol SGPS	Ibersol SGPS
Initial date	19/05/2017	08/06/2017
Due date	20/10/2022	14/11/2022
Fixed interest rate	0,39%	0,395%
Variable interest rate	Euribor 6M *	Euribor 3M *
Amount as at 31 December 2021	4 800 000	1 600 000

(*) with floor zero

12 Other current liabilities

As at 31 December 2021 and 2020, Other current liabilities were as follows:

	2021		2020	
	Current	**Total**	**Current**	**Total**
Other creditors	9 106	9 106	-	-
State and other public entities	192 910	192 910	173 191	173 191
Accrued costs	319 238	319 238	195 418	195 418
Other current liabilities	521 255	521 255	368 609	368 609

13 Sales and rendered services

The amount of sales and rendered services recognised in the income statement, is detailed as follows:

	2021	2020
Rendered services - internal market	720 000	720 000
Rendered services - external market	-	-
Sub-total	720 000	720 000
Sales and rendered services	720 000	720 000

14 Personnel costs

Personnel cost for the periods ended on 31 December 2021 and 2020 are broken down as follows:

	2021	2020
Salaries and wages		
Board od directors	126 494	34 807
Employees	135 753	165 950
	262 248	200 757
Social costs		
Social security contributions	56 962	44 348
Other personnel costs	4 819	8 424
Sub-total	61 781	52 771
Personnel costs	324 029	253 529

The average number of employees in 2021 was 3 (2020:3)

15 Financial costs and income

15.1. Financial income/(costs)

Net Financing cost in the periods ended 31 December 2021 and 2020 are broken down as follows:

	2021	2020
Financial costs		
Interest on bank loans	681 826	807 781
Commercial paper commissions	445 024	461 475
Others	14 377	18 004
Sub-total	1 141 227	1 287 259
Financial income		
Interest subsidiaries debt	2 450 902	2 416 736
Others	29	-
Sub-total	2 450 931	2 416 736
Total	1 309 704	1 129 477

15.2 Dividends

	2021	2020
Other financial income		
Dividends	3 165	212 438
	3 165	212 438

16 Income tax

Tax amount recognised in the financial statements of 2021 and 2020 is as follows:

	2021	2020
Current income tax	82 777	333 050
Tax saving - RETGS (Note 8)	14 172	-495 220
Income deferred tax (1)	-2 979 691	-2 186 237
Income tax	-2 882 741	-2 348 407

	2021	2020
Current tax for the year		
Tax base	76 704	311 070
Pours	5 479	22 219
	82 183	333 289

(1) Income tax credit (mainly RFAI and investment tax contract) to be used in subsequent years.

Tax amount for the year reconciliation is as follows:

	2021	2020
Pre-tax profit	**1 604 064**	**81 250**
Tax calculated at the applicable tax rate in Portugal (22,5%)	**360 914**	**18 281**
Non-deductible costs	58 509	362 806
Non-deductible income (dividends)	-337 241	-47 799
Special tax (independent)	-	-
Income tax expenses	82 183	333 289
Current income tax	82 183	333 289
Income deferred tax	-2 979 691	-2 186 237
Income tax	-2 897 508	-1 852 948

To determine the amount of tax in the financial statements the tax rate is chosen as follows:

	2021	2020
Tax base rate	21,00%	21,00%
Tax pours	1,50%	1,50%
	22,50%	22,50%

In accordance with the legislation in force, tax declarations of Ibersol are subject to review and can be corrected by the tax authorities for a period of four years in general terms. Therefore statements from 2018 to 2021 are still open.

Ibersol's Board of Directors understands that the corrections resulting from reviews or inspections by the tax authorities will not have a significant effect on the financial statements presented as at 31 December 2021.

17 Other commitments issued

Bail in the amount of 28,342 Euros for the rental of a commercial shop of 231 m^2 took by the subsidiary Ibersol Restauração, S.A..

Additionally, Ibersol SGPS provided guarantees to the subsidiaries in the amount of 4,000,000 Euros.

18 Remuneration assigned to governing bodies and the Statutory Auditor

The compensation granted to governing bodies is related to Statutory Auditor fees, as follows:

	2021	2020
Supervisory Board	27 818	27 500
General Meeting	1 667	2 335
Board of Directors (1)	101 135	6 000
	130 620	35 835

(1) In 2021 includes earnings of non-Executive Director with the amount of 6,000 Euros (6,000 Euros in 2020).

The fee for the Statutory Auditor was 32,000 Euros.

Remuneration and benefits assigned to directors:

The company shareholder ATPS-S.G.P.S., S.A., which signed a service-rendering contract with the subsidiary Ibersol Restauração, SA for 2021, in the amount of 1,000,000 Euros (1,000,000 Euros in 2020), provided services of administration and management to the group. ATPS-S.G.P.S., S.A. under contract with Ibersol Restauração, S.A. has the obligation to ensure that its administrators, António Carlos Vaz Pinto de Sousa and Antonio Alberto Guerra Leal Teixeira, exercise their positions without incur in any additional charge.

19 Related parties

As at 31 December 2021, Ibersol is controlled by ATPS, SGPS, S.A. that holds a direct participation of 47,46%.

19.1. Transactions with related parties

(a) Nature of relationship with related parties:

Shareholders:

ATPS – SGPS, S.A.

Direct and indirect subsidiaries of Ibersol, SGPS:

Ibersande Restauração, S.A.
Iberusa – Hotelaria e Restauração, S.A.
Ibersol Madeira e Açores Restauração, S.A.
Ibersol Restauração, S.A.
Iberking Restauração, S.A.
Iberaki Restauração, S.A.
Restmon Portugal, Lda.
Ibersol – Hotelaria e Turismo, S.A.
Vidisco, S.L.
Inverpeninsular, S.L.
Ibergourmet Produtos Alimentares, S.A.
Asurebi SGPS, S.A.
Firmoven Restauração, S.A.
I.B.R. - Sociedade Imobiliária, S.A.
Eggon SGPS, S.A.
Anatir SGPS, S.A.
Lurca, S.A.
Sugestões e Opções – Actividades Turísticas, S.A.
José Silva Carvalho Catering, S.A.
Iberusa Central de Compras para Restauração, ACE
Vidisco e Pasta Caffe, Union Temporal de Empresas
Maestro – Serviços de Gestão Hoteleira, S.A.
Solinca – Eventos e Catering, S.A.
Ibersol – Angola, S.A.
HCI – Imobiliária, S.A.
Lusinver Restauración, S.A.
The Eat Out Group S.L.U.
Pansfood, S.A.U.
Foodstation, S.L.U.
Dehesa de Santa Maria Franquicias, S.L.
Cortsfood, S.L.
Volrest Aldaia, S.L.
Volrest Alfafar, S.L.
Volrest Alcala, S.L.
Volrest Rivas, S.L.
Voesmu Restauracion, S.L.

Joint undertakings with Ibersol, SGPS:

UQ Consult, S.A.

Associated:

Ziaicos - Serviços e gestão, Lda

(b) Transactions and outstanding balances with related parties:

ii) Subsidiaries:

In the periods ended 31 December 2021 and 2020 Ibersol performed transactions with subsidiaries as follows:

Sales and rendered services

	2021	2020
Sales and rendered services		
Ibersol Restauração	720 000	720 000
	720 000	720 000

Financial income

	2021	2020
Financial income		
Asurebi	1 248 039	1 189 523
Ibersol Restauração	1 201 613	1 208 715
Iberusa	1 250	2 504
Restmon	-	15 994
	2 450 902	2 416 736
Dividends received		
Asurebi	-	210 750
Eggon	3 165	1 688
	3 165	212 438

Products and services

	2021	2020
Products and services acquisition		
Ibersol Restauração	4 749	11 006
	4 749	11 006

Debit and credit balances

In the periods ended 31 December 2021 and 2020, the balances resulting from transactions with related parties are as follows:

	2021	2020
Debit balances		
Asurebi	1 248 039	1 569 523
Iber King	235 341	151 847
Ibersol Restauração	2 332 813	2 094 315
Iberusa	1 250	2 504
IBR	240 879	146 606
IHT	51 407	46 656
Restmon	336 473	336 473
SEC	14 615	-
Sugestões	87 474	10 080
Anatir	-	165
	4 548 291	4 358 169
Loans		
Supplementary capital contributions (Note 6)	77 293 283	77 293 283
Subsidiaries (Note 9)	165 348 996	162 448 996
	242 642 279	239 742 279

	2021	2020
Credit balances		
Asurebi	327 089	61 632
Eggon	5 904	2 580
Ibergourmet	193 684	147 675
Ibersol Restauração	47 569	61 249
Firmoven	145 878	151 897
Ibersande	492 395	432 233
Iberusa	564 308	693 163
Iberaki	22 348	43 814
Ibersol Madeira e Açores	249 087	258 876
José Silva Carvalho Catering	163 453	249 066
Maestro	110 690	69 588
Solinca	-	930
Anatir	562	-
	2 322 967	2 172 703

20 Income per share

Income per share in the periods ended 31 December 2021 and 2020 was calculated as follows:

	Dec/21	Dec/20
Profit payable to shareholders	4 486 805	2 429 657
Number of shares issued at the beginning of the year	36 000 000	36 000 000
Number of shares issued at the end of the year	46 000 000	36 000 000
Average weighted number of ordinary shares issued (i)	37 205 479	36 000 000
Average weighted number of own shares (ii)	-3 599 981	-3 599 981
Weighted average number of outstanding shares (i-ii)	33 605 498	32 400 019
Basic earnings per share (€ per share)	0,13	0,07
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.

21 Subsequent events

21.1 The beginning of the military conflict triggered by the invasion of Ukraine by the Russian Federation on 24 February, has resulted in high human and material losses, leading to a massive exodus of the population from the affected territories.

This situation triggered increased uncertainty about the evolution of economies and financial markets worldwide, with the following expected: i) increase in prices of fossil fuels and cereals; ii) greater volatility in interest rates and an increase in the rate of inflation; iii) possible increase in cyber-attacks, which may affect public and private entities in countries that have shown support for Ukraine or imposed sanctions on Russia.

In this context, since it is not possible, at the time, to estimate the potential effects on the operation, the Entity is attentive to the evolution of the conflict, taking the measures it deems appropriate to the development of the situation, having not been identified, to this date, any impacts material to the financial statements as at 31 December 2021.

21.2 Burger King

At the end of January 2022, BK Portugal announced its decision to terminate the contract for the development of the Burger King brand in Portugal, citing failure to comply with the obligation to open 2 restaurants and remodel 3 restaurants in 2021 (in addition to the 12 inaugurated and the 7 renovations carried out in 2021).

On March 10, 2022, Grupo Ibersol and Restaurant Brands Iberia, S.A. started negotiations on an exclusive basis, regarding a potential acquisition of Burger King restaurants, operated in Portugal and Spain, for an Enterprise Value of 250 million euros, on a cash and debt-free basis, which may be increased by up to 7 million euros, relating to the potential use of tax credits.

On the present date, the process of confirmatory due diligence is in progress and the obtaining of internal authorizations and external financing by the proposing entity, conditioning the proposal received.

The Ibersol Group will continue to operate the 157 Burger King restaurants it owns in Iberia, in accordance with the best standards of service and quality in accordance with the respective contracts in force.

The Board of Directors,

____
António Alberto Guerra Leal Teixeira

____
António Carlos Vaz Pinto de Sousa

____
Juan Carlos Vázquez-Dodero

____
Maria Deolinda Fidalgo do Couto

____
Maria do Carmo Guedes Antunes de Oliveira

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.
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STATUTORY AUDITORS' REPORT and AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Ibersol, S.G.P.S., S.A.** (the Entity), which comprise the statement of financial position as at 31 December 2021 (showing a total of 311,127,943 euros and equity of 243,079,153 euros, including a profit for the year of 4,486,805 euros), the income statement, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of **Ibersol, S.G.P.S., S.A.** as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial investments (99,426,347 euros) and loans granted to subsidiaries (165,348,996 euros)

See notes 3.1, 3.3 and 3.4 of the Main accounting policies, note 3.12.1 of the Main accounting estimates and Notes 6 and 9 to the financial statements

The Risk	Our response to the identified risk
The valuation of financial investments and loans granted to subsidiaries requires a high degree of judgment by the Board of Directors, namely regarding the calculation of the recoverable amount of the investments made when triggers of impairment are identified.	Our audit procedures included amongst others, those that we describe below: ▪ We have inquired the Board of Directors about the basis of their estimates and judgements and challenged the assumptions made; ▪ We have evaluated the design and implementation of the main controls implemented by the Entity in this area and analysed the budgeting procedures on which the projections are based, by comparing past performance with the estimates made in previous periods and by reference to macroeconomic and sectorial information and projections produced by independent external bodies; ▪ We have analysed the basis of the projections made by the Board of Directors regarding the activity developed in the airports managed by AENA, considering the dispute between the Group and this entity, through the subsidiary Pansfood SAU, and also considering Law 13/2021, of October 2021, which regulates the rents payable in these airports. We have inquired the Entity's legal advisors on the prospects for the outcome of such actions, and on the potential impacts of alternative scenarios for the outcome of this dispute; ▪ We have reviewed the assumptions used, such as inflation, projected economic growth and discount rates, and assessed their reasonableness and consistency, where applicable, for the various assets in the different locations and segments, and have also assessed the impacts of alternative scenarios;

- We have tested the integrity and mathematical accuracy of the discounted cash flow model;
- We have reviewed the assessment of the impairment of loans granted based on the different variables, namely the assessment of credit risk;
- We have carried out sensitivity analyses to changes in the relevant assumptions used;
- We have involved our experts in order to assess the discounted cash flow model and the average cost of capital rate considered in the valuations made by the Entity; and
- We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Responsibilities of Management and the Supervisory Body for the Financial Statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows, in accordance with the International Financial Reporting Standards, as adopted by the European Union;
- the preparation of the management report, corporate governance report and remunerations report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Entity's ability to continue as a going concern and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and,
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code, as well as the verification that the remunerations report has been presented.

KPMG

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451, nr. 3, al. e) of the Portuguese Companies' Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment of the Entity, we have not identified any material misstatements. As defined in article 451, nr.7 of the Portuguese Companies' Code, this opinion is not applicable to the non-financial statement included in the management report.

On the corporate governance report

Pursuant to article 451, nr. 4 of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Entity in accordance with article 29-H of the Securities Code, and we have not identified any material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of that article.

On the remunerations report

Pursuant to article 26-G, nr.6 of the Securities Code, we inform that the Entity has included it’s the corporate governance report in a separate chapter the information defined in nr. 2 of that article.

On the European single electronic format (ESEF)

The financial statements of Ibersol, S.G.P.S., S.A. for the year ended 31 December 2021 have to comply with the applicable requirements established by the European Commission Delegated Regulation 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for the preparation and presentation of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, have been prepared in accordance with the requirements of the ESEF Regulation.

Our procedures considered the OROC (Portuguese Institute of Statutory Auditors) technical application guide on ESEF reporting and included, amongst others:

- obtaining an understanding of the financial reporting process, including the presentation of the annual report in a valid XHTML format.

- identifying and assessing the risks of material misstatement related to the tagging of information in the financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the information tagging process implemented by the Entity.

In our opinion, the financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements established by the ESEF Regulation.

On the additional matters provided for in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were first appointed as auditors of the Entity in shareholders' general assembly held on 14 May 2018 for a mandate from 2017 to 2020. We were reappointed as auditors of the Entity in the shareholders general assembly held on 18 June 2021 for a second mandate from 2021 to 2024.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism, and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the financial statements due to fraud.
- We confirm that the audit opinion we issue is consistent with the additional report that we prepared and delivered to the supervisory body of the Entity on 29 April 2022.
- We declare that we have not provided any prohibited services as described in article 5 of Regulation (EU) nr. 537/2014 of the European Parliament and of the Council of 16 April 2014, and we have remained independent of the Entity in conducting the course of the audit.
- We inform that, in addition to the audit, we provided to the Entity with the following services as permitted by law and regulations in force:
  - Issue of Comfort Letter to the Financial Intermediaries, in the context of the Prospectus for the public offering for subscription of ordinary, registered and nominative shares representing the share capital of Ibersol, S.G.P.S., S.A.

3 May 2022

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with no. 20161489)
represented by
Pedro Manuel Bouça de Morais Alves da Costa
(ROC no. 1466 and registered at CMVM with no. 20161076)

FISCAL BOARD REPORT

To the Shareholders of IBERSOL SGPS, S.A.:

In compliance with the legal and statutory requirements, the Fiscal Board in the fulfilment of the mandate in which he is invested issues its report on the supervisory action carried out as well as its opinion on the Management Report and remaining consolidated and individual financial statements for the year ended 31 December 2021, and issue its consequent opinion:

1. Supervisory Activity Report:

The Fiscal Board accompanied, within the scope of its competencies and mandate, during the 2021 financial year, the management of the company and its subsidiaries, having received for that purpose, timely and adequate information from the Company's Board of Directors and the Statutory Auditor **KPMG & Associados, SROC, S.A.**

Over the course of 2021 the Fiscal Council held quarterly meetings with all members present, which examined and considered the matters subject to the powers of this body. In these ordinary meetings the Auditor, ***KPMG & Associados, SROC, S.A.***, was represented by the Statutory Auditor Dr. Pedro Manuel Bouça de Morais Alves, Statutory Auditor number 1466.

The Statutory Auditor / External Auditor KPMG & Associados, SROC, SA presented and proposed to the Audit Committee, at an extraordinary meeting on 9th September 2021, convened for this purpose, the "2021 Year-End Audit Plan and Strategy" with the main points of the plan of its supervisory activity, as well as the performance calendar of the members assigned to the team for 2021. Along the exercise they provided the detailed information about the actions performed and the resulting conclusions.

The Fiscal Board met quarterly with the Board of Directors and this last organ was forthcoming in providing the Fiscal Board information over the society's activity and explanations needed to understand the activity and financial information drawn up by same Board of Directors in previously moment to its disclosure.

The Fiscal Board reviewed the terms of the capital increase project communicated by the Board of Directors. Once it was verified that the terms of the aforementioned capital increase project were in accordance with the authorization contained in article 4, nr. 2 of the Company's articles of association granted in General Meeting and considering the interest of the operation for the society and for the shareholders highlighted in that project, the Supervisory Board issued a favorable opinion to the aforementioned capital increase project in the exact terms presented to it, for the purposes of the provisions of nr.3 of article 456 of the Commercial Companies Code and in the Company's articles of association.

The Fiscal Board did not come across any constraint during their supervision action and verified the inexistence of any irregularities or fraud attempts by shareholders, company employees, External Auditor or any other regulatory, supervisory or inspection bodies that were communicated to the Fiscal Board.

The Fiscal Board exercised its powers to supervise the activities and independence of the External Auditor and the Auditor, having the perception that the recommended practices were observed; and the Fiscal Board has rendered its approval to additional services to the auditory services that were hired to the External Auditor, having considered that it's independence was safeguarded, its remuneration was contained in market conditions, and, therefore, it was in the society's interest to benefit of the knowledge and punctuality assured in those services. The provision of additional services performed by the external auditor did not overcome the established by European regulations and national legislation in force.

The Fiscal Council, in compliance with Art. 29-S nr 1 of the Securities Code and in compliance with the internal policy regarding transactions with related parties proceeded to the assessment of such transactions. During the year, transactions with related parties or qualified shareholders were part of the company's current activity, were carried out under market conditions, in compliance with the applicable legal and regulatory requirements, without conflicts of interest identified.

The Fiscal Board observed the recommendations I.2.2, I.2.3, I.2.4, I.3.1, I.3.2, I.4.1, I.4.2., I.5.1, I.5.2, III.6, VI.2., VI.3, VI.4, VI.5, VI.7, VII.1.1, VII.2.1., VII.2.2., VII.2.3. of the Corporate Governance Code of the IPCG.

The Fiscal Board examined the individual and consolidated management report and the individual and consolidated financial statements, their respective attachments, including the 2021 Corporate Governance Report presented by the Board of Directors, having examined, as well, the Legal Certification of Accounts and Audit Report submitted by the Auditor ***KPMG & Associados, SROC, S.A.,*** attached to the "Additional Report of the External Auditor to the Supervisory Body", that it produced and referring to the 2021 financial year, provided for in Article 11 of regulation (EU) nr 537/2014 of the Parliament and of the Council of 16th April 2014. It covers the scope of the Audit, the partners and employees of the Statutory Auditor who participated in it, the evaluation methods used with reference to impairment tests and corporate concentrations, the consolidation perimeter with mention of entities not audited by KPMG, materiality, Independence and the additional services provided, as well as, among others, the results of the analysis of Internal Control that responds to the questions raised, the answers obtained and the recommendations made.

The Fiscal Board also examined the compliance of the Corporate Governance Report included in the Management Report in compliance to the no. 5 article 420 of the Commercial Societies Code, focusing its analysis in the inclusion, in that Governance Report, of the required elements of the 29-H article of the Portuguese Securities Market Code.

Given the relevance and possible consequences of the beginning of the military conflict triggered by the invasion of Ukraine, by the Russian Federation on February 24th, 2022, on the activity and results of the companies of the IBERSOL group, the Supervisory Board follows the considerations made on the matter by the Board of Directors in Note 35 of the Annex to the consolidated financial statements.

2. Opinion:

Considering the above, the opinion of the Fiscal Board is that are fulfilled the conditions of the approval, by the General Meeting, of:

a) The Management Report, the financial consolidated and individual statements of 2021 and respective annexes, namely the Governance Report;

b) The proposal of distribution of year-end results presented by the Board of directors.

Porto, 3 May 2022

The Fiscal Board

Dr. Hermínio António Paulos Afonso
(Chairman)

Doutora Maria José Martins Lourenço da Fonseca
(Member)

Dr. Carlos Alberto Alves Lourenço
(Member)