IBERSOL - SGPS, SA

Publicly Listed Company

Head Office: Edifício Península, Praça do Bom Sucesso, n.º 105 a 159 - 9º andar, 4150 - 146 Porto

Share Capital: 46.000.000 euros

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

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS 2022

(to be approved at AGM 2023)

INDEX

1. INTRODUCTION

1.1 Message from the Chairman of the Board of Directors

2022 was a complex year because, at the end of February, the military conflict in Ukraine began and with it the worsening of global geopolitical tensions, which once again put the Group's brand portfolio to the test.

The problems in the supply logistics chain, which had already begun in the years of the pandemic, were compounded by increases in fuel prices, which resulted in increased costs for our suppliers and finally, as a chain, inflation reached high levels, reducing the purchasing power of families. This was a scenario that persisted throughout 2022 and will also be unavoidable in 2023.

These challenges did not affect our expansion and refurbishment plans, and so throughout the year we carried out openings in our different brands, where I highlight the strong growth of Taco Bell and KFC, but also the openings and refurbishments of Pizza Hut, the leading brand in its segment.

Throughout the year, the Group's portfolio once again demonstrated a high resilience, recording solid growth when compared with the previous year, which had been marked by a period of confinement and restrictions on mobility. A decisive contribution to this sales evolution was made by the recovery in tourism, with strong growth, greater mobility and a consequent increase in private consumption.

In this context of recovery and resilience, I would like to highlight the performance of the travel and catering segments, which recovered strongly from the impacts of the pandemic, both due to the recovery of the aviation sector and the increased mobility of passengers in airports, as well as the growth in consumption per client and the normalisation of corporate and private events.

The year 2022 is also marked by the start of our Sustainability Programme, which aims to give continuity and greater integration to our social, economic and environmental sustainability policies, aligning them increasingly with the sustainable development objectives of the United Nations Agenda 2030.

At the Ibersol Group, we take sustainability very seriously and, in that sense, we increased our social and economic sustainability profile as a large Group that creates jobs and social cohesion. We protected employment during the pandemic and created jobs through a consistent policy of new restaurant openings of different Group brands, which consolidate our presence throughout the country.

In the area of environmental sustainability, we continued to strengthen the practices and partnerships with a view to reducing CO2 emissions; moreover, we intensified good practice policies in the management of resources and waste, separation and recovery of the waste generated and investment in renewable energies, all with a view to an increasingly solid position in the circular economy and sustainability.

In 2022, we were also called upon to respond to an unexpected challenge: the proposed purchase by RBI of our Burger King operations in Portugal and Spain. This transaction was completed and we will now continue on the path we have followed since the beginning of our Group and in which we have demonstrated resilience, focus and determination.

It is in this context that we maintained a dynamic of openings, being attentive to opportunities and new challenges, which includes, for example, the development contract of the Pret A Manger brand in the Iberian Peninsula.

We are starting a new year full of strength and commitment, focused on our teams, training and retaining employees, who are the engine of our success.

We will also have to be very focused on our customers, meeting their expectations and following market trends.

We will continue to have to manage our costs very strictly, to seek efficiency gains and to ensure that these result in a competitive offer that meets the needs and possibilities of our customers, who are now in a more difficult situation due to the macroeconomic context in which we live.

We foresee 2023 as another challenging year, with very high uncertainty factors. Once again, we have the strength, the determination and the means to demonstrate our resilience, for which we count on the support and dedication of all those who have shown their recognition and preference for our Group, where I include all stakeholders: customers, employees, partners, suppliers, investors and civil society.

1.2 About this report

This report marks the transition to a new cycle in the Ibersol Group's annual integrated management report, in which the intention is to increasingly value the non-financial aspects of the business, while maintaining all the rigour in terms of financial information, to convey a more complete, explicit and relevant message about the different dimensions of the organisation and activity to all stakeholders.

The report respects the principles and requirements of the International Financial Reporting Standards (IFRS) and the European Non-financial Reporting Directive (NFRD) in its transposition into national law through Decree-Law No. 89/2017, as well as the European Union Green Taxonomy Regulations (Regulation (EU) 2020/852 of the European Parliament and of the Council and Commission Delegated Regulation (EU) 2021/2139). The document also uses as reference the generic principles and specifications of the GRI (Global Reporting Initiative) standards, namely regarding the topics linked to materiality and sustainability.

In view of the expected changes in sustainability reporting that will be imposed by the new European directive CSRD (Corporate Sustainability Reporting Standard) and the ESRS (European Sustainability Reporting Standards), in addition to the traditional components of the management report, this document introduces a new "strategic framework" section, in which information is consolidated on the business context, the Group's identity matrix, the value creation model, the sustainability programme and all aspects related to risk management. On the other hand, more explicit emphasis is given to the three environmental, social and *governance* (ESG) pillars in the main body of the report, without prejudice to the inclusion, within the scope of the GRI standards, of a referencing of these issues in relation to the material topics identified and to a set of reference *frameworks*, namely the Sustainable Development Goals (SDGs) and the United Nations Global Compact Principles (UNGC).

The scope of the report is the activity of the Ibersol SGPS SA Group throughout the 2022 financial year, and it is important to highlight two relevant aspects: (i) in November 2022 the sale of the Burger King business to Restaurant Brands Iberia was concluded, which implies additional care in specifying the reporting perimeters in the different dimensions of financial and non-financial reporting, and poses present and future challenges in terms of comparability; (ii) there are still some gaps in non-financial information which, due to the natural and cyclical complexity of the Group's operations, it is not yet possible to report, but these gaps are gradually being filled.

1.3 Main events

The year 2022 was another challenging year with contradictory signs: on the one hand, the post-pandemic recovery started to be felt on a social and economic level, but on the other hand the war in Ukraine started and with it came a series of impacts.

First of all, the problems in the supply chain, which already existed at the time of the pandemic (2020-2021), to which were added the increases in fuel prices, which resulted in increased costs for our suppliers. In addition, inflation reached levels that no longer seemed possible.

It is in this scenario that the Ibersol Group carried forward its expansion and remodelling plans, opening restaurants of different brands, with emphasis on Taco Bell with 5 new units, which corresponded to the strong acceptance of this concept, and KFC, with remarkable growth, with 17 new units, but also Pizza Hut, which opened 5 new units and worked to remain the leader in its segment, without forgetting the other concepts that rose to the challenges.

The year 2022 was already halfway through when the Ibersol Group announced the agreement with the British sandwich and coffee chain Pret A Manger for the expansion of this brand in Portugal and Spain, with the objective of creating a solid chain of restaurants. This agreement foresees the opening of 70 new units in Portugal and Spain in the next 10 years.

In Spain, it should be noted that Pansfood was forced to file a lawsuit to rebalance the rents to be paid to AENA since the start of the pandemic, which was approved by a second instance court decision. As a result, the rents to be paid at the establishments located at each airport were adjusted in line with the variation in the traffic verified annually in relation to the year 2019 until each airport recovers the traffic of that year. In other words, an important outcome that has allowed the Group's operations in Spain to be rebalanced.

As an integral part of the Group's activity in the three markets in which it operates - Portugal, Spain and Angola - the new Sustainability Programme got off the ground, with a view to provide an efficient and innovative response to the sustainable development objectives of the United Nations' Agenda 2030.

Closing the year, the contract for the sale of 158 Burger King restaurants, owned by the Ibersol Group, in Portugal and Spain, to Restaurant Brands Iberia (RBI) was announced, which is still in the implementation phase as 9 units have yet to be transferred, for reasons linked to obtaining permits from the owners of the spaces.

1.4 Main Indicators

The following indicators for 2022 stand out.

Activity Indicators

Turnover from continued operations (*)	355,6M€ (vs. 204,0M€ in 2021)
EBITDA from continued operations	61,2M€ (vs. 34,5M€ in 2021)
Consolidated Net Profit	159,9M€ (vs. 31,3M€ in 2021)
No. of Restaurants (at 31-12-22)	TOTAL: 487 - Portugal: 296 - Spain: 179 - Angola: 10

Social Indicators

No. of Employees (at 31-12-22)	TOTAL: 7379 - Portugal: 5071 - Spain: 2009 - Angola: 299
Gender Diversity	TOTAL: F 54% | M 46% - Portugal: F 53% | M 47% - Spain: F 58% | M 42% - Angola: F 41% | M 59%
Diversity of Nationalities	33 Nationalities across the Group
Training Hours	386.000 hours in Portugal
Food and Meals Donation	~49.500 meals (17,3 tonnes of food) in the Catering business
Donations in Value	~ 81.000€

Environmental Indicators

100% Selective separation of waste materials and cooking oils	~1200 tons of used cooking oil sent for biodiesel production
Electricity Consumption (*)	Portugal: 30.775 MWh Spain: 7.433 MWh Solar Panel Production: Total: 60 MWh Total Continued Operations: 12,5 MWh
Consumption of Natural Resources (*)	Gas (energy equivalent) - Portugal): 5.811 MWh - Spain: 1.780 MWh Water (Portugal): 142.000 m^3
Indirect CO_2 Emissions (*) (associated electricity consumption)	Portugal: 7.632 ton Spain: 1.918 ton
Direct CO_2 Emissions (*) (associated gas consumption)	Portugal: 686 tonnes Spain: 210 tonnes
CO_2 emissions avoided (production with Solar Panels)	Total: 14,9 ton Total continued operations: 3,1 ton
Proportion of packaging materials in Kg (Source SPV, Portugal)	Plastic: 8,1%. Paper/Cardboard: 90,8%. Other: 1,0%.

Product Quality and Innovation Indicators

Nº of Laboratory Controls	TOTAL: 3.200 - Portugal: 2.000 - Spain: 1.000 - Angola: 200
No. of External Audits in Food Safety	TOTAL: 1.400 - Portugal: 1.000 - Spain: 350 - Angola: 50
No. of Food Safety Complaints per 100,000 transactions	Portugal: 0,25 Spain: 0,07 Angola: 0
Guest Experience Survey	More than 146.000 customers surveyed

Brands/businesses with a range of products aimed at vegetarian and/or vegan food	Pizza Hut, pasta caffé, Miit, pans, Taco Bell, Catering, Travel

(*) Excluding the Burger King brand, sold in 2022

2. STRATEGIC FRAMEWORK

2.1 Economic, sectoral and regulatory context

Economic and sectoral framework

World situation

According to the European Central Bank's macroeconomic projections, the global economic outlook has deteriorated in the face of considerable geopolitical uncertainty, high and rising inflation and financial conditions. World real GDP growth (excluding the euro area) slowed to 3,3% in 2022, is estimated to slow further to 2,6% in 2023, below its long-term average, and then to recover gradually to 3,1% and 3,3% in 2024 and 2025 respectively.

In the course of 2022, the global economy has been buffeted by several shocks that have dampened the pace of recovery and will continue to limit growth prospects. The war in Ukraine continues to disrupt markets for food commodities and energy products.

Inflationary pressures remain high and widespread, reflecting robust demand, tight labour markets and high food prices, while energy prices have started to ease.

The projections for the euro area for annual real GDP growth are of 3.4% in 2022, 0.5% in 2023, 1.9% in 2024 and 1.8% in 2025.

The outlook for the euro area deteriorated in 2022, with higher and more persistent inflation than estimated. Economic growth slowed to 0,3% in the third quarter of the year. On the positive side, employment increased by 0,3% in the third quarter, with unemployment reaching a new historic low of 6,5% in October.

Situation in Portugal

Recent data from the Bank of Portugal indicates that the Portuguese economy grew by 6,8% in 2022, forecasting growth of 1,5% in 2023, 2% in 2024 and 1,9% in 2025. Inflation reached 8,1% in 2022, with a gradual reduction estimated to 5,8% in 2023, 3,3% in 2024 and 2,1% in 2025.

The sharp rise in inflation in the euro area led the ECB to begin a process of monetary policy normalisation, raising official interest rates in order to contain inflationary pressures. This increase has a direct impact on the reference rates of commercial banks, with repercussions on the cost of financing for companies and families.

From the second quarter of 2022 onwards, economic activity registered a strong deceleration, after the recovery period from the pandemic crisis. The recent evolution of the Portuguese economy has been conditioned by the effects of the war in Ukraine, in particular the increase in geopolitical uncertainty and the energy crisis in Europe, which contributed to exacerbate the increase in costs and prices and the deterioration of the confidence of economic agents. In a context of high inflation and stagnation of real disposable income, the resilience of consumption is explained by the performance of the labour market - with a low employment rate -, the impact of public support measures and the recourse to savings accumulated during the pandemic.

Growth is estimated to be contained in the first half of 2023, with projected moderation in household spending, some postponement of corporate investment plans and a slowdown in exports. From the second half of 2023, activity should accelerate, reflecting the expected easing of tensions in energy markets, the gradual recovery of households' real income, the improving of external demand, the normalisation of global supply chains and greater absorption of European funds.

In 2022 the public fiscal deficit was reduced and public debt as a percentage of GDP, although high, maintained a downward trajectory, and this favourable evolution is projected to continue in the coming years.

Situation in Spain

In an environment of great uncertainty, the macroeconomic projections of the Bank of Spain indicate that GDP growth was 4,6% in 2022, with estimates of 1,3%, 2,7% and 2,1% for 2023, 2024 and 2025, respectively. The inflation rate, which reached 8,4% in 2022, is expected to slow to 4,9% in 2023, 3,6% in 2024 and 1,8% in 2025.

Despite the economic effects of the war in Ukraine, the rise in inflation, the tightening of financing conditions and almost a year of energy crisis, activity in 2022 proved more resilient than initially expected. GDP closed the year in positive territory, despite the weakness of domestic demand, which was declining throughout the year (-0,9% quarterly). Growth resulted from the contribution of external demand, due to the fall in imports (-4,2% quarterly), which far outweighed the decline in exports (-1,1% quarterly).

In the coming quarters, the Spanish economy will continue to face an adverse environment marked by geopolitical uncertainty and rising interest rates. But it will have some elements that support the growth of activity, such as the acceleration of the implementation of the NGEU funds and the recovery of the sectors most penalised by the pandemic, especially tourism. Inflation is likely to fall a little faster than expected, thanks to the significant drop in energy prices.

Employment remained stable at the end of 2022. In average annual terms, the 2022 unemployment rate reached 12,9%, down from 14,8% in 2021.

The first available indicators of industrial activity and services for 2023 show encouraging signs, placing the economy in the growth zone.

Situation in Angola

Recent IMF data indicates that in 2022 Angola's economy continued to recover from the Covid-19 pandemic, supported by higher oil prices, improvements in oil production and a strengthening of non-oil activity, despite the difficult external environment.

Angolan GDP is expected to have grown 2,8% in 2022, with a contribution of 2,0% from oil activity and 3,2% from non-oil activity. For 2023, projections point to growth of 3,5%, supported by acceleration to 4,3% of the non-oil sector, which will more than offset the deceleration of oil GDP, which is not expected to exceed 1,2%.

In the medium term, the IMF expects the economy to grow around 4%, reflecting the impact of economic reforms on the growth of the non-oil economy.

With regard to inflation, it is projected to decrease from 22,2% in 2022 to 12,3% in 2023 and less than 10% already in 2024.

The current account will continue to have a very positive surplus: the forecasts estimate a surplus of 11,0% of GDP in 2022 and a decrease to 6,3% of GDP in 2023.

Public debt is estimated to have ended 2022 at 66,1% of GDP, well below the 83,6% at the end of 2021. For 2023, the expectation is for a further decrease to 64,1% of GDP.

Angola is coming out of a period of major shocks and strong reform efforts. The current government has had to deal with several years of low oil prices on international markets, negative growth and, subsequently, the Covid-19 pandemic.

Under these difficult circumstances, the authorities have launched significant reforms in the areas of fiscal management (including the introduction of VAT), monetary policy structure, financial stability and central bank independence.

The IMF has advised that efforts should be made to mobilise more non-oil tax revenue, reform public enterprises and rationalise expenditure (in particular reducing fuel subsidies) in order to create a fiscal cushion for increased investment and social spending. Economic diversification should be the focus of the National Development Plan (NDP) 2023 - 2027.

Final Note

Global growth is slowing sharply due to high inflation, higher interest rates, reduced investment and repercussions of the war in Ukraine.

Considering the fragility of economic conditions, any new unfavourable developments, namely higher than expected inflation, sharp increases in interest rates to try to contain it, a resurgence of the Covid-19 pandemic, or increased geopolitical tensions, could push the global economy into recession.

Regulatory context

ENVIRONMENTAL

The food sector and in particular the catering sector will continue to be particularly affected by new EU environmental legislation in 2023 and beyond.

Legislative measures continue to be published that are oriented towards the reduction of single-use packaging and towards the transition to a circular economy, with an impact on operations and on the product. This orientation tends to materialise in two ways:

- Regulation to replace single-use packaging with reusable packaging;

- Regulation to establish a minimum proportion of recycled materials in packaging.

Some concrete measures represent a challenge to our business model and to the way of functioning of the value chains in which we operate, which will have to be adjusted so that we can comply with the new legislative requirements to come into force at the end of 2023 and beginning of 2024.

In Portugal, by 31 December 2023, new legislation on the mandatory separation of bio-waste and also legislation with new rules aimed at reducing food waste will come into force. On the other hand, as of 1 January 2024, it will be mandatory to provide reusable packaging in distance services (affecting *take-away* and *delivery* services), as well as the use of reusable utensils by customers in services with *on-site* consumption (*eat-in* and counter). It should be noted that the measures linked to the mandatory availability of reusable packaging will require the implementation of a deposit system, which will also have to be duly regulated and will require various adaptations at the operational and administrative levels, namely in the logistical articulation with the drinks industry.

Also in Portugal, from 1 January 2024, unless the customer requests otherwise, the automatic printing and distribution of sales receipts, loyalty cards, *vouchers* and *tickets* will be prohibited.

In Spain, with the entry into force of the circular economy law on 1 January 2023, it will also be necessary to increase the availability of reusable packaging and continue to promote selective waste separation, including bio-waste. Also under parliamentary discussion is the new "Ley de Prevención de las Pérdidas y el Desperdicio Alimentario" with measures aimed at reducing food waste and food waste, as well as combating hunger by promoting safe food donation.

SOCIAL

In late 2022, the Directorate-General for Health (DGS) carried out a public consultation process for the new National Programme for the Promotion of Healthy Eating (2022-2030), with a view to preventing and controlling all forms of malnutrition (inadequate diet, malnutrition, inadequate intake of vitamins and minerals, pre-obesity and obesity) through a concerted and integrated set of actions based on an intervention at the level of food environments, at the individual level and at the level of health care. A reformulation of the food supply in Portugal is therefore envisaged, through legislative measures or self-regulation mechanisms, which should also lead to close monitoring of this matter, namely in terms of the guarantees of quality, diversity and nutritional balance of the Group's supply.

The new labour law in Portugal, which encompasses the changes approved by the Portuguese parliament as part of the "Decent Work Agenda", will come into force on 1 May 2023, although some of the measures, related to the brakes on the expiry of collective agreements, have been in place since the law was published at the beginning of April.

In Spain, the 2022 Labour Reform that came into force during the first quarter of the year also brought several changes with a relevant impact on the Ibersol Group's operations.

GOVERNANCE

In terms of corporate governance, 2022 was particularly rich in new legislation, particularly at the level of risk management mechanisms and sustainability reporting.

It is recalled that in December 2021 Decree-Law 109-E/2021 was published creating the National Anti-Corruption Mechanism (MENAC) and approving the General Regime for the Prevention of Corruption (RGPC), materialising one of the measures to be implemented provided for in the National Anti-Corruption Strategy 2020-2024 approved under the terms of the Resolution of the Council of Ministers No. 37/2021 of 6 April. MENAC has the dual mission of (i) promoting transparency and integrity in public action and (ii) ensuring the effectiveness of policies to prevent corruption and related infractions.

The RGPC, which covers all legal persons with head office in Portugal employing 50 or more workers, came into force in June 2022, its sanctioning regime takes effect in June 2023 for large companies (June 2024 for SMEs) and implies the adoption of several corruption prevention measures, such as (i) the creation of a Prevention Plan of Risks of Corruption and Related Infringements, (ii) the creation of a Code of Conduct, (iii) the adoption of an internal Training Plan on this topic, (iv) the creation of a Channel for Denunciations (under the terms foreseen in the General Regime for the Protection of Whistleblowers [RGPDI]) and (v) the appointment of a Compliance Officer. The Ibersol Group has been working to ensure scrupulous compliance with the law in this area, in addition to other mechanisms that have already been in place for a longer period of time in terms of risk management.

In terms of sustainability reporting, European legislation has also been adding a series of new requirements, covering more quickly and directly listed companies, as is the case of the Ibersol Group.

First of all, the European regulation on the disclosure of information related to sustainable finance (SFDR) has just become mandatory, which will imply a much greater demand from investors about the ESG performance of issuers, as is the case of the Ibersol Group. Simultaneously, the Green Taxonomy regulation now implies full reporting (eligibility and alignment) for the first two environmental objectives, while the publication of the technical criteria for the remaining four objectives is only expected to be completed during 2023, with practical effects on reporting only in 2024.

At the level of organisations' sustainability reporting, the approval of the European Sustainability Reporting Directive (CSRD) in 2022 brings with it the new European Sustainability Reporting Standard (ESRS), which will be published in a phased manner starting in 2023. It is expected that at least the two general standards (requirements and disclosures) will be ratified by delegated act by June 2023 and fully applied to the 2024 reporting (to be published in 2025) by all organisations already covered by the Non-Financial Reporting Directive (NFRD), as is the case of the Ibersol Group. This will be followed by the publication and entry into force of another 10 transversal standards dedicated to environmental, social and governance (ESG), and also specific standards for SMEs (by 2024) and companies of non-European origin (by 2024), in addition to sectorial standards covering 41 sectors (by 2026).

In addition to what non-financial reporting legislation already implies, the European Union is increasingly demanding and holding organisations accountable for compliance with environmental and social rules upstream and downstream of the value chains in which they operate (and not only within the respective organisational boundaries). In this context, the final version of the Corporate Sustainability Due Diligence Directive (CSDDD) should be approved during 2023 and should start to take effect in 2024.

Finally, we would also highlight two additional initiatives of relevance to the Ibersol Group and which should lead to more legislation in the medium term: (i) the so-called "Green Claims Directive", which promises to regulate commercial communication alluding to sustainability issues of products and services, and (ii) the Social Taxonomy, which promises to regulate and introduce objective criteria in the classification of economic activities from the perspectives of decent work (for workers), Standards of living and well-being (for end users/consumers) and inclusion and sustainability (for communities in general).

2.2 Characterisation of the Ibersol Group

Mission

Ibersol is a multi-brand Group with an Iberian presence and in Portuguese-speaking countries, which is positioned in the organised restaurant business, respecting the values of Quality, Safety and the Environment, based on qualified and motivated Human Resources, who are committed to fully satisfying the Consumer's needs, thus ensuring an adequate return on its shareholders' investments.

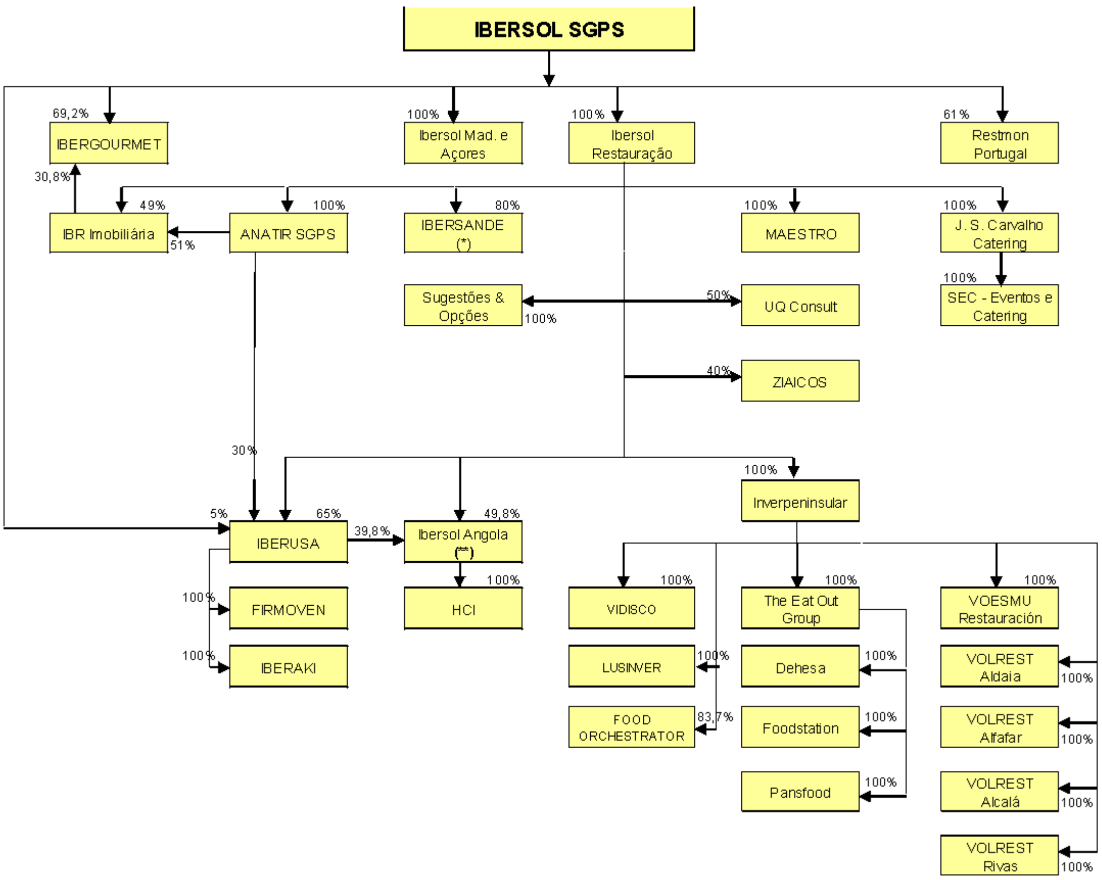
Vision

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

Values

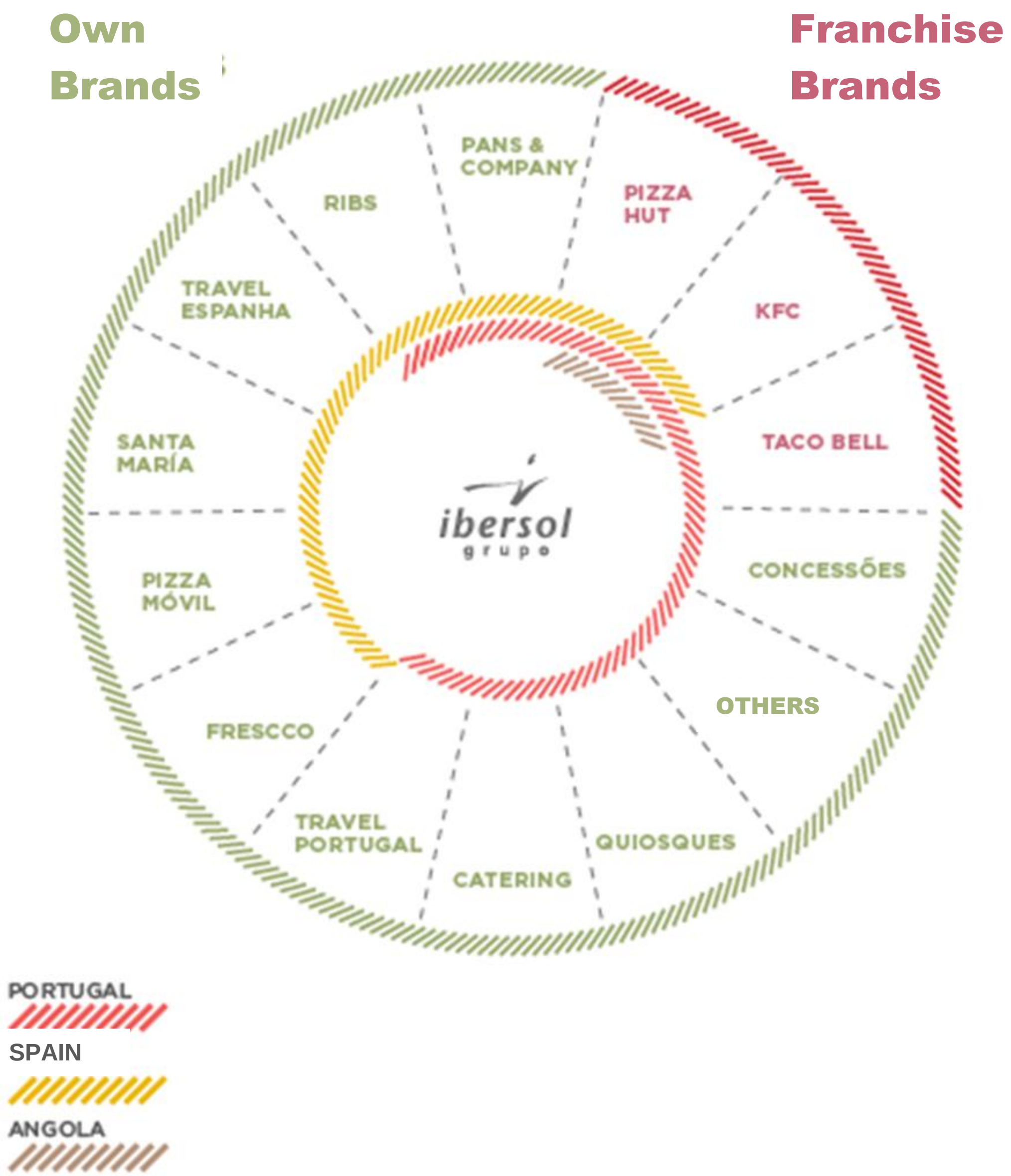
- We Value Our People.
- We exist for the Customer.
- We like to Undertake and Innovate. We are Creative.
- We Promote Excellence. We have the Ambition to Always Do Better.
- We are Sustainable and Inclusive.

Shareholding structure - Shareholdings as at 31.12.2022
SHAREHOLDINGS ON 31 DECEMBER 2022



(*) Other IBERSANDE shareholders: PANSFOOD (20%)
(**) Other IBERSOL ANGOLA shareholders: ANATIR SGPS (10%), IBERSOL SGPS (0,2%), FIRMOVEN (0,1%), IBERGOURMET (0,1%)

Business Portfolio as of 31.12.2022



2.3 Business model and value creation

Ensuring good experiences and quality of life

Consumers are increasingly demanding in relation to the experiences that brands provide. Therefore, we seek to ensure that all of them have a diversified offer that enables them to have varied experiences in quality and flavour.

From breakfast to dinner, during the week or at the weekend, we are present at all eating times on a wide variety of occasions, seeking to provide Customers with moments of well-being allied to a balanced diet.

Energy focusing on the relationship with the client

Customers are the Ibersol Group's *raison d'être* and are therefore at the centre of the brands' strategy.

We seek to meet customer expectations, anticipating trends, satisfying needs and presenting increasingly solid value propositions.

Developing and Valuing People

The Ibersol Group is one of the most relevant employers in its sector and in the markets where it operates. Therefore, it assumes as its mission the ongoing development and enhancement of its People, through the proposal and implementation of a strategy that promotes attracting the best people and their ongoing training and development.

Aware of new market trends, the Ibersol Group has increasingly invested in digitalising its People management processes, particularly with regard to training and development, with growing use of e-learning methodologies, a path that we will continue to follow in the coming years.

Global management processes and logistics planning

The Ibersol Group has organised a supply chain that guarantees the quality of the products it sells, from their origin, through logistics, to the end consumer.

It is a single, homogenous body, which is streamlined every day through an active quality policy, certified by the NP EN ISO 9001: Quality Management Systems and NP EN ISO 22000: Food Safety Management Systems standards, which covers the management of the food chain of the Group's restaurant operations and is the basis of the activities developed in the various markets.

The centralisation of the supply chain in Portugal, Spain and Angola enables gains in efficiency and productivity, both in the process and in the relationship with business partners.

The concern with not compromising quality for the sake of price is a guideline that does not allow for exceptions. Therefore, through the continuous improvement of resource and asset management processes, the Ibersol Group aims to maintain lasting and consistent relationships with its supplier partners.

Excellence in quality and safety

Through a culture focused on quality and food safety, Ibersol consolidates its position as a major player in the restaurant industry.

Its rigorous and demanding approach allows it to maintain a path of excellence, proven by the number of certifications obtained in Portugal, Spain and Angola. These certifications attest to the quality of operations, customer service and food safety and confirm the commitment and dedication of its teams in all activities. In 2022, the Ibersol Group reinforced its process of continuous improvement, following the principles of the standards in which it is certified.

We highlight:

- The certification of the Group's central production unit - IBERGOURMET - PRODUTOS ALIMENTARES, S.A. (UCP Modivas), in the GFSI - FSSC 22000: Food Safety System Certification standard, of great exigence in food safety requirements;

- The renewal of certifications in the following standards: NP EN ISO 9001:2015 - Quality Management System; NP EN ISO 14001:2015 - Environmental Management System; NP EN ISO 45001:2018 - Occupational Health and Safety Management System 3 NP EN ISO 22000:2018 - Food Safety Management System.

An active policy of resource management with respect for the environment

The Ibersol Group seeks to ensure the sustainable development of its business, with a commitment to respecting the environment and constantly seeking solutions that help reduce the environmental impact and ensure the planet's protection.

In 2022, the Group continued to consolidate its environmental management policy and the practices that contribute to the reduction of environmental impacts resulting from its activity, namely in terms of preservation of resources; reduction of waste; contribution to the circular economy; sending used cooking oil waste to produce biodiesel; promotion of sustainable procedures in the relationship with the Customer and the Supply Chain.

Reflecting these concerns, in 2021, the Group renewed its certification in the NP EN ISO 14001:2015 Standard - Environmental Management Systems, a certification that attests to the organisation's commitment to strengthening environmental performance in the management of its activities, namely by optimising the use of natural resources, protecting the environment and reducing its ecological footprint.

2.4 SDGs and sustainability vectors

Following the strategic reflection process conducted in 2021, the Ibersol Group moved forward in 2022 with a Sustainability Programme, in order to identify strategic priorities and launch a set of transformational projects aimed at improving the Group's environmental, social and *governance* performance.

Firstly, the Ibersol Group is aware of the enormous responsibility that its restaurant business bears in the markets where it operates, knowing, for example, that the risk of global food safety has never been as high as it is today, or that the food sector in general is responsible for around a third of the planet's greenhouse gas emissions.

On the other hand, the Ibersol Group plays a very demanding role in representing international brands that are governed by the strictest quality and sustainability standards and must therefore make commitments and ensure compatible standards within its value chain.

One of the first initiatives carried out in the context of the Sustainability Programme was the identification of the action vectors to be considered in a preliminary selection of the Sustainable Development Goals (SDGs) to be addressed, taking into account the analysis of concrete targets set at the level of each SDG under the United Nations 2030 Agenda for Sustainable Development.

For this purpose, we started from the systematisation of the SDGs proposed by the Stockholm Resilience Centre, which points out an assumption of interdependence and balance between the environmental, social, and economic dimensions, highlighting the importance of partnerships as a mobilising and aggregating factor.

The final selection of SDGs and respective systematisation into action vectors took into account not only the direct confrontation of the SDGs' detailed targets with the scope and objectives of the Ibersol Group's activity, but also a broad analysis of the options of other *players* in the food sector, namely the Group's business partners and other important references in the restaurant business sector, as well as the SDGs considered as a priority by the States where the Group operates (Portugal, Spain and Angola).

The SDGs chosen as priorities by the Ibersol Group were the following:

- Environmental:
  - SDG 13 - Climate Action
  - SDG 15 - Protect Earth Life
- Social:
  - SDG 2 - Eradicate Hunger
  - SDG 3 - Quality Health
  - SDG 4 - Quality Education

- Economic:
  - SDG 8 - Decent Work and Economic Growth
  - SDG 12 - Sustainable Consumption and Production
- Partnerships:
  - SDG 17 - Partnerships for Goal Implementation

Because there is, in fact, a great interdependence between the SDGs and because the Ibersol Group aims to implement a truly integrated and impactful programme that reaches all areas of the organisation and business, future specific projects shall be developed and aggregated into the following four strategic vectors:

- Environment & Climate Action

- People & Communities

- Governance & Food Business

- Partnerships

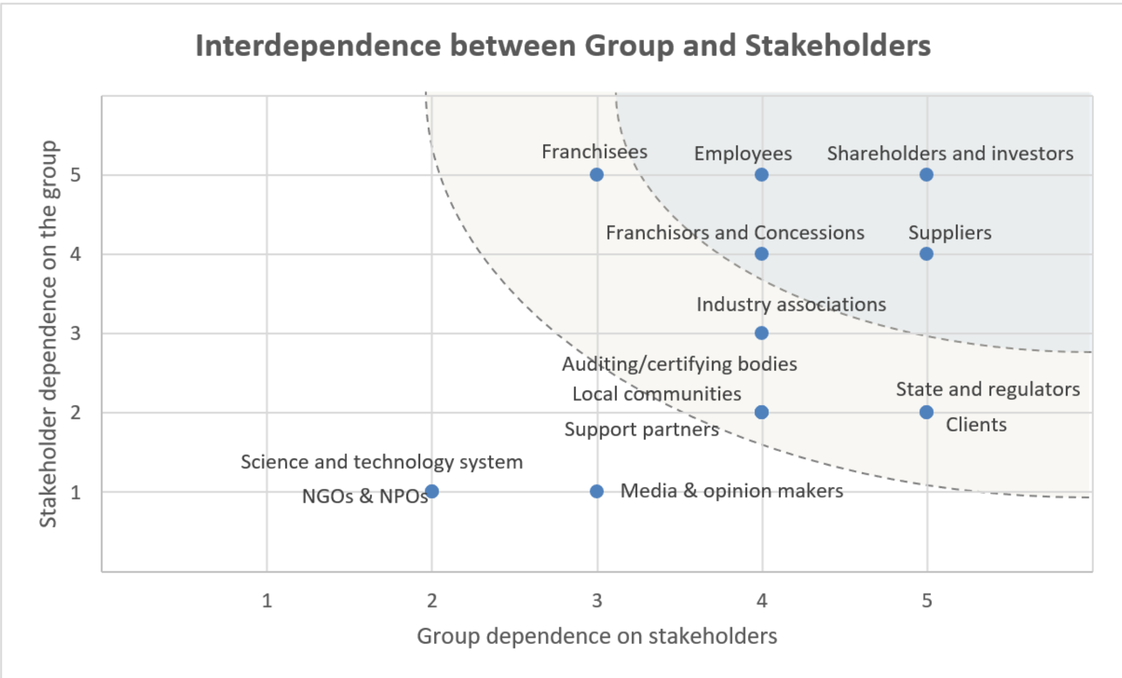
2.5 Stakeholder Engagement

The Ibersol Group regards the management of its *stakeholders* as a strategic factor, in that it believes that success in achieving its mission and objectives is highly indexed to the degree of satisfaction of the stakeholders' needs and expectations.

The Ibersol Group's stakeholders are mapped out into various groupings, and, under the Quality Management System, they have been subject to detailed analysis in relation to different attributes, such as the relationship requirements, the associated metrics, the internal processes and those responsible, the level of interdependence, the type of approach, the frequency of interactions and the expectations.

The interdependence attributes were reviewed internally within the scope of the Sustainability Programme and are specified in the following graphic elements for the main groups and subgroups of *stakeholders*.

Stakeholder Groups		Group dependence on stakeholders	Stakeholder dependence on the group	Level of interdependence
Markets	Shareholders and investors	★★★★★	★★★★★	10
	Industry/professional associations	★★★★	★★★	7
Value chain	Suppliers	★★★★★	★★★★	9
	Clients	★★★★★	★★	7
	Employees	★★★★	★★★★★	9
Business partners	Franchisors and Concessions	★★★★	★★★★	8
	Support partners	★★★★	★★	6
	Franchisees	★★★	★★★★★	8
Institutional context	State and regulators	★★★★★	★★	7
	Auditing/certifying bodies	★★★★	★★	6
	Science and technology system	★★	★	3
Social environment	Local communities	★★★★	★★	6
	Media & opinion makers	★★★	★	4
	NGOs & NPOs	★★	★	3



The following table briefly explains the type of approach and frequency of engagement implemented with each *stakeholder* group, as well as the concrete modes of interaction used.

Grupos de Stakeholders		Approach	Frequency	Specific modes of interaction
Markets	**Shareholders and investors**	Consultive	Periodic	* Meetings to present results * Monthly and annual reports
	Industry/professional associations	Collaborative	Periodic	* Dissemination/information gathering meetings * Participation in events and project meetings * Participation in governing bodies
Value chain	**Suppliers**	Collaborative	Permanent	* Specifications and contracts negotiation * Product and process audits / reviews * Project meetings
	Clients	Monitoring	Periodic	* Focus groups * Interviews and opinion surveys * Commercial communication (brochures, websit social media, loyalty programmes, etc.)
	Employees	Collaborative	Permanent	* Internal newsletters * Monthly indicator studies and reports * Periodic surveys * Team meetings
Business partners	**Franchisors and Concessions**	Innovation	Permanent	* Specifications and contracts * Participation in collaborative events * Goal/outcome meetings * Product launch projects * Operational audits
	Support partners	Innovation	Periodic	
	Franchisees	Collaborative	Permanent	
Institutional context	**State and regulators**	Consultive	Occasional	* Meetings and clarification communications
	Auditing/certifying bodies	Collaborative	Periodic	* Audits and audit reports * Preparatory, feedback and follow-up meetings
	Science and technology system	Consultive	Occasional	* Interviews and briefings * Curricular internships and research projects
Social environment	**Local communities**	Monitoring	Periodic	* Communication on social networks * Conducting market research
	Media & opinion makers	Collaborative	Periodic	* Working meetings * Postings on social networks
	NGOs & NPOs	Monitoring	Occasional	* Contribution to campaigns * Monitoring of causes and activities

This reflection is very useful as it allows the identification of situations in which the relationship of interdependence may be rethought in terms of its balance and magnitude, and also in terms of the specific strategies of engagement, in order to extract the maximum value from it.

Some examples of developments to consider in the future are:

- To broaden the level of interaction with Suppliers of products and services, in order to tighten the integration of processes and data visibility, allowing for more alignment, better planning and greater efficiency;

- To review customer relationship management from the Group's perspective, beyond the existing connections at brand level, in order to provide more integrated, personalised, transparent and interactive experiences;

- Strengthen relations with the Scientific and Technological System, in order to foster and benefit from more applied research to the food and catering sector, namely in the areas of knowledge linked to nutrition, industrial processes and technologies, consumer behaviour and the management of retail operations in physical and digital channels.

2.6 Materiality analysis

In 2022, the first materiality analysis study was carried out, with the aim of listening to the main *stakeholder* groups regarding potentially material aspects for Sustainability in the Ibersol Group's activity.

This study is also known as a "double materiality analysis", since the aspects under observation have, in fact, two possible orientations:

- Impacts of the environmental, social and economic context on the Ibersol Group's activity

- Impacts of the Ibersol Group's activity on its environmental, social and economic environment

In order to select the potentially material topics to be assessed, preliminary *benchmarking* work was carried out, both nationally and internationally, involving benchmark players in the food sector in general, and the restaurant sector in particular, as well as entities from other sectors of the economy, considered leaders in corporate sustainability. On the other hand, several market studies, scientific articles, and multi-sector trend reports were analysed, in order to identify the main areas to be taken into account in the context of the Ibersol Group's activity.

This work enabled the identification of around 80 relevant individual issues, which were then synthesised into 27 topics, which in turn were grouped into 8 thematic clusters:

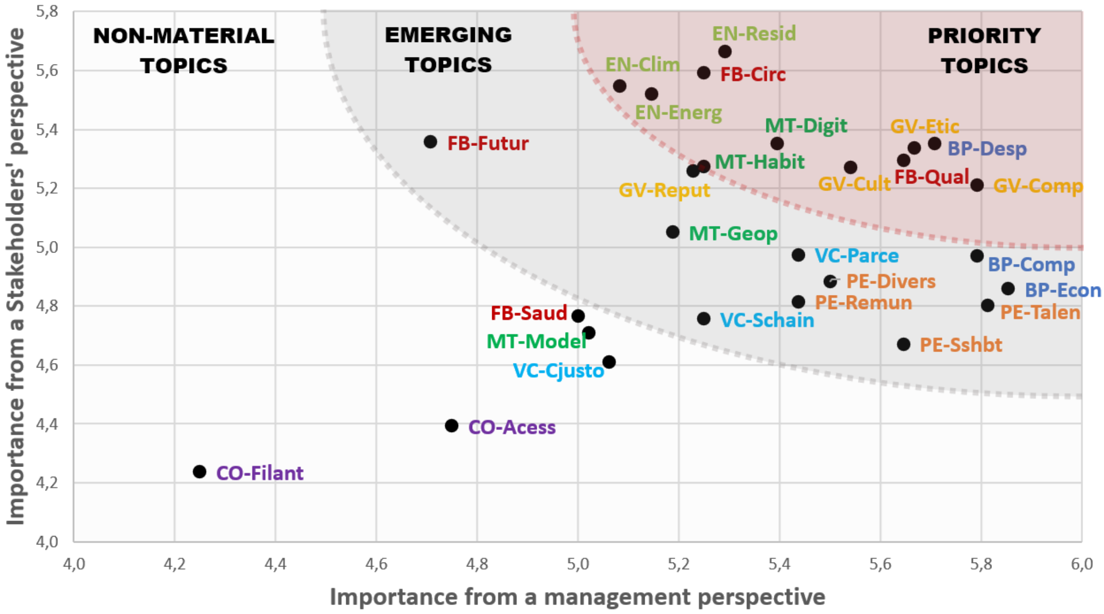
Cluster	Topics to assess
Business performance	Competitiveness, expansion and development
	Economic performance and operational efficiency
	Food and non-food waste
Communities	Affordable food and the fight against hunger
	Philanthropy and societal commitments
Environment	Climate action and carbon footprint
	The use of clean energy
	Pollution and waste treatment
Food business	Healthy offer and conscious consumption
	Sustainable packaging and circular economy
	Future of food and innovative business models
	Quality assurance and food safety
Governance	Compliance, security and risk management
	Culture and organizational climate
	Ethics and transparency
	Reputation
People	Talent management and development
	Diversity, inclusion and equal opportunity
	Remuneration and benefits
	Health, safety, hygiene and well-being at work
Megatrends	Consumer habits and expectations
	Geopolitical and economic context
	Technology and digital transformation
	Work models of the future
Value chain	Collaboration and transparency in partnerships
	Support for fair trade
	Responsible supply chains

Over the course of around 4 months, more than 2,000 individual stakeholders belonging to all the groups identified in the previous section were consulted through personal interviews, online/offline surveys and *focus groups*, allowing for both quantitative and qualitative feedback. In the individual interviews and surveys, internal and external stakeholders were asked to rate the level of relevance of potentially material topics on an ascending integer scale of 1 to 6.

The number and diversity of the stakeholders consulted made this study extremely robust. In the end, it was possible to map the opinions from two perspectives, that of the Management and that of the Stakeholders, to verify the respective degree of alignment and identify strategic priorities.

The result of this study is summarised in the Materiality Matrix.

IBERSOL MATERIALITY MATRIX



Business Performance	
BP-Comp	Competitiveness
BP-Econ	Economic performance
BP-Desp	Waste mgmt and efficiency
Communities	
CO-Acess	Affordable food
CO-Filant	Philanthropy/commitments

Governance	
GV-Comp	Compliance/risk mgmt
GV-Cult	Culture/Org. climate
GV-Etic	Ethics and transparency
GV-Reput	Reputation
People	
PE-Talen	Talent management
PE-Divers	Diversity/inclusion
PE-Remun	Remuneration/benefits
PE-Sshbt	H&S at work and well-being

Megatrends	
MT-Habit	Consumer habits
MT-Geop	Geopolitical context
MT-Digit	Digital transformation
MT-Model	Work models
Value Chain	
VC-Parce	Partnerships/collaboration
VC-Cjusto	Fair trade
VC-Schain	Responsible supply chain

Environment	
EN-Clim	Climate action
EN-Energ	Clean energy
EN-Resid	Pollution and waste
Food Business	
FB-Saud	Healthy offer
FB-Circ	Circularity/packaging
FB-Futur	Future of food/innovation
FB-Qual	Quality assurance

Based on this information, it was possible to validate a set of priority areas to be considered in the sustainability strategy and to be matched with both the vectors and priority SDGs previously defined. They are:

- **Environmental emergency**, regarding climate, energy, and preservation of natural capital

- **Management of food and non-food waste**, benefiting business efficiency and social action

- **Business governance** in the areas of organisational culture, ethics, and *compliance*

- **Ensuring food quality and safety**, as an element of social responsibility

- **Digital transformation** of the business and the evolution of **consumer habits**

It was also possible to identify other thematic clusters which, although not consensually classified as priorities, may be considered as emerging topics:

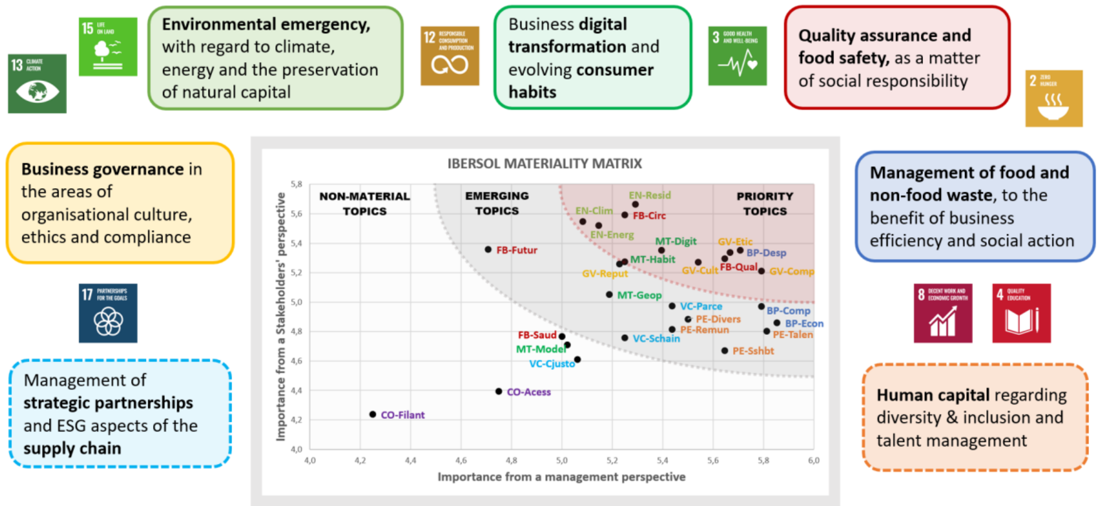
- **Human capital** in the areas of diversity and inclusion and talent management

- **Managing strategic partnerships** and the **ESG aspects of the supply chain**

Finally, there were some topics and/or thematic clusters that, in relative terms, were considered less relevant or not material, but which, even so, obtained relatively high absolute scores, as is the case of the areas of community action, healthy supply, new working models or fair cost of goods. Several of these matters are already being addressed by the Ibersol Group in its current operations in articulation with the international brands it represents.

In any case, due to the most recent evolution of the geopolitical and economic conditions over the second half of 2022, with unfavourable effects in terms of inflation and consumers' purchasing power, or even the availability of certain food products, the Ibersol Group will maintain an observant attitude and proactive action to mitigate, within its possibilities, these effects, both from the business and consumer perspectives.

Relevant clusters/topics Vs. Strategic SDGs



2.7 Sustainability strategy

The Ibersol Group's formal approach to Sustainability began several years ago through the systematisation of a series of social and environmental initiatives that are directly linked to the business and operations and not merely philanthropic in nature.
The creation of an internal structure dedicated to training and developing people (Ibersol Academy), the implementation of an environmental management system, the development of projects and tools to promote savings and operational efficiency, or the active participation in business forums in the sector are just some examples of how the Ibersol Group has approached Sustainability by involving its internal and external stakeholders. Additionally, the Ibersol Group published its first Sustainability Report in 2007, which reveals a long-standing concern with sharing ESG information with its stakeholders and society in general.

On the other hand, it is clear that we are all living through a challenging moment in history, in which we see an accelerated growth of demography and the world economy, while a series of natural and non-natural systemic phenomena emerge, increasing the risks of financial crisis, public health, physical safety and food security, among others.

This scenario calls for firm action by States, organisations, and individuals themselves. Through its Sustainability Strategy, the Ibersol Group intends to make firm commitments to minimise its negative impacts and, above all, to make a positive contribution to solve some of the biggest challenges faced by Humanity and the Planet today, not only within its institutional boundaries, but also through direct action and influence within the value chain in which it operates.

Given the described context, the defined vectors and the results of the double materiality analysis, several initiatives and projects were defined, with expected relevant effects on the environmental, social and governance performance, to be included in the Group's strategic plans and to be implemented as from 2023. For each vector and initiative, performance metrics and concrete targets are being defined, which will be subject to detailed specification and monitoring as from 2023.

Environment and Climate Action

Initiative	Scope of action
Minimise water and energy consumption throughout the network	Improve monitoring processes, identify more intensive consumption activities, and implement concrete actions to reduce water, electricity and gas consumption
Increasing circularity and waste recovery	Incorporate circular logic into internal processes, promote correct waste separation, reduce, and valorise food and non-food waste throughout the network
Reducing the environmental footprint and decarbonising activities	Calculate the carbon footprint across the organisation, identify emissions hotspots and establish a decarbonisation roadmap

People and Communities vector

Initiative	Scope of action
Promote the development and retention of talent	To increase employees' development opportunities, by fostering their personal and professional growth, improving their skills, performance, well-being, and happiness at work
Promote diversity and inclusion throughout the organisation	Promote an internal community that is inclusive and non-discriminatory, open to differences and acknowledging diversity as an added value to the organisational culture
Help fight hunger by making the most of food waste	Operationalise processes and partnerships to reduce food waste throughout the supply chain and channel quality leftover food products to communities.

Vector *Governance* and Food Business

Initiative	Scope of action
Create the sustainability *dashboard* and restructure the integrated report	To define and implement, through automation and ICT, the ESG metrics relevant for the business, and review the structure of the annual integrated report, so as to incorporate all aspects linked to the Sustainability Strategy
Ensure transparent and frequent communication with *stakeholders*	Increase the frequency and means of communication with all internal and external stakeholders, namely on ESG and other strategic business issues
Incorporation of ESG principles in the governance of the Ibersol Group	Identify opportunities for improvement linked to the formalisation of internal policies, the functioning and composition of governing bodies and other corporate governance strategic options

Vetor Partnerships

Initiative	Scope of action
Review the environmental and social dimensions of the supply chain	Identify key environmental and social risks in the supply chain and formulate policies and processes to improve control and accountability in purchasing and distribution
Strengthen participation in thematic/sectoral alliances linked to the ESG	Participate in projects and initiatives dedicated to improving the ESG performance of value chains through RD&I (research, development, and innovation), as well as the implementation of industry and market best practices, such as those advocated by the World Economic Forum
Formally subscribe to the United Nations Global Compact	Make and maintain a public and formal commitment to the United Nations Global Compact (UNGC) on the 10 Principles, the 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs).

2.8 Risk Management

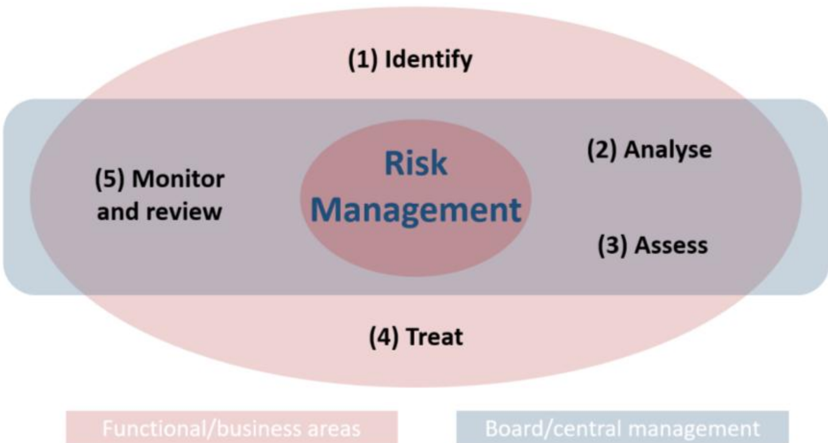
The Ibersol Group's reality is, by the nature of its activity, highly volatile, permanently exposed to challenges, transformations, and changes, which require a fast-paced management approach. During 2022, the Group's activity was still partially affected by the final phase of the Covid-19 pandemic, but the War in Ukraine was the event that ended up producing more comprehensive, strong, and lasting impacts.

An anticipated visualisation of risks, systematically and transversally across all business areas, allowed the Group, since the end of 2021 and from the first quarter of 2022, to define strategies and develop actions to minimize the impacts of the post-pandemic and new war situation in Europe. In particular, specific mitigation measures were taken, including the strategic sourcing of some foodstuffs that would suffer from shortages and generalised price increases, as well as the negotiation of long-term energy tariffs.

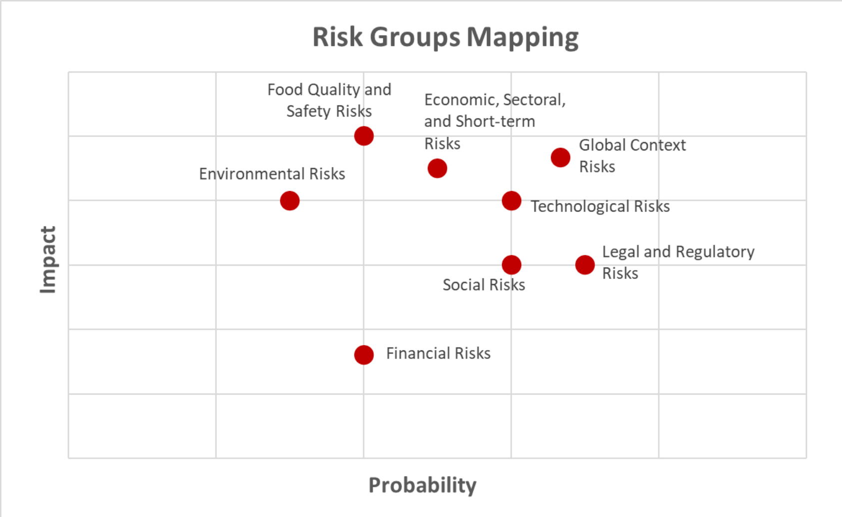
The risk control mechanisms established in the Ibersol Group, supported by the available internal management standards and information - namely plans, objectives, processes, procedures and indicators already consolidated in the Financial-Accounting, People Management, Quality, Purchasing, Logistics and Marketing areas - have been allowing a timely assessment of the different risk scenarios and their evolution. As a result, they also allow a significant and continuous reassessment and adjustment of strategies and plans, as formalised through the Contingency Plan, the “Plans, Programmes and Budgets” of the brands and the internal review of processes and procedures.

There is also a constant concern to monitor national and international sources of information, both sectoral and general, of a technical, commercial, or economic nature.

The internal risk management process in the Ibersol Group is based on guidelines common to the main risk management frameworks, considering a cyclical approach consisting of five main stages:



The phases of risk identification and treatment are typically more decentralised and associated to the different functional and business areas, while the analysis, assessment and ‘monitoring and revision’ phases are generally tackled by the latter in interaction with the Board. This operating model makes it possible to maintain a high level of awareness, accountability, and control in the approach to the different types of risks that affect the organisation. The following scheme is a representation of the main groups of risks considered relevant in terms of their probability of occurrence and level of potential impact.



Below is a description of Ibersol's understanding of such risks and the initiatives, processes and resources used to mitigate them, i.e., to reduce their probability of occurrence and/or limit their consequences.

Quality and Food Safety Risks

The Quality Management Department ensures most of the prevention and control measures in different areas of the Ibersol Group's business. The risks associated with food quality and safety are very critical to the Ibersol Group's business, since they are directly linked to the quality of the business' core product and to ensuring the consumers' safety and health.
The main actions and control measures in this area include: (i) prerequisite and selection system for suppliers and products, (ii) periodic audits/controls programme for suppliers, products and services, (iii) product traceability system, (iv) production process control through the HACCP (Hazard Analysis & Critical Control Points) system, (v) skill development in Food Safety, (vi) maintenance and monitoring of the measuring device systems, (vii) food crisis risk management system, which allows permanent monitoring of the existing food alert systems for immediate action, (viii) external audit programmes to all Group units, (ix) microbiological raw material and end product analysis programmes carried out through sampling by an accredited external entity, (x) complaints handling system, (xi) implementation and certification according to the NP EN ISO 22000 standard: Food Safety Management System, (xi) Viva Bem programme, through which Customers can obtain information about the Ibersol Group's Food Safety System and about healthy eating habits, thus acquiring the necessary knowledge to make the choices best suited to their lifestyle.

Legal and Regulatory Risks

The Ibersol Group operates in a sector that is extremely exposed to national and international legislation and good practices, as well as to the close and permanent scrutiny of a wide range of stakeholders, including investors, employees, all sectoral, professional, and labour/trade union associations, in addition to individual consumers. In this context, the Ibersol Group has established a set of resources, partnerships and *compliance* verification routines that enable permanent access to all the current relevant legal and regulatory information, namely regarding reporting financial and non-financial information (as a result of its obligations as a listed entity), food quality and safety, food and non-food products, restaurant operations, consumers, employment and social matters, energy and natural resources, the environment and climate change. In particular, the Group has a structure dedicated to closely monitoring all labour-related legal aspects in the markets where it operates and has also contracted engineering and maintenance services that follow all regulatory issues with an impact on the valuation and depreciation of its facilities and equipment in use.

Environmental risks

Environmental impact

The Ibersol Group's management of environmental risks is largely based on the implementation and certification of management systems, such as the ISO 14001 standard, which ensures adequate control in terms of environmental protection, waste management and pollution prevention, always on a basis of compliance with the legal and sectoral requirements in this area, as well as the needs of all stakeholders. In particular, the main flows of packaging materials are monitored and the reporting obligations (to the entities licensed to manage and promote the selection, collection, and recycling of packaging waste in the Portuguese and Spanish markets) are fulfilled.

Climate change

The phenomenon of climate change is systemic and has led to a number of very serious consequences for food value chains at global level. On the one hand, the increase in the average temperatures due to greenhouse gas emissions is causing ever more severe and frequent drought events, rising sea levels in coastal regions, significant losses in natural ecosystems and biodiversity, and various disruptions in agricultural production and distribution in various markets. This instability generates shortages, price volatility and disruptive events in global supply chains. While, on the one hand, the Ibersol Group is committed to doing its part to reduce greenhouse gas emissions, on the other hand, it is alert to the evolution of global food markets, particularly of some of the most affected commodities, and considers the best supply strategies at all times, either autonomously or in conjunction with its global and local partners, in order to ensure the continuity of its activities.

Extreme events

The increasingly frequent occurrence of extreme natural events, which are directly or indirectly associated with environmental and climate phenomena, is yet another relevant concern of the Ibersol Group, insofar as these events endanger people's safety and the integrity of facilities and equipment, thus threatening the continuity of activities. The Ibersol Group's operations are governed by high standards of occupational health and safety (ISO 45001 certification), quality and food safety procedures (ISO 9001 and 22000 certification) and strict compliance with all the rules and legal impositions regarding physical safety and civil protection in commercial establishments. On the other hand, the Covid-19 pandemic required, from 2020 onwards, much more resilient and flexible management processes, of which we highlight the increased digitalisation of sales channels and business support activities, which allowed for a significant improvement of the organisation's skills in terms of crisis management and business continuity management.

Use of natural resources

The Ibersol Group's operation largely depends on the use of natural and energy resources, namely the consumption of water, electricity, and natural gas. Faced with the real possibility of extreme drought scenarios, price volatility in the primary electricity markets and the current uncertainty regarding natural gas supply sources in Europe, the Ibersol Group is attentive to the impacts that such circumstances may cause on its operation and its operating results, maintaining internal policies and specific initiatives geared towards an increasingly efficient use of those resources. It should also be noted that, for all the food and non-food raw materials it incorporates in its products, the Ibersol Group complies with various standards (ISO 22000, FSSC 22000, ISO 9001) and good storage, handling, and distribution practices, maintaining robust monitoring, segregation and traceability processes, which help minimise food safety risks and reputational risks.

Financial Risks

Foreign exchange risk

In this matter, the Ibersol Group pursues a policy of natural hedging, resorting to financing in local currency. 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, do not assume relevant proportions.

The main source of exposure comes from the investment outside the Eurozone in the operation taking place in Angola, with little weight in the Group's activity. The imbalances of the Angolan economy have caused the devaluation of the Kwanza which is a risk to be considered.

The financing contracted by the Angolan subsidiaries is denominated in local currency, the same currency in which the income is generated. The Group has adopted a policy of monthly monitoring of credit balances in foreign currency and their partial hedging through Treasury Bonds of the Republic of Angola, indexed to the USD. In 2021 and 2022, the monetary policy adopted by the Angolan government allowed the necessary fluidity of access to foreign currency to satisfy the payment commitments abroad and regularise all the situations of delay.

Interest rate risk

Historically, with the exception of the Angolan State Treasury Bonds, the Ibersol Group has no significant interest-bearing assets. Therefore, the profit and cash flows of the investment activity are substantially independent from changes in the market interest rate. Regarding the Angolan State Treasury Bonds, indexed to the American Dollar, the interest is fixed, so there is also no risk.

As a result of the operation to sell the Burger King restaurants on 30th November, the group on 31st December had Term Deposits with maturities up to 3 months in the amount of 165 million euros.

Until 30 November 2022, the Ibersol Group's main interest rate risk came from liabilities, namely from long-term borrowings. Loans issued with variable rates expose the Group to cash flow risk associated with interest rate. Loans issued with fixed rates expose the Group to the risk of the fair value associated to the interest rate.
With the current level of interest rates, the Group's policy on longer-term loans is to fix interest rates of up to 50% of the amount due.

Credit risk

The Ibersol Group's main activity is carried out with sales paid by cash or debit or credit card, so there are no relevant credit risk concentrations. In home sales through Aggregators, these collect from the clients and transfer the money by weekly summary within eight or fifteen days.

In relation to customers, the risk is limited to Catering and Franchising businesses that represent about 7.3% of consolidated turnover. The Group regularly monitors its accounts receivable to:

- Control the credit granted to customers;
- Analyse the ageing and recoverability of receivables;
- Analyse the risk profile of clients.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and bank deposits, the viability of consolidating floating debt through an adequate amount of credit facilities and the ability to liquidate market positions. Treasury needs are based on an annual plan, which is reviewed quarterly and adjusted daily. In accordance with the dynamics of the underlying businesses, the Ibersol Group has been carrying out a flexible management of commercial paper and permanently negotiating the available credit lines.

Capital risk

The Ibersol Group seeks to maintain a level of equity capital that is appropriate to the characteristics of the main business (cash sales and supplier credit) and to ensure continuity and expansion. The balance of the capital structure is monitored based on the financial leverage ratio (defined as: net interest-bearing debt / net interest-bearing debt + equity), aiming to place it in the 50%-75% range.

Economic, Sectoral and Short-term Risks

Business portfolio

As part of strategic planning, the portfolio risks of existing businesses are identified and evaluated, as well as the most relevant new businesses and projects, defining how to manage those risks. At the operational level, management risks are identified and evaluated regarding the objectives of each business, and actions are planned to manage those risks, which are included and monitored in the scope of the business and functional unit plans.

Operating several international brands under a franchising scheme, the Group commits to long-term contracts per restaurant that are being renewed, although there is no such obligation. In particular, the restaurants in airport concessions, attributed by tender for a determined timeframe, have no guarantee of renewal when they expire. With a view to maintaining a relationship of partnership and continuity with the franchisors, the Ibersol Group is committed to a good relationship based on transparency and mutual trust and strives to strictly fulfil all its contractual obligations and defined standards.

Disposable income and purchasing power

The Group's business can be negatively affected by periods of economic recession, in particular by the deterioration in the level of household consumption which, in turn, is influenced, among others, by wage policies, unemployment levels, availability of credit and interest rate levels, as well as prevailing levels of confidence and social protection. The Ibersol Group's strategy has included and will continue to include the offer of products and services which, due to their type and price level, are accessible to society in general. Accordingly, the Group maintains a dynamic stance which, in conjunction with the brands represented and in the face of adverse socio-economic circumstances, may lead to adjustments to the portfolios of products and services made available to the market in order to guarantee a sustainable level of activity and profitability.

Consumption habits

The potential inability of the Group and its brands to adequately understand consumer preferences or customer needs, to adapt to their changing behaviour in a timely manner, or to implement innovative and attractive offers and concepts in a cost-effective manner, may negatively affect its operating results, financial condition, and prospects. On the other hand, the Group's ability to develop and offer higher value products under competitive conditions is a critical capacity in the current context of the restaurant sector, and these developments are dependent on behavioural evolutions, which can be difficult to predict and monitor. However, the Ibersol Group maintains a close relationship with some of the world's leading brands, makes permanent efforts to monitor consumption trends in different markets, participates in national and international forums for innovation in the sector, and has its own resources permanently allocated to developing new products, both for its own brands and to complement the standard offer of the brands it represents.

Commodity prices

Most commodity prices, especially soft commodities (e.g., coffee, cocoa, sugar, corn, wheat, soybeans, fruits, livestock, etc.) are expected to retreat in 2023 in the face of a significant slowdown in global demand growth, but a limited increase in supply means prices will remain high. Prices for energy products, most base metals and several agricultural products rose in 2021 and again in February 2022 following the start of the war in Ukraine. While commodity prices are not expected to be the main cause of rising headline inflation in 2023, as they were in 2021-22, several relevant sources of risk remain, notably China (geopolitical positioning), climate change and the continuation of the conflict in Ukraine. Most notably, the war in Ukraine will continue to affect agricultural commodity markets in 2023.

Global supply chain disruptions resulting from the Covid-19 pandemic will decrease by 2023. Together with increased production volumes of agricultural products, this will cause food, animal feed, and beverage indices to fall by around 9% this year, according to the EIU (The Economist Intelligence Unit). Cereal prices have fallen significantly from their recent highs, but the trend in the coming months will continue to be influenced by events in the Black Sea region, in particular any further extensions of an agreement allowing Ukrainian wheat exports to transit through Black Sea corridors, despite the Russian blockade of Ukrainian ports. Developments in the Black Sea will also have an impact on the prices of oilseeds and vegetable oils, which are expected to reach a breaking point by the end of 2023. The war will also have an indirect impact on coffee, cocoa, and tea prices due to high fertiliser prices and consequent shortages.

Energy scarcity

According to the International Energy Agency (IEA), Europe risks shortages of liquefied natural gas in the winter of 2023-2024 if Russia completely halts supply to Europe and diverts all quantities to China. In addition, there are concerns that there may be some overconfidence about the ability to maintain gas reserves at comfortable levels until the summer and early autumn of 2023, given that 2022 saw a combination of weather conditions and consumption needs in different markets that may not be repeatable. For this reason, European states were urged to implement concrete measures to reduce natural gas consumption, not only in terms of direct gas consumption, but also by increasing the use of renewable energy sources (rather than electricity obtained from burning gas).

In this context, the Ibersol Group continues to promote a set of actions to reduce local gas and electricity consumption in its administrative facilities and restaurants (On-Off Plan), having also started a closer monitoring of the carbon footprint associated with electricity consumption, with a view to establishing a decarbonisation roadmap over the coming years.

Prolonged economic stagnation

For 2023, the IMF and ECB forecast growth of less than 1% in Europe, due to the exceptional conditions of uncertainty at international level. In turn, the Bank of Portugal (BdP) predicts a strong cooling of the national economy, with private consumption practically stagnating in 2023 and growing only about 1% per year on average throughout the period to 2025. According to the BdP, this scenario of a very low increase in private consumption is associated with the lower financial cushion of families (mainly due to inflation and the rise in interest rates), the increase in debt service and low consumer confidence. The additional reduction in the savings rate contributes to contain the slowdown of private consumption. As for public consumption, and despite the expected acceleration in the implementation of the Recovery and Resilience Plan projects, it should gradually decelerate after a 2% increase in 2022. In Spain, the economic situation is slightly more favourable, with the pre-pandemic GDP level expected to be reached in the second half of 2023 and growth expected to be between 1.5% and 2% per year until 2024.

The Ibersol Group keeps a close watch on the evolution of the entire economic environment in which it operates. Besides the impacts on purchasing power and consumption habits, prolonged periods of weak economic growth are also associated with lower market confidence, lower levels of investment and a possible shortage of services and production resources. In this sense, the Group maintains close collaboration with the brands it represents, in terms of establishing growth and realistic expansion objectives in the markets where it operates. To ensure compliance with its medium and long-term business plans, the Ibersol Group has specialised teams dedicated to managing the expansion and refurbishing projects of its restaurant units.

Social breakdown

A worsening or stagnation of the economic situation may give rise to more intolerance, discrimination, and criminality, leading to a loss of social capital and imbalances in communities that are difficult to control. On the other hand, some armed conflicts, natural disasters, and emerging socio-cultural contexts have given rise to involuntary (forced) migration phenomena from African countries, the Middle East and Eastern Europe, which ultimately pose additional socio-economic challenges to European countries. These developments may negatively affect social stability, individual and collective well-being, and economic productivity.

The Ibersol Group is fully aware of its social responsibility and develops, in the various countries where it operates, namely through the restaurant brands it represents, a set of training and community integration activities to increase employees' motivation and engagement, enhance social capital and promote values such as inclusion and solidarity.

Brand reputation

The Ibersol Group's success and reputation is closely linked to the success and reputation of the international brands that it represents and develops in the markets where it operates, which account for most of the Group's volume of activity. By committing to international contracts and operating standards that, by definition, guarantee the offer of products and services in accordance with the brands' requirements, the Ibersol Group acquires a set of opportunities and benefits, but also a number of challenges and responsibilities related to managing the image and communication of those brands, including all their positive and potentially not so positive aspects.

In this field, in addition to the natural operational and strategic monitoring of the business and frequent interaction with partners, the Ibersol Group has a careful approach to the markets, with permanent monitoring of the relevant national and international clippings of the sector, the targeted brands, and the respective corporate groups.

Social Risks

Attracting and retaining critical talent

The cultural transformation of societies, induced by access to technology, information and new markets, products, and services, means that new generations of professionals enter the labour market with a more demanding perspective regarding the alignment with organisational values and professional achievement criteria. Additionally, the same technological and cultural evolution brings with it the need for companies to acquire and develop in advance new critical skills for the future.

In terms of people management, the Ibersol Group is aware of the importance of developing and retaining the acquired talent, at all functional and hierarchical levels of the organisation. In addition to monitoring the organisational climate, the Ibersol Group permanently has a set of initiatives in place for training, engaging, and motivating its employees, while simultaneously ensuring a diverse, non-discriminatory, transparent working environment that promotes merit and excellence.

On the other hand, the Ibersol Group recently reviewed its identity matrix and is currently defining new competencies for the future, in line with the Group's value structure, which will guide the retraining of current staff and the attraction of new talent.

The Group is also alert to several market trends, namely regarding new work models (remote and/or hybrid, 4-day weeks), which, because they are gaining popularity, may pose cultural and operational challenges and/or opportunities, with a significant impact on the quality, efficiency, and profitability of the business.

Occupational Health and Safety

The Labour Relations and Legal-Labour Department oversees the management of processes related to labour risks and the promotion of well-being at work. The risks of occurrence of work accidents or professional illnesses are managed through the following programmes and measures: (i) Assessment of workplace risks and investigation of occupational accidents; (ii) Information and consultation to employees on matters of Occupational Safety and Health; (iii) Training on safety and health promotion principles in the process of integrating employees, recertification and change of roles; (iv) Implementation of Self-Protection Measures in the Ibersol Group units; (v) Awareness programmes and recognition of good safety and health promotion practices; (vi) Auditing programmes to control principles and practices in the workplace.
In 2022, we also maintained a strong focus on epidemiological control by the new Coronavirus, on the adoption of principles and measures to protect the health of employees at their workplaces and of customers, in strict compliance with the guidelines issued by the Directorate-General of Health, with various training, information and awareness-raising initiatives having been carried out among the employees.

Technological Risks

The information, communication and decision support technologies used at the points of sale, in commercial management, in logistics management and in administrative management, make a decisive contribution to innovation and business expansion, and are therefore an essential component in the development of the Group's activity.

Inevitably, these technologies are associated with various types of risk. First, the proliferation of cybercrime in recent years has been evident and has affected the business world with increasing intensity and impact, with an exponential increase in events of illegal access, illegal interception, data obstruction, interference in systems and networks, misuse of equipment, IP forgery and electronic fraud. Any type of failure in these systems can therefore affect the functioning of the management processes and operational processes of the restaurants, generating costs and loss of income that can negatively impact the profitability and financial situation of the Group. Events of this type can also have relevant impacts on the reputation of organisations and brands, namely when the privacy of customer and employee data is at stake, or when operations are affected for long periods.

In addition to strict compliance with a set of technical rules, integration protocols and security requirements imposed by its business partners, the Ibersol Group is naturally alert to the legal and regulatory requirements in terms of information security (e.g., GDPR), as well as to the growing wave of cyber risks that have been posed to organisations, especially in a context of growing digitalisation of sales channels. In this sense, the Group is committed to acting proactively and diligently at all times in support of the security of business information, in terms of its availability, integrity and confidentiality, through the implementation of technologies, processes and systems of protection, detection and *disaster recovery*, in full articulation with the crisis management and business continuity management systems.

Finally, the Ibersol Group maintains permanent articulation with the international brands it represents with regard to technological solutions to support the business, also ensuring, autonomously, close monitoring of technological developments that may contribute to optimising business management and innovate in the methods of interaction and delivery of products and services, but also to make the Group's technological ecosystem more resilient.

Global Context Risks

The world geopolitical context is today unpredictable, because of a series of historical circumstances and recent social, cultural, political, and military phenomena which, together with climate change and other natural disasters, give rise to situations of high uncertainty and volatility in the markets.

In addition to the war in Ukraine, whose effects on the global economy (shortage of goods and energy, increased inflation) and on society have been significant and may yet worsen, there are other sources of conflict that could emerge and complexify the entire global context in the medium and long term, namely the political crisis in Israel and the dispute over the territory of Taiwan by China.

As in Ukraine, the potential direct involvement of states with nuclear military capability in armed conflicts always represents an existential risk for the Planet and for Humanity. However, and assuming the desirable and likely assumption that such existential limits are not exceeded, the effects on the global economy of the involvement of economic and military superpowers are potentially devastating and may result in long-lasting and extremely adverse impacts on operations and business profitability.

In turn, climate change and the consequences of human interference in biodiversity and terrestrial ecosystems are leading to increasingly frequent incidents such as the one believed to have been at the origin of the Covid-19 pandemic. It cannot therefore be ruled out that we will again have to deal with other types of infectious diseases, epidemics or even pandemics soon, with all the known contingencies and impacts.
In any scenario, the Ibersol Group will always maintain a consistent and resilient attitude, acting in strict compliance with the law and the Portuguese State's guidelines, and always respecting and protecting its stakeholders.

3. BUSINESS YEAR ACTIVITY

The Ibersol Group is a multi-brand Group with operations in the Iberian Peninsula and in Portuguese-speaking countries.

Positioning itself in the organised restaurants business, it respects the values of Quality, Safety and Environment Protection, relying on qualified and motivated Human Resources, who are committed to fully satisfying the Consumer's needs.

Restaurants

Pizza Hut (Portugal)

Created in 1958, Pizza Hut started its successful path in Portugal in 1990, with the opening of the first restaurant on Avenida Fontes Pereira de Melo, in Lisbon.

Pizza Hut assumes itself as the most complete restaurant brand on the market, seeking customer satisfaction at all moments of their lives, in the various services and spaces available.

The brand has a nationwide and island coverage, with 105 restaurants in operation.

In 2022, it opened 5 new spaces: a flagship restaurant in the heart of Lisbon, in the Chiado area, and it strengthened its presence on the northern coast, with a restaurant very well located next to the Póvoa de Varzim waterfront. This was followed by the Trás-os-Montes region with the opening of a restaurant in Chaves, the Vale do Sousa area with the arrival in the city of Penafiel and Alto Alentejo, with the opening of a restaurant in the district capital, Portalegre.

The brand also continued with the refurbishment and modernisation process of its restaurants throughout the year.

After a first quarter still beset by restrictions, as a result of another peak of Covid-19 cases, Pizza Hut started initiatives to return its activity to normality, maintaining, where necessary, actions and routines in order to ensure the safety of customers and employees.

The resumption of activity was overshadowed by the military conflict in Europe and the escalation of inflation, posing new and different challenges to the brand's operations.

Throughout the year it developed its Marketing and Communication plan, in a 360 logic. Highlights include the SAY CHEEESE campaign, marked by the celebration of Rolling Stuffed Crust; the re-launch of ULTIMATE PIZZA, starring the QUEIJO CAÍDO with its Philadelphia cheese border; in the summer, the launch of the TEX-MEX campaign marked by Mexican-inspired flavours and ingredients; the return to work and routine marked with the MY BOX concept or at Christmas the return of Cheesy Bites Cheesy Hot Dog, with sausage on the border.

Pizza Hut maintained a strong performance in home delivery, with special emphasis during the Football World Cup and by the reinforcement of the 2x1 and 4x2 campaigns (pizza and drink doubled), with a multi-platform presence and with a strong presence in the digital and mobile area.

Concerns related to Sustainability led to the removal of bags, both in own deliveries and through third-party platforms, while at the same time reinforcing the packing and sealing procedures of the boxes.

In terms of energy efficiency, a series of measures were implemented to reduce energy consumption, updating the "on-off plans" of our restaurants with regard to equipment, lighting and the type of energy consumption itself.

During the summer period, from north to south and in the autonomous regions, Pizza Hut reinforced the implementation of terraces as a complement to some of its most emblematic restaurants throughout the country, thus meeting the expectations of the Portuguese people who seek outdoor dining environments.

Committed to meeting the needs of the modern consumer reinforced by the current context, Pizza Hut has maintained a constant effort in modernising its digital heritage.

In e-commerce, investment was made in renewing the User Experience of the mobile application and of the website, and in reinforcing the security mechanisms inherent to the digital environment.

In the counter service, by the slice, the quick-order kiosk platform was modernised.

Pizza Hut remained firm in its ongoing commitment to training and recognising and retaining talent and to executing operational excellence, both at the service level, by fostering qualified, consistent and motivated teams, and at the product level.

Pizza Hut maintained a strong social dimension and involvement with the community, carrying out various initiatives throughout the year, in particular the partnership with Associação Salvador.

The brand deepened its multiplatform communication strategy, with a strong reinforcement of its presence in the digital area and social networks. Proof of this were the various distinctions awarded by entities such as Briefer, Sábado/Marktest with the *Powerfull Brand* award and the *SuperBrands* award.

Digitalisation remained one of the most important aspects for the brand, and in 2022, this channel was the preferred ordering method for almost 70% of orders.

The constant investment in communication in the digital media, the continuous improvement of systems and the reinforcement of partnerships with order aggregator platforms, marked by strong success, contributed towards this result.

Pizza Hut customers can place their orders in the restaurants, at the call centre, on the Pizza Hut website, on the Mobile APP and through the shop on television (@TV) available on the 3 major cable TV operators and on external order/delivery platforms, through a self-delivery model or through third-party delivery.

The year 2022 was also marked by the continuous strengthening of the partnership with the Continente Card, allowing Pizza Hut customers to have another tool for interaction with the brand, with unique and differentiating promotional advantages.

In terms of the training and certification of our teams, we maintained our commitment to our teams in a constant and continuous effort to create a culture of excellence.

This commitment was seen through the constant qualification of the teams (visible in the investment of thousands of hours of training), as well as through the promotion of e-learning training, through new courses aimed at operators and shift managers, and training and skills development programmes in unit management.

In a constant quest to improve operational efficiency, the digital programme for legal requirements in terms of food safety continued to be used: "MY HACCP", in order to comply with all the safety procedures and requirements to meet our customers' need; as well as the assessment of the degree of compliance with brand, local and food safety standards through the ACE (Assured Customer Experience) external audits programme; and control of critical factors and additional internal checks, through the operational control tool used by the coordinating directors - 360º Coach, in order to diagnose and correct the opportunities for improvement identified.

There was also a major investment in behavioural leadership training, through the implementation of the Growth Mindset programme and in more technical areas, such as occupational health and safety, with greater investment in individual protection equipment, as well as fire fighting and evacuation.

At product level, there was also investment in product quality through participation in YUM's international programme, Fun Of The Core.

It was also an important year in terms of mobilising the teams to leverage customer service and product quality, through the implementation of operational programmes focused on these two areas.

It should also be noted that the restaurants located in Colombo Shopping Center, Alameda Shop&Spot, NorteShopping, Foz (Porto) and Matosinhos Continente were once again certified by the ISO 22000 standard and are an example of the care and exigence that the brand places on the food safety of its consumers.

Pizza Hut (Angola)

The macroeconomic context in Angola continued to condition business evolution, due to the loss of purchasing power resulting from average inflation at around 19,8% and growing unemployment.

The only existing operation in Angola, located in Shopping Xyami Nova Vida, after the post-Covid period, has been affected by the lack of attractiveness of the Shopping Center, resulting from shop closures and the change in the management model of the Kero Hypermarket (anchor shop).

The brand reinforced its Marketing plan with promotional offers - accompanied by good Service and Product Quality practices -, carried out the remodelling of the unit's image and modernised the Menu Board offer.

In the training area, the new "Hut University" online platform was implemented and the entire team was certified in the "Team Member" training programmes, in addition to the training and development of skills of the management team employees.

The brand maintained its external presence on the Facebook page and continued presence on the social networks and the APP of the aggregator "Tupuca". In the last quarter of the year, a second local aggregator "Mamboo" was introduced, and the Delivery segment grew by 13%.

Regarding customer satisfaction and evaluation, the rate of 90% was maintained, and a result of 100% was achieved in the ACE audits (*Assured Costumer Experience* - which evaluates the degree of compliance with standards).

Within the scope of social responsibility initiatives, the brand once again participated, together with the KFC brand, in the initiative to fight hunger "AD HOPE".

Pizza Hut (Spain)

The Ibersol Group currently has 3 Pizza Hut restaurants in Spain, 2 in the city of Vigo and 1 in Nigrán (A Ramallosa).

In April, Covid-19 restrictions on customers' access and stay in our restaurants were lifted, thus generating a progressive return to "pre-pandemic" normality and normalisation of service within the restaurant's physical space.

In the area of personnel development, the Skills Diagnosis System was implemented for all eligible employees of the brand, regarding performance in 2021.

In terms of energy efficiency, a series of measures were implemented to meet and exceed government requirements, with the updating of the on-off plans of our shops in terms of equipment, lighting and energy consumption.

The resumption of activity is now overshadowed by the military conflict in Europe and escalating inflation, posing new and different challenges to the brand's operations.

In convergence with Pizza Hut Spain, the launch of the Rolling Dough Dentíssimo was successfully carried out, as was the Triple Box associated with the Qatar Football World Cup.

The strengthening of the brand's local dynamism was also reactivated with the implementation of a thematic marketing and communication plan, based on a digital aspect. Examples include the launch of the Cheesy Pops Hot Dog, as well as the Children's Birthday Parties service and Flash actions for Black Friday.

The highlight partnerships and promotional campaigns with external order/delivery platforms have proven to be fundamental for the consolidation of a sales channel that is increasingly present in the market and complementary to the restaurants' results.

Pasta Caffé (Portugal)

The Pasta Caffé Norteshopping offers table service, take away and home delivery.

Pasta Caffé, a restaurant specialising in Italian cuisine, was one of the players that suffered most from the drop in demand due to the restrictions caused by the pandemic. The brand has always been known for its positioning as a table service restaurant, a calm place away from the hustle and bustle of shopping centre food courts.

The drop in demand was felt especially severely in the table service units, as customers began to favour quick, counter meals.

During the year, all the team training processes were maintained, and once again the NorteShopping unit was recertified according to the APCER ISO 22000 quality standard.

Within the scope of customer consultation, we continue to further develop the "Experience Folder" programme, an online platform where the customer evaluates their experience in all relevant dimensions of service and offer and allows them to make suggestions for improvement. With this tool, "we see the performance of the brand through the eyes of the customer", which allows us to identify changes that lead to an improvement in the satisfaction of those who visit us.

With regard to Social Responsibility, Pasta Caffé has participated in various community outreach projects, namely the "Graças a Muitos" (Thanks to Many) campaign, in partnership with the Portuguese Federation of Food Banks.

During the year, it was part of the set of Ibersol brands that strengthened their partnership with the Continente Card, through various value-added actions towards their customers.

Pizza Móvil (Spain)

Pizza Móvil ended 2022 with 16 restaurants in operation.

The year was marked by the sharp rise in electricity and raw material costs, as well as the consequences of the war in Ukraine.

The brand has opted for a reorganisation of its menu with 2 categories of pizzas, Móviles and Selectas.

During 2022, the brand launched new products in order to extend its Móviles range, creating a new apple-based speciality, Apple Extreme. But also adding a new ingredient option in garlic bread, the Goat Cheese.

The brand value proposal focuses on competitiveness and relies on digital media, as well as various local actions to strengthen the Pizza Móvil brand.

The most prominent promotions of the year were the 2 for 1 Pizza and the 50% Online on Mondays.

Through the "Galicia Calidad" seal, Pizza Móvil once again affirmed its communication of freshness and quality. In addition, this year was special thanks to the celebration of the 25 years of the Galicia Calidad seal and Pizza Móvil participated in the event with a special brand video.

RIBS (Spain)

The brand closed the year 2022 with a total of 29 restaurants, 13 owned and 16 franchised. The brand also has 2 own restaurants in Spain in the Travel segment.

Ribs - True American Barbecue is one of the Ibersol Group's most representative own brands, which was founded in Madrid in 1991.

Ribs restaurants are family restaurants in the purest American style, designed as authentic American barbecue and decorated with exclusive pieces acquired from antique shops, fairs and markets in the USA, which make each location unique. Their oak charcoal grills cook over 260 tons of ribs a year for millions of customers who visit our restaurants in Spain every year.

Aligned with the commitment to continuous innovation, Ribs presented this year the "Rib Piri Piri", genuine ribs seasoned with the most versatile and world-famous spicy chilli sauce. The range of burgers was also reinforced to provide new experiences accompanied by the most emblematic American flavours, such as the new "Scamorza Premium Burger", the "Tex Mex Burger" and the "Dipped Cheddar Burger". In the summer period, Ribs presented a new combo to reinforce the family of starters with the "American Bites Combo", composed of Pulled Chicken and Avocado Tacos, tasty Chicken Fingers, Fried Mac&Cheese balls and delicious Double Cooked Potatoes with bacon.

Ribs continues to bet on the Great Holidays (4th of July, Halloween and Christmas), and offers a totally safe, genuine and different experience, enjoying the best American food in an unparalleled environment. Coinciding with the festivities, Ribs also presented a special dessert for Valentine's Day "American Love Cake" and for Halloween, "Pancakes in Crime". Plus an authentic 100% natural beef ribs presented in a three-rib piece, cooked at low temperature, with sweet yakiniku sauce and double boiled potatoes to celebrate Christmas with the "bear paw".

The brand is committed to offering the authentic "Ribs Experience", where it recreates in its restaurants some of the most representative festivals, shows and recreational activities in the United States. During 2022, there were live concerts, DJ music, games and activities for the little ones.

Ribs is constantly working to improve operational excellence and since 2020 has consolidated the external quality control system in all franchised and owned restaurants, based on the brand's quality standards and food safety control. In 2022, RB La Maquinista renewed its certification with NP in ISO 22000 and NP in ISO 9001.

With the objective of improving the operation and service in the restaurants, we expanded the range, maintaining the reduction of processes and standardisation of the brand's product. In 2022, we concluded the implementation of standardised Genuine Ribs and Tender in all our own restaurants.

In 2022, we also consolidated the Ibersol Academy tool in all franchised restaurants, expanding the courses and content.

RIBS (Portugal)

Ribs - True American Barbacue" is one of the most representative brands of the Eat Out Group. It was born in Madrid, Spain, in 1991, heir to the mission, values and *know-how of* the restaurant "El Descanso", the house of ribs founded in 1968 with the aim of being the first authentically American *steakhouse* in Spain.

All dishes are prepared to the moment, on 100% holm oak charcoal grills, which gives it a very genuine and unmistakable flavour.

With a decoration and furniture 100% imported from the United States, the spaces reproduce an authentic American style so that the clients feel involved in this American experience.

The year 2018 was marked by the opening of the first restaurant in Portugal, in Centro Vasco da Gama, in Lisbon. A smaller restaurant than the brand's usual ones, with counter service.

A second restaurant was opened in 2020, now in Fórum Almada, also based on counter service, but with a pleasant space for tables.

Its offer is based on the "Grilled Ribs", with its unmistakable BBQ sauce, and on high quality hamburgers developed especially for the brand. In addition, the brand has added a Tex Mex line to its offer, which has boosted customer demand. In the year under review, the brand launched a new recipe of "ribs", the Piripiri Tender Ribs, with a flavour that is well suited to the national market.

The brand offers home service in both restaurants, using external ordering/delivery platforms.

Santamaria (Spain)

Dehesa de Santamaría was founded in Mérida in 1998 and began expanding through franchising in 2001. In 2006, it became part of The Eat Out Group.

Since its creation, the Santamaría brand has evolved to achieve a multi-offer format capable of covering all consumer segments (breakfasts, lunches, snacks and dinners), which allows our customers to enjoy good food and drink.

The new menu stands out for its Iberian products, portions, salads, spoonable dishes and desserts, all of them with very original formats of reinvented classic recipes, adapted to the new times. Not forgetting our famous bottles: a range of drinks, which differ both in their ingredients and their original format.

The Santamaría restaurants with their new image are being very well received by customers for their personality, differentiation, modernity and, above all, for offering an exceptional product.

The brand ended 2022 with 10 restaurants throughout Spain, in addition to being present in Andorra, having a presence in the airports of Barcelona, Menorca, Malaga, Fuerteventura and Las Palmas.

FrescCo (Spain)

FrescCo was born in 1994, with the opening of its first restaurant in Barcelona.

The brand is characterised by offering healthy, natural and balanced food in a free buffet concept at a fixed price where customers can prepare their own personalised menu. Market Buffet is the new restaurant concept launched by FrescCo throughout 2016, designed as an evolution of the free buffet where customers can adapt their menu according to their preferences, thanks to a new gastronomic offer based on fresh products.

The new establishments have a complete Kitchen & Grill area, where you can enjoy the best pizzas, grilled meat and fish and hamburgers prepared on the spot and in front of the consumer.

FrescCo closes the year 2022 with a total of 5 restaurants in Spain, of which 2 are owned (all located in Barcelona) and 3 franchised spread throughout the Spanish territory.

Counters

Burger King (Portugal and Spain)

Following the announcements on 2 August and 16 November 2022, Ibersol SGPS sold the restaurants it operated under the Burger King brand in Portugal and Spain, with full effect on 30 November 2022. It still operates 9 restaurants that are expected to be sold to RBI during 2023.

KFC (Portugal)

Present in Portugal since 1996 and with the will to bring the tastiest and crunchiest chicken to all the Portuguese, KFC continues to privilege the quality of its product and the experience of its consumers.

The unique and inimitable flavour of KFC chicken, world leader in exclusive chicken menus, cooked with scrupulous respect for the famous Secret Recipe of its founder, Colonel Sanders, leads those who try it on a journey through the world of flavours, through its abundant buckets and original sandwiches.

Within the Multi-Year Strategic Plan 20/25, designed both to recover from the negative effects of the restrictions related to Covid-19 and to ensure the purpose of positioning the brand among the leaders of modern restaurants in Portugal, we highlight the growth strategy, which allowed the brand to reach by the end of 2022, 56 restaurants, with 15 new openings in the cities of Angra do Heroísmo, Faro, São João de Madeira, Braga, Torres Novas, Viana do Castelo, Vila Real, Guarda, Lisbon, Loures, Setúbal, Évora, Lagos, Praia da Vitória (Terceira) and Horta (Faial), mostly in locations where it was not present.

In addition to the new restaurants, we highlight the refurbishment of the units located in AlgarveShopping, Albufeira, Fórum Algarve, Ubbo Vita Tejo, Colombo and Parque Atlântico (Ponta Delgada), where we used the latest international design - Red Design - which aims to respond to the growing acceptance of KFC and the ambitions of our customers with modernity and innovation.

With regard to Operations, we continued the *Win On Taste and Speed of Service* projects, both successfully launched in various countries by Yum! Brands, owner of KFC, which also brought to the Portuguese market the strengthening of the focus on product and service quality and on World Class Operation procedures and the ROCC (Restaurant Operations Compliance Check) Quality and Food Safety *standards* evaluation system, as well as the technological advances in online information gathering made available via App's or *Sites,* which were successfully implemented in the restaurants' performance routines.

In terms of Human Resources, we continued the SoGoodToWork@KFC programme, which was implemented with the objective of creating and retaining talent at KFC, translating into recruitment policies that aim to increase the capacity to retain and reinforce the skills of the functions within the restaurant.

The focus given to KFC Voice (listening) and Leading With Heart (leadership behaviours) were also a constant, a clear bet on the growth and evolution of all employees.

The RGM#1 and ARGM#1 (Restaurant General Manager and Assistant Number 1) programmes - which puts Restaurant Managers and Assistant Managers at the heart of the brand strategy - were especially important in a year with a high number of new restaurants.

With regard to the Marketing plan, the year allowed new achievements with greater dynamism at the level of Everyday and Disruptive Value, highlighting the launch of various promotional moments with Megabox and The Box, as well as the introduction of Dilema, together with the launch of new innovative products such as Chizza, Teriaki, Zinger pieces and new flavours in the dessert range.

Promotion of the delivery service was also intensified, with partnerships with external ordering and delivery platforms, with a constant presence with activation campaigns for new compositions and products, which contributed towards a strong increase in brand awareness.

In the communication strategy, we highlight the return to TV and the continued investment in mupis networks, directional billboards and strategic partnerships with some of our preferred partners, as well as the increased visibility of the partnership with the Peres Competições team, which continues to run with the KFC colours in various Rally events.

There was also a growing focus on digital tools to promote the brand, with an increase in the dynamics of communication and boosting on Social Networks - KFC's entry on TikTok and Twitter - as well as the reach and level of interaction of the publications that translated into greater engagement with the fans and an increase in the number of followers.

KFC (Spain)

In 2022, the Ibersol Group had 2 KFC restaurants in the areas of Seville and Almeria, to which we added 2 new restaurants at CC Bonaire and CC Nuevo Centro, both in the area of Valencia, a bet on the growth and consolidation of the Ibersol Group's presence, with the KFC brand, in Spain.

All KFC employees are certified by Yum! Brands' global standards, via online tools (Vault). We follow the main service and product quality indicators, based on the GES (Guest Experience Survey) and ROCC (Restaurant Operations Compliance Check) programmes, with speed being the big focus, which had a big impact on service times in the drive thru and delivery.

In a scenario of recovery from the adverse effects of the restrictions related to the Covid-19 pandemic, especially in 2020 and 2021, which significantly affected restaurants, we highlight the brand's continuous effort to gain presence in various digital channels, such as TikTok and Twitter, with continuous activations via Value offers and exclusive Bundles, as well as in disruptive actions with a strong media impact, communicated extensively, which allowed the brand's awareness to be strengthened, with KFC assuming itself as a vibrant, young, dynamic and culturally integrated brand.

KFC (Angola)

KFC ended 2022 with 9 restaurants in operation, and in October the image of the restaurant located in BelasShopping was remodelled.

The macroeconomic context of Angola continued to condition the evolution of business, due to the loss of purchasing power, aggravated by the world pandemic (Covid-19), declared in March 2020, which continued for much of 2022. Despite the progressive partial easing, during 2022, of the restrictions imposed (the end of which only occurred from October onwards, it was already possible to return to growth, both in transactions (3.9%) and in sales (14.4%), in comparison with the previous year.

With a view to countering the economic difficulties of our consumers, we continued to invest in a strong promotional component (Bucket p/1 menu, promotion of Wednesdays, Crazy Fridays and the Much for Little campaign), strongly competitive in price.

The focus on the home delivery service was also reinforced, through a second aggregator starting in October.

The brand reinforced its digital communication plan via Facebook and Instagram, having seen the number of fans grow to 349,847 (Facebook) and 24,484 (Instagram), while maintaining the remaining communication through digital tools, billboards and radio.

We maintained a clear focus on the continuous training of our employees to boost the development of local know-how and the growth of the management structure with Angolan staff.

Within the scope of Social Responsibility initiatives, we continued to participate in the initiative to fight hunger "AD HOPE", with the raising of funds from customers and complemented by the company and destined for Cáritas Angola, to the total value of 6 million Kwanzas.

Still within the scope of environmental protection, the used oils were destined to the production of soaps for underprivileged populations.

Pans & Company (Portugal)

In Portugal, Pans & Company ended 2022 with 40 restaurants.

After two years deeply affected by the impacts of the Covid-19 countermeasures, 2022 was naturally a year of growth for Pans & Company. Even so, the performance of our restaurants continued to be negatively affected by the pandemic, particularly in the counter and take away segments, during the first part of the year. In the delivery segment, we consolidated the growth trend of our main brand and reinforced our presence in this channel with the launch of the Cafe Pans brand on the platform of one of our partners.

The year was also inevitably marked by the strong increase in prices of most goods and services, with particular emphasis on the increases in the food sector industries, which represent a significant part of our operating costs.

In this context, and in order to mitigate the effects of the pandemic and inflationary pressures, we focused our teams on seeking efficiency gains and increasing the turnover of the different sales channels in which we are present, through strict management of our commercial policy (range, prices and promotions).

The year 2022 was also marked by the opening, in the Algarve Shopping Centre, of another stand-alone point of sale with the Cafe Pans brand - the brand of the Pans universe for the coffee shop segment -, by the consolidation of the APP Pans as an important tool for customer loyalty and by various campaigns to launch new products, of which we highlight the "Pans for All" campaign. With this campaign, we launched another vegan and three gluten-free sandwiches, reinforcing the inclusive brand positioning that we are - a specialist and leading brand in the sandwich segment with the motto "Whatever you are, we always have a sandwich for you!"

Pans & Company (Spain)

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

The Pans & Company brand, after being significantly affected by the pandemic situation in 2021, recovered ground in 2022, growing in sales more than the average of the QSR segment in the same universe of number of restaurants. This recovery was mainly due to the fact that Pans & Co restaurants recovered visits in general and maintained the level of sales in the delivery channel. Noteworthy are the restaurants located in the tourist areas of Madrid, Barcelona and Valencia, which have benefited from the recovery of the domestic market and international tourism.

Other aspects to be highlighted in 2022 are the efforts made in the area of sustainability to adapt to regulatory changes related to the reduction of disposable plastic packaging; the expansion of the offer of products for coeliacs, vegans and vegetarians, which make Pans & Company a more inclusive brand for all types of diets and customers; the strict management of our commercial policy (prices and promotions) in order to mitigate the effects of price increases felt in most goods and services, particularly due to their relevance to our sector, in the energy and food area. At the same time, we consolidated our focus on the delivery channel with the rollout of our Cafe Pans brand to more restaurants on external ordering and delivery platforms.

With regard to the Pans' marketing plan, it should be noted that dissemination of the APP Pans was reinforced, which maintained sustained growth in sales throughout the year, achieving not only more users but also greater use. On the other hand, it has continued to invest in innovation through the launch of new sandwiches, such as BBQ Ribs and Pulled Chicken Curry and Pulled Pork. It should also be noted that the focus on social networks as the main means of communication has been reinforced with greater activity through collaborations with influencers and activation of the Pans & Company Tik Tok channel.

Taco Bell (Portugal)

Since its launch in Portugal at the end of 2019, Taco Bell has been winning the hearts of the Portuguese as a young and irreverent brand, with Mexican-inspired restaurants with a Californian atmosphere.

Taco Bell's offer is inspired in Mexican food with top quality ingredients that offer a wide variety of flavours, aromas and textures, Products always prepared to the moment and with an original combination of fresh and tasty ingredients.

The brand is positioned in the fast food market with the best quality-quality-price ratio and is aimed at a varied age public, but with special emphasis on the "Millennials" and "Z" generations.

Today, Taco Bell has more than 8,000 restaurants worldwide.

With an ambitious expansion plan and still with some pandemic effects at the beginning of the year, in 2022 the brand opened 5 more restaurants, ending the year with 16 units. At the request of many "Taco Lovers", it expanded its presence in Portugal: it reached the archipelagos of Madeira, with the opening in Madeira Shopping, and the Azores, opening in Parque Atlântico. It reinforced its presence in the centre of the country, opening in Coimbra, at Fórum Coimbra, and in Greater Lisbon, opening in Cascais, at Cascais Shopping. It is also present in Minho, with the opening of Braga Arcada.

For this growth to be possible, the brand reinforced its team and invested in new forms of recruitment communication, focusing on the brand's attributes.

Taco Bell continued to prioritise the placement of digital Kiosks in its restaurants as a sales channel, seeking to meet its customers' best shopping experience.

Seeking to make itself more widely known to the market, in 2022 Taco Bell restarted Out of Home (OOH) communication, being present regularly throughout the year in external communication supports.

The brand reinforced its presence on social networks, continuing its irreverent communication strategy.

Continuing its close relationship with its university target, Taco Bell has once again "praxed" freshmen in Portugal by offering Tacos on presentation of a university entrance exam.

During 2022, Taco Bell started partnerships with brands that have a high engagement with the youth target, that also share youthful and irreverent attributes, as was the case with Red Bull, WTF or Sumol.

Viewing customer feedback as crucial, the brand has strengthened its focus on its customer listening programme: VOC (Voice of Customer).

Considering the training of its Teams to be essential, the brand continued to strengthen its training content, always focusing on digital media. In this way, it has aligned itself with the latest trends, both in terms of pedagogy and in terms of reducing the ecological footprint, practically eliminating paper.

Taking Economic Sustainable Growth (ESG) into account, the brand has almost completely eliminated plastic packaging in its product delivery/service.

Travel and Catering

Travel (Portugal)

The business in the Travel channel basically covers the service areas in motorways, train stations and airports, with an offer for consumers who are travelling. The units allocated to this segment have a management based on the multi-brand concept that integrates in the same space more than one own brand or franchised brand, with the objective of satisfying the needs of different consumers in the various consumption moments, through specific concepts.

This segment was affected by the pandemic in the first quarter and recovered strongly in the following months.

Service Areas

The motorway service areas constitute a relevant activity segment for the Ibersol Group which, at the end of the year, covered 25 units.

Sol is the umbrella brand for the restaurant spaces on motorways, urban and long distance, which are presented as units with a modern and functional design, with food proposals adjusted to the consumers' needs and with services that go far beyond the conventional restaurants in the service areas. Given the diversified profiles of those who visit the Sol units, these spaces are prepared to offer a good experience to all of them.

The Sol units are characterised by the offer of food proposals, in the form of specific brands, adapted to the different consumption occasions, with accessible prices, prepared to the moment, always with a personalised and attentive service. At the Sol units we have our own or franchised catering brands, of recognised success. The Go To Coffee & Food brand is the cafeteria brand present in most Sol service areas. This brand is also present in the Portuguese airports where we own catering units. In some locations, mainly in cities, Sol units also include well-known international brands such as Burger King, Pans & Company and KFC.

The Sol units also offer services such as an independent baby changing room, lounge area, free wi-fi, sockets for charging computers or mobile phones, availability of tablets or daily newspapers for consultation, sale of magazines newspapers and last minute gifts, dog station and drive-in.

Train Stations

The Group operates a unit in Campanhã Station.

Airports

The Ibersol Group is a benchmark operator in Portuguese airports, being present in Lisbon, Ponta Delgada, Santa Maria, Funchal and Porto Santo Airports, with 25 points of sale, through 6 of its own concepts - Go To Coffee & Food, Clocks, Nove, Specially, Cockpit Drinks & Tapas and Saudade - and 4 franchised international brands: Pizza Hut, KFC, Burger King and Go Natural.

This year, the remodelling of the units in the restricted area of Funchal Airport and the expansion of the food court stand out.

Travel (Spain)

This division of the Group is dedicated to the management of 53 catering outlets in Spain, located in 7 airports, 3 train stations and other tourist facilities.

These points of sale are operated by 24 brands, some of which are private labels such as Pans&Company, Café Pans, Ribs and Santamaría, others created especially for this segment, such as Breadway, Caffé di Fiore, Mediterranean Terrace and Fire&Bread, and finally others are operated through franchises: EAT, Go Natural, Coffee Republic, TapaTapa, Central Café, Jamaica, Malvón, Wok Street, Mussol, among others. With these brands, the Group has the skills to manage different restaurant formats ranging from Grab & Go to Casual Dining, Fast Food and traditional coffee shops.

The year 2022 was characterised by a significant recovery in traffic, ending the year with -14.9%, compared to 2019. As of April, all units still closed due to pandemic restrictions were reopened, and the year ended with all units in operation.

The central production unit in Barcelona began developing new products, of which the production of Argentinean empanadas stands out.

The Lanzarote concession ended in 2022, and a new tender was launched for 8 units for 8 years, which we won. Thus, new international brands will be integrated in this airport in 2023, namely KFC, Pizza Hut and Pret a Manger

Catering (Portugal)

After two years in which the activity was affected by the Covid-19 pandemic, 2022 was marked by the start of the war in Ukraine at the end of February, which triggered an unprecedented escalation of the inflation rate and the increase in costs of our activity.

Despite this framework and all the economic uncertainty generated, resilience and adaptability were once again the watchwords for Silva Carvalho Catering and Palace Catering. In a year that started in confinement, the two brands held around 630 events, serving more than 370,000 customers, unequivocally consolidating our presence in the domestic market.

We were the elected caterer for 28 congresses in 2022, of which we highlight the OCC Congress, lasting 3 days and about 5,000 participants per day, the Herbalife event, lasting 3 days and 1,150 participants per day, and the TRA, lasting 5 days and about 1,450 participants per day.

Also worthy of mention were our participations in events such as the dinner of the Port Wine Brotherhood, the inauguration lunch of the Airbus in Portugal facilities, events for Allianz Seguros, SONAE MC, Moda Portugal and the Christmas dinners of EDP and Mota Engil.

In terms of food safety and occupational safety, we have consolidated operational practices to ensure the health and well-being of our customers and employees.

At the Estádio do Dragão Catering and Vog Tecmaia Restaurant, we have maintained all our certifications: ISO 2200: Food Safety Systems ISO 9001: Quality Management Systems ISO: 14001: Environmental Management Systems and ISO 45001: Occupational Health and Safety Management Systems.

At Estádio do Dragão, we were present at 26 games played by Futebol Clube do Porto and another 2 for the National Team, with Turkey and North Macedonia, where we served a total of more than 70,000 meals.

At the Alvalade Stadium, we held 23 Sporting Clube de Portugal matches and 3 matches of the National Team, with Switzerland, Czech Republic and Nigeria, where we served a total of over 55,000 meals.

The Alcochete Academy, the club's sports training school, maintained its activity, with an operational team with the purpose of meeting the needs of Sporting Clube de Portugal.

The private events market saw a sustained recovery over 2022, in which we held 42 events.

Within the scope of sustainability values and principles, catering maintained its active role in supporting humanitarian causes, through the donation of food and meals. In 2022, around 50,000 meals were donated.

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.

Following the sale of Burger King operations in Portugal and Spain at the end of November, the activity of subsidiaries Iberking Restauração S.A. and Lurca S.A.U are reported as "Discontinued Operation" with regards to financial information reporting.

Sales and Provision of Services

The beginning of the year was still affected by the predominant Omicron strand of Covid-19, with the resulting slowing of the pace of recovery of the effects of the pandemic, as well as the impact of the military conflict in Ukraine, and a worsening of world geopolitical tensions that posed significant challenges to the group's brand portfolio.

This context of uncertainty and instability led to a disruption of supply chains, an acceleration of inflation rates in the food products, energy, and transport sectors, with the respective impact in Ibersol's cost structure, as well as a breakdown of consumer trust.

Despite the demanding context, the group registered solid growth when compared to the same period of 2021, which had been marked by lockdown and travel restrictions, which translated into a 49.3% growth of consolidated business volume in 2022 (including 11 months of the discontinued operations), for a total of 533.7 million euros, compared to 357.3 million euros in the same period of the previous year (with 12 months of the discontinued operations).

In 2022 the business volume of the "Discontinued Operations" presented a growth rate of 16.1% for the 11 months during which Iberking and Lurca operated, compared to all of 2021.

The "Continued Operations" represent a total business volume of 355.6 million euros at the end of the year, compared to the 204.0 million euros registered in 2021, which equals 74.3% growth.

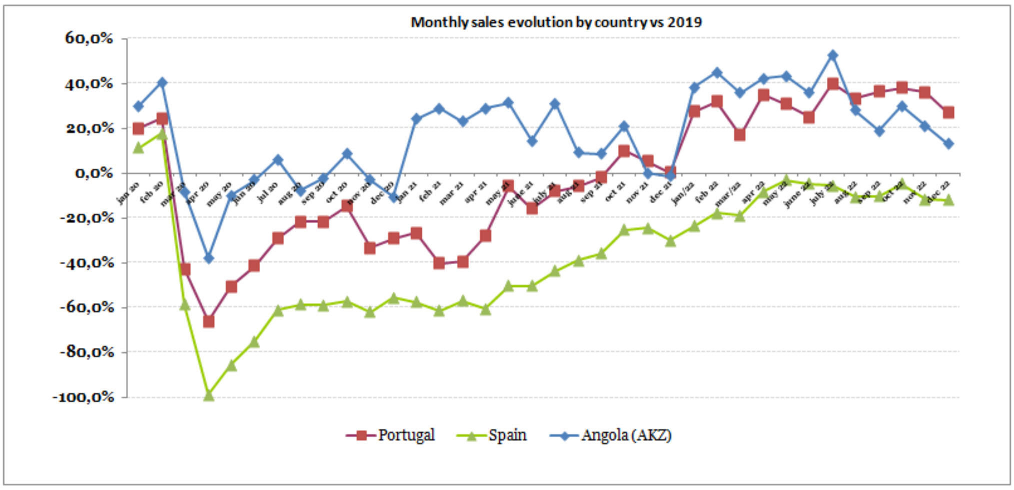
Turnover (euro million)	**2022**	**2021**	Var. 22/21
Sales of Restaurants	515,9	348,6	48,0%
Sales of Merchandise	14,7	7,2	105,5%
Services Rendered	3,1	1,6	88,7%
Turnover	533,7	357,3	49,3%
Discontinued Operations	-178,1	-153,3	16,1%
Continued Operations Turnover	355,6	204,0	74,3%

The fourth quarter of 2022 saw a continuation of the good performance registered in the previous months, reaping the benefits of a speedy recovery of tourism, which carried on past the traditionally strong holiday months, in tandem with the effect of price rises which were occasionally introduced to offset the significant price hikes of raw material.

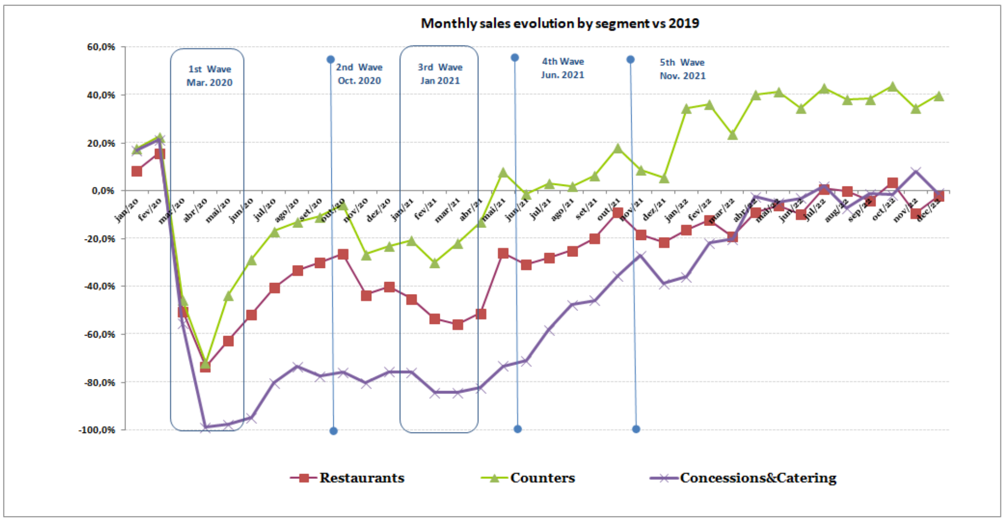
In Portugal, and adjusting for the effect of the end of Burger King operations at the end of November, sales in the last quarter continued to be around 30% higher than in 2019.

In Spain the fourth quarter was characterised by recovery of passenger traffic to 2019 levels in most of the airports in which we operate restaurants, with the exception of the Madrid, Alicante, and Barcelona airports, which by December 2022 had not yet managed to achieve the traffic rates of December 2019, especially the latter, which was still 10% short of reaching pre-pandemic levels.

Sales in Angolan restaurants reflect the evolution of the local currency, and do not include gains derived from its valuation in relation to the euro and the dollar.



In this context, the evolution of sales by segment illustrates the impacts of the different waves of Covid-19 and respective restrictions over the past two years, and the comparison with the same period of 2019.



The concessions and catering segment, which was the most penalized over the past two years, saw a consolidation of the recovery of the impacts caused by the pandemic which had already begun at the start of the second semester of 2022, and in the fourth quarter sales had already surpassed those of the same period of 2019, due to the increase in passenger traffics verified at the airports in which the group operates concessioned restaurants, as well to an increase in spending by client and a recovery of corporate and private events, which belies a recovery of confidence levels and of spending habits and trends that had been interrupted by the pandemic.

In Spain, where the group operates restaurants in 7 airports, passenger traffic has been recovering gradually since February, with losses of only 5% in the fourth quarter (12% in the third) when compared to the same period of 2019. Airports in major urban centres presented a slower rate of recovery. In Portugal, airport traffic surpassed numbers for 2019 by 7%, which translates into a higher recovery rate than that of Spain, which is due to its smaller reliance on passengers from markets that are still affected by Covid-19 restrictions, namely in Asia.

The combination of these factors led to a steep increase of 135.1% when compared to 2021, not counting the effect of Burger King restaurants in concessioned spaces.

SALES IN RESTAURANTS (euro million)	2022	2021	Var. 22/21	2022 Continued Operations	2021 Continued Operations	Var. 22/21 Continued Operations
Restaurants	99,6	73,1	36,1%	99,6	73,1	36,1%
Counters	289,9	220,1	31,7%	118,3	71,1	66,4%
Concessions&Catering	126,4	55,3	128,5%	120,1	51,1	135,1%
Total Sales	515,9	348,6	48,0%	337,9	195,3	73,0%

Restaurants that have table service, and which are generally linked to moments of leisure and socialisation, performed better in the summer months and in December, reaching pre-pandemic levels in these periods and surpassing 2021 sales by 36.1% in 2022, despite limits and restrictions.

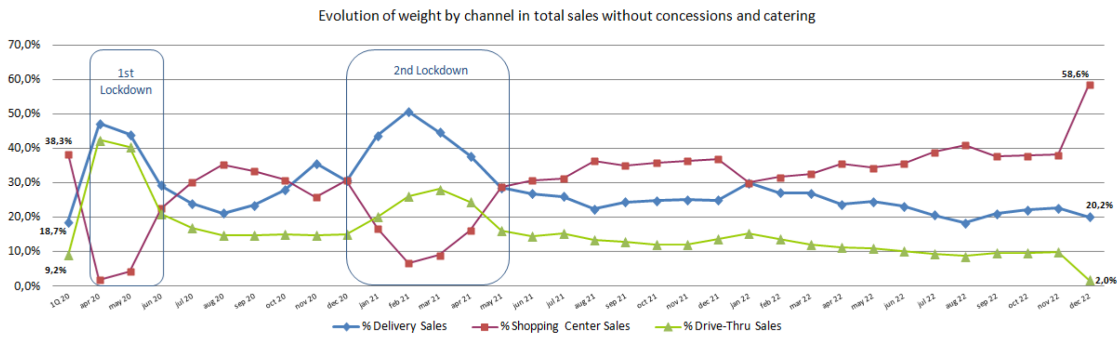
The counter segment of the continued operations kept up a good performance and grew an impressive 66.4% compared to the same period of 2021, largely due to the following factors:

i. the impact of the expansion of KFC and Taco Bell brands that took place at the end of 2021 and 2022;
ii. the generalised adoption of delivery and take away services by a significant number of units;
iii. a higher number of openings of restaurants with Drive services, which proved more resilient during the pandemic, allowing the units to offset the losses suffered in the dining rooms.

With the gradual return to normality, delivery sales, which partially made up for the impact of operational limitations in the restaurants and counters segments during the lockdown periods, tended to reduce and stabilise at levels identical to before the pandemic, representing around 20% of continued operations sales – excluding sales from the concessions and catering segments – compared to 18.7% in the first quarter of 2020, just before the pandemic hit.

The gradual return to normal of consumer trends saw a recovery of the weight of restaurant sales located within shopping centres to 38.2% in November, identical to the 38.3% of the first quarter of 2020.

The sale of the Burger King operation at the end of November, with its significant portfolio of Drive service restaurants, led to a significant reduction of the relative weight of this channel, which was compensated for by sales in restaurants located in shopping centres, which now account for 58.6% of continued operations sales, excluding concessions and catering.



In keeping with the expansion strategy of the brands that best weathered the pandemic period, in 2022 the Group opened 33 new restaurants (20 in the fourth quarter, added to the 13 from the first nine months of the year).

During this period 15 new KFC, five Taco Bell, five PH and two Burger Kings were opened in Portugal. Spain saw the opening of three new Pans restaurants, as well as two KFC and a new concession in the Barcelona Airport.

Nº of Restaurants	31.12.2021	Q1	Q2	Q3	Q4	Closures / Discontinued 2022	31.12.2022
PORTUGAL	**383**	**3**	**4**	**3**	**17**	**114**	**296**
Equity Restaurants	**382**	**3**	**4**	**3**	**17**	**114**	**295**
Pizza Hut	100			2	3		105
MIIT+Ribs	4					1	3
Pans	40						40
Burger King	119		2			112	9
KFC	41	3	1	1	10		56
Pasta Caffé	2					1	1
Quiosques	8						8
Taco Bell	11		1		4		16
Coffee Shops	25						25
Catering	9						9
Concessions & Other	23						23
Franchise Restaurants	**1**						**1**
SPAIN	**225**	**1**	**1**	**1**	**3**	**52**	**179**
Equity Restaurants	**152**	**1**	**1**	**1**	**3**	**42**	**116**
Pizza Móvil	14					2	12
Pizza Hut	3						3
Burger King	38					38	0
Pans	28	1	1		1	2	29
Ribs	13						13
FrescCo	2						2
KFC	2				2		4
Concessions	52			1			53
Franchise Restaurants	**73**	**0**	**0**	**0**	**0**	**10**	**63**
Pizza Móvil	5					1	4
Pans	42					6	36
Ribs	17					1	16
FrescCo	4					1	3
SantaMaria	5					1	4
ANGOLA	**10**		**0**	**0**	**0**	**0**	**10**
KFC	9						9
Pizza Hut	1						1
Other Locations - Franchise	**3**	**0**	**0**	**0**	**0**	**1**	**2**
Pans	3					1	2
Total Equity Restaurants	**544**	**4**	**5**	**4**	**20**	**156**	**421**
Total Franchise Restaurants	**77**	**0**	**0**	**0**	**0**	**11**	**66**
TOTAL	**621**	**4**	**5**	**4**	**20**	**167**	**487**

Due to the sale of the Burger King operation the Group disposed of 112 restaurants in Portugal and 37 in Spain, having closed 1 unit of this restaurant brand in the third quarter of 2022. A further 17 restaurants, 11 of which franchised, were closed.

The closure of six equity restaurants was due to the option of non-renewal of the lease in the case of three units, and the conversion of one Pasta Caffé into a Taco Bell, and two Pans restaurants into KFCs in Spain.

At the end of the year, we operated 421 equity restaurants, 295 of which in Portugal, 116 in Spain, and 10 in Angola, as well as 66 restaurants of our brands, operated by third parties, as franchises.

4.1 Consolidated Financial Performance

Due to the application of Law 13/2021, since 1 October 2021 airport leases in Spain are no longer relevant for the effects of the application of the IFRS16 until annual traffic per airport returned to the levels of 2019.

Therefore, in order to allow for a correct comparison of continued operations results in 2022, results are shown in comparison to the same period in 2021, in a simulated scenario in which the contracts with AENA also did not count for the effects of IFRS16. During the entirety of 2021 the provision of external services began to reflect the totality of rent for the 12 months, with corrections also being applied to the financial amortisations line, due to the derecognition of the amortisation of rights of use linked to the contracts with AENA, as well as the cancellation in other operational assets of the figures related to the write-off of assets and lease debts in airports managed by AENA at the time the new law came into force (1 October 2021).

OPERATIONAL RESULTS 2022

In a year influenced by the war in Ukraine, which led to a generalised increase in prices that conditioned the purchasing power of families, pressure on margin management required a swifter and more efficient management of the offer to the client, so as to mitigate reductions in consumption.

Said management allowed for a significant growth in sales which, in parallel with the recovery from the impacts of the pandemic, allowed for the achievement of positive operating results for continued operations in 2022 of 22.1 million euros, compared to the negative results of corrected continued operations in 2021 of 4.4 million euros.

(million euros)	2022 Continued Operations		2021 Continued Operations	Impact "Ley 13" 2021 AENA	2021 Continued Operations without "Ley 13/2021" impact		var. 22 vs 21 corrected
Turnover	**355,6**		**204,0**		**204,0**		**74,3%**
Cost of sales	87,8	24,7%	42,9		42,9	21,0%	104,8%
gross margin %	75,3%		79,0%		79,0%		-3,7 p.p.
External supplies and services	107,0	30,1%	52,0	11,6	63,5	31,1%	68,4%
Personnel costs	105,5	29,7%	70,6		70,6	34,6%	49,3%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	39,1	11,0%	64,2	-25,3	38,9	19,1%	0,3%
Other income/operating costs	-5,8	-1,6%	-67,3	59,8	-7,5	-3,7%	-22,8%
Operating Income	**22,1**	**6,2%**	**41,7**	**-46,1**	**-4,4**	**-2,2%**	**-599,1%**
margin	6,2%		20,4%		-2,2%		+8,4 p.p.
Ebitda	**61,2**	**17,2%**	**105,9**	**-71,4**	**34,5**	**16,9%**	**77,3%**
margin	17,2%		51,9%		16,9%		+0,3 p.p.
Financial Results	**7,6**	**2,1%**	**12,7**		**6,4**	**3,2%**	**17,4%**
Financial expenses and losses	9,3	2,6%	13,4	-6,3	7,1	3,5%	30,5%
Financial income and gains	1,6	0,5%	0,7		0,7	0,3%	143,2%
Gains (losses) in associated and joint controlled sub. - Equity method	0,1	0,0%	-0,1		-0,1	0,0%	-269,5%
Profi before tax	**14,6**	**4,1%**	**28,9**	**-39,9**	**-10,9**	**-5,4%**	**233,1%**
Income tax	2,1	0,6%	-3,7	-10,0	6,2	3,1%	-65,7%
Net profit	**16,7**	**4,7%**	**25,2**	**-29,9**	**-4,7**	**-2,3%**	**455,9%**

Gross margin

The gross margin was 75.3% of turnover, 3.7 p.p. lower than the the previous year (2021: 79.0%), demonstrating the inflationist pressure that led to an increase in raw material prices which were not directly translated into sales prices.

Personnel costs

Costs with personnel increased 49.3%, compared to the same period in 2021, with the weight of this item having decreased during the financial year of 2022 to 29.7% of turnover (2021: 34,6%).
Recovery of activity, along with a thorough management of working hours allowed for significant increases in productivity.

External Supply and Services

External Supply and Service costs increased by 68.4%, and now represent 30.1% of turnover for 2022, which is equivalent to a 1.0 p.p. decrease in the relative weight of this item compared to the 31.1% of 2021 corrected.
The increase was caused by the recovery of passenger traffic and the consequent increase in airport leases, as well as the increase in energy costs in Spain.

Other income and operational costs

Other income and operational costs amounting to 5.8 million euros in 2022, around 1.7 million euros below the corrected figure for 2021, are mostly explained by the following gains:

- income of 5.3 million euros related to contracts with suppliers;
- compensation of 2.0 million euros received in the context of the dispute related to the purchase of the Eat Out Group;

Other operational costs include around 0.8 million euros in fees and taxes.

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

Amortizations and impairment losses for the financial year totalled 39.1 million euros, 19.8 million of which are related to amortisation of rights of use, which translates into a slight reduction of 0.2 million euros, compared to the corrected financial year of 2021.

Regarding impairment losses, and given the different recovery rates per business sector, the application of distinct risks for the determination of the fair value of tests carried out was maintained.

Changes in consumption habits for particular locations, as well as greater difficulty in penetration of the delivery segment, led to an acknowledgement of tangible fixed asset recoverability losses of 11 restaurants, worth 2.4 million euros. Additionally, and due to the swifter than anticipated recovery of airport traffic, the imparity on AFTs of the restaurants in the Malaga airport, which had been established in 2021, was reversed, for the sum of 1 million euros.

EBITDA

EBITDA from continued operations for the period rose to 61.2 million euros, which represents an increase of 26.7 million euros compared to the 2021 corrected.

The total EBITDA margin was 17.2% of business volume, compared to 16.9% in 2021, corrected.

4.2 Financial results

(million euros)	2022 Continued Operations		2021 Continued Operations without "Ley 13/2021" impact		var. 22 vs 21 corrected
Financial Results	**7,6**	**2,1%**	**6,4**	**3,2%**	**17,4%**
Financial expenses and losses	9,3	2,6%	7,1	3,5%	30,5%
Financial income and gains	1,6	0,5%	0,7	0,3%	143,2%
Gains (losses) in associated and joint controlled sub. - Equity method	0,1	0,0%	-0,1	0,0%	-269,5%

Financial Expenses and Losses and Financial Income and Gains

The net financial result was negative by 7.6 million euros, 1.2 million euros higher than the corrected figure for 2021.

Financial expenses and losses totalled 9.3 million euros, which translates into an increase of 2.2 million euros compared to the corrected 2021 financial year. Part of these expenses and losses are due to interest from leases, valued at 4.5 million euros (3.6 million euros in 2021, corrected).

Net interest supported by loans and commissions related to financing reached a total of 2.9 million euros, which corresponds to an average cost of debt of 2.6%.

4.3 Consolidated net results

Profit before tax amounted to 14.6 million euros, which represents an increase of 25.5 million euros compared to the corrected figure for 2021.

The value of current taxes is 2.6 million euros and deferred taxes are positive by about 4.7 million euros.

Due to the recovery of activity, and despite the challenges faced during the year, the net consolidated result for the financial year for continued operations reached 16.7 million euros, which compares with the corrected amount in 2021 of -4.7 million euros.

4.4 Financial situation

Consolidated Financial Position

Consolidated Assets stood at 652.6 million euros as of 31 December 2022, which represents an increase of 20.3 million euros compared to 632.4 million euros at the end of 2021, with the main movements being:

(i) Reduction of assets sold in the Burger King operation in the amount of 213 million euros;

(ii) Increase in accounts receivable arising from the Burger King operation in the amount of 33 million euros;

(iii) Investment in fulfilling expansion plans for KFC, Pizza Hut and Taco Bell in the amount of 23.8 million euros and new lease contracts in rights of use in the amount of 42.6 million euros;

(iv) Refurbishments and miscellaneous investments incurred in the restaurants of the discontinued operations of Burger King in the amount of 8.8 million euros;

(v) Refurbishments and various investments in Portugal and Spain (approximately 11.5 million euros);

(vi) Decrease in assets due to depreciation for the year in the amount of 36 million euros;

(vii) Increase in cash and bank deposits in the amount of 140 million euros.

Consolidated liabilities reduced by 134.7 million euros compared to the final amount of 2021, to a total of 268.9 million euros as of 31 December 2022, due to two main movements:

(i) Increase in liabilities with leases due to the entry of new contracts in the amount of 42.6 million euros;

(ii) Reduction of bank debt in the amount of 80.4 million euros;

(iii) Reduction of the liability for the sale of Burger King in the amount of 108.9 million euros.

Current liabilities stand at 143.8 million euros, of which 20.8 million euros correspond to liabilities with leases and 23.8 million euros relate to current loans. As of 31 December, the Group had 57 million euros in commercial paper and credit lines contracted but not used.

As of 31 December 2022, Equity stood at 383.7 million euros, a 155.0 million euros increase compared to the end of 2021.

Consolidated Financial Position (million euros)	**31/12/2022**	**31/12/2021**	**Var.**
Total Assets	**652,6**	**632,4**	**20,3**
Total Equity	**383,7**	**228,7**	**155,0**
Loans	70,1	167,0	-97,0
Liability for leases	90,9	143,1	-52,2
Other liabilities	108,0	93,6	14,4
Total Equity and Liabilities	**652,6**	**632,4**	**20,3**

The financial autonomy ratio, as a reflection of the disposal of Burger King, as well as the recovery of the Groups' activity, increased to 58.8% in 2022, from 36.2% in 2021.

CAPEX

(million euros)	2022	2021	var.
Fixed assets additions	40,4	29,7	10,7
Intangible assets additions	3,7	3,6	0,1
Capex	44,1	33,3	10,8

In 2022, the 44.1 million euros CAPEX represents an increase of 10.8 million euros compared to 2021, corresponding to investment in:

- Expansion: opening of 33 new restaurants (23.8 million euros);
- Refurbishment: 30 units in Portugal and Spain (5.5 million euros)
- Current miscellaneous investments in the amount of 6.0 million euros;
- Investment incurred in the discontinued operations of Burger King in the amount of 8.8 million euros.

Net Debt

At the end of the year, net debt was negative by 79.2 million euros, which represents a reduction of 290.2 million euros compared to the amount outstanding at the end of 2021 (211.0 million euros).

(million euros)	2022	2021	var.
Total loans	70,1	167,0	-96,9
Cash and bank deposits	-237,1	-97,0	140,1
Other current and non-current liabilities	-3,1	-2,2	0,9
Net Bank Debt	**-170,1**	**67,9**	-238,0
Liability for leases	90,9	143,1	-52,2
Net Debt	**-79,2**	**211,0**	-290,2
Equity	383,7	228,7	155,0
Gearing (Net Debt/Net Debt + Equity)	**-26%**	**48%**	
Ebitda	61,2	135,9	-74,7
Net Debt / Ebitda	**-1,3X**	**1,6X**	
Total Interests	7,4	16,6	-9,2
Interest Coverage	**8X**	**8X**	

Consequently, the 26% negative “Gearing” figure at the end of 2022 (compared to 48% of 2021), represents the Group’s solid financial position, due to the picking up of activity and the conclusion of the sale of Burger King.

The “Net debt to EBITDA” indicator at the end of 2022 is no longer applicable as the company has a negative net debt (this indicator was 1.6 times in 2021) and the interest coverage racio by EBITDA is 8 times (identical to 2021).

Discontinued Operations

The Burger King purchase and sale operation, carried out on November 30th and confirmed through a communication from Ibersol SGPS on December 2nd, 2022, was carried out based on the values presented below, which resulted in a total impact of discontinued operations in the amount of 143.1 million euros.

Purchase and sale operation of Burger King (million euros)	Value
Total price transaction (30th November)	253,7
Estimated Net debt	-2,4
Estimated purchase price	**251,4**
Assets value not transferred on November 30th	-9,1
Price transaction on 30 November 30th	**242,2**
Expenses with the sale operation	-1,7
Purchase price minus operation costs	**240,5**
Desconsolidated assets amounts	225,3
Desconsolidated liabilities amounts	-116,0
Total discontinued assets and liabilities	**109,3**
Capital gain	**131,2**
Burger King period results	11,9
Discontinued operations result	**143,1**

The value of assets not transferred on November 30th, corresponds to 9 restaurants operated in concession spaces by other group subsidiaries and whose contracts and respective assets are expected to be sold at a later date. The value corresponding to these assets is deposited by the buyer in an Escrow account.

Glossary

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

4.5 Individual Net Result and Proposed Application of Results

In the financial year of 2022 Ibersol SGPS, S.A. recorded a consolidated net result of 159.873.193,00 euros and a net result in individual accounts of 45.206.934 euros.

The Board suggests the following application of results:

Legal Reserve	2.260.347 euros
Free Reserves	10.746.587 euros
Dividends	32.200.000 euros

The global amount of dividends to be distributed of 32.200.000 euros, is equivalent to around 20% of consolidated net income and corresponds to a dividend per share of 0.70€.

In the case of company-owned stock, the distribution will be maintained for each outstanding share, reducing the global amount of dividends attributed.

4.6 Subsequent facts

4.6.1 New AENA Concessions

A tender was held for new restaurant concession contracts in the airports managed by AENA in Madrid and Tenerife, and during the first quarter of 2023 the Ibersol Group, through its subsidiary Pansfood, S.A., won the concession of ten new restaurants in the most important airport in the Iberian Peninsula, as well as one in the Tenerife Airport, for a period of 8 years.

4.6.2 Disposal of Burger King operation

Still during the completion of the sale process of the subsidiaries Iberking, Restauração S.A., and Lurca S.A.U, within the scope of the price adjustment mechanism included in the signed sale and purchase contract, the Board does not expect there to be any significant changes to the figures considered in the 2022 financial statements.

4.7 Outlook

Following a challenging 2022 we began 2023 with continued high inflation levels in the food and restaurant sector, volatility in energy costs, and an aggravation of interest rates, with direct impact on family income.

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

At the moment, despite positive signs from some sectors, namely those more exposed to tourism, economies are showing more signs of cooling down, which points to a less positive macroeconomic framework for this year, with forecasts of residual growth for the Iberian Peninsula.

This will translate into difficulties in reflecting the full amount of increases in the cost of raw material, with a respective impact on the margins, which will usher in another challenging period for our teams and brand portfolio, in terms of maintaining volumes and market shares.

At the level of expansion of our operations we will be continuing with the expansion of the Pizza Hut, KFC, and Taco Bell brands, as well as beginning operations with Pret A Manger, namely in the new concessions in the Madrid and Tenerife airports.

By decision of Euronext, Ibersol shares became part of the main Portuguese Stock Index, as of March 20th.

Information on Transactions by Governing Bodies

In compliance with Article 9º Nº 1, paragraphs a) and c) of the CMVM Regulation nº 5/2008, we hereby give details of the transactions and the number of securities issued by the company or by companies in a control relationship, held by members of the Governing Bodies, in relation to the year 2022.

Number of shares at 31 December 2022 and transactions during 2022 by the members of statutory bodies:

Board of Directors	Date	Acquisictions/Increases (a)		Sales		Balance at
		shares	avg price	shares	avg price	31.12.2022
António Alberto Guerra Leal Teixeira						
DUNBAR- SERVIÇOS E GESTÃO SA (1)						5 100
Ibersol SGPS, SA						3 314
António Carlos Vaz Pinto Sousa						
CALUM- SERVIÇOS E GESTÃO SA (2)						9 996
Ibersol SGPS, SA						3 495
Maria Deolinda Fidalgo Couto						
Ibersol SGPS, SA						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)	dissolved			50 000		0
Ibersol SGPS, SA	13/06/2022	4 170 207				26 004 023
(4) ANUTA - Serviços e Gestão , SA						
Ibersol SGPS, SA	13/06/2022			4 170 207		0

Upon dissolution of the company ANUTA - Serviços e Gestão S.A., the shares of Ibersol SGPS held by this company are now held bv ATPS - SGPS. SA

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 2022, 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 owning known qualified holdings as of 31 December 2022, of the share capital of Ibersol - SGPS, SA, in accordance with article 8º nº1, al. b), of the CMVM Regulation n.05/2008:

Shareholders	nº shares	% share capital
ATPS - SGPS, S.A. (*)		
Directly	26 004 023	56,53%
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	**2 309 200**	**5,02%**
Bestinver Gestion SGIIC		
Total attributable	**3 316 600**	**7,21%**
FMR LLC		
Fidelity Managemment & Research Company LLC	**1 529 492**	**3,32%**
Cobas Asset Management SGIIC		
Total attributable	**1 894 371**	**4,12%**

(*) 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.

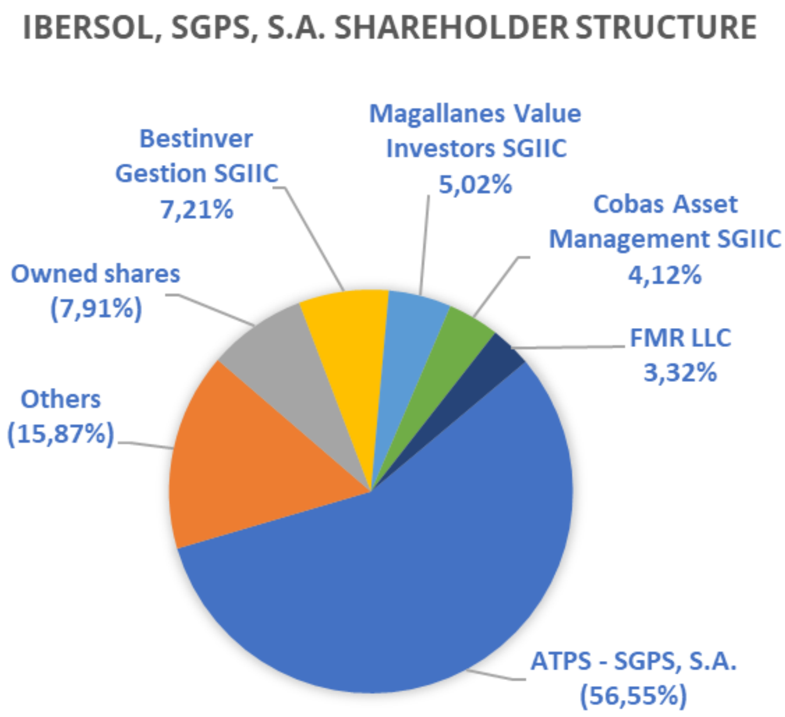
5. CORPORATE GOVERNANCE

5.1 Shareholder Structure

Ibersol, SGPS, S.A. is a listed company, with share capital of 46,000,000 euros, with registered office at Praça do Bom Sucesso, nºs 105/159, 9th floor, 4150-146 Porto, registered at the Porto Commercial Registry Office under the following single registration and tax identification number: 501669477.

The share capital of Ibersol, SGPS SA. is 46.000.000 euros, fully subscribed and paid up, represented by 46.000.000 ordinary registered and book-entry shares, each with a nominal value of 1 euro, with the same rights and duties attached to all the shares.

All shares representing the share capital are admitted to trading on the Euronext Lisbon regulated market and had a 253,920,000.00 as of 31/12/2022.



5.2 Governing Bodies

Board of Directors
Defines the strategy of the different companies in which the Ibersol Group has a stake, ensuring compliance with strategic objectives, organising and coordinating the corporate structure and the company's main policies, taking responsibility for analysing and setting limits regarding risk-taking.

Composition:
- Chairman - Dr. António Alberto Guerra Leal Teixeira (*)
- Vice-Chairman - Dr. António Carlos Vaz Pinto de Sousa (*)
- Member - Maria Deolinda Fidalgo do Couto
- Member - Professor Doctor Juan Carlos Vázquez Dodero de Bonifaz
- Member - Maria do Carmo Guedes Antunes de Oliveira

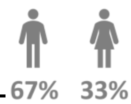
(*) Executive Committee
Ensures the execution of the strategy through the operational coordination of the functional and business divisions, meeting with the respective management staff on a regular and periodic basis.

Supervisory Board
Represents the company in dealings with the External Auditor, ensuring that all the necessary conditions for the provision of services are met, annually evaluating the respective performance, and is the interlocutor and recipient of the respective reports, simultaneously with the Board of Directors.

Composition:
- Chairman - Dr. Hermínio António Paulos Afonso
- Member - Dr. Carlos Alberto Alves Lourenço
- Member - Maria José Martins Lourenço da Fonseca
- Substitute - Dr. Joaquim Jorge Amorim Machado.

Annual **General Meeting**
Deliberates annually on the financial statements for the year, assesses the activity carried out by the management and supervisory bodies and approves the distribution of results.

Board of the General Meeting:
- Chairman - Prof. Dr. José Rodrigues Jesus
- Vice-Chairman of the Board - Dr. Eduardo Moutinho Ferreira Santos
- Secretary - Clara Maria Azevedo Rodrigues Gomes.



Remuneration Committee
Defines and supervises the implementation of the remuneration policy of the Corporate Bodies, approved by the shareholders in General Meeting.

Composition:
- Dr. Vítor Pratas Sevilhano
- Dr. Joaquim Alexandre de Oliveira e Silva
- Dr. António Xavier Dopico Grandio

Company Secretaries
Effective Secretary - Dr. Berenice Príncipe;
Substitute Secretary - Dr. Luís Neiva Nunes de Oliveira.

Statutory Auditor

He is also the company's External Auditor and his mission is to review and audit the company's accounts, issuing, after careful examination, a legal certification or audit report on its financial position, results of operations and cash flows.

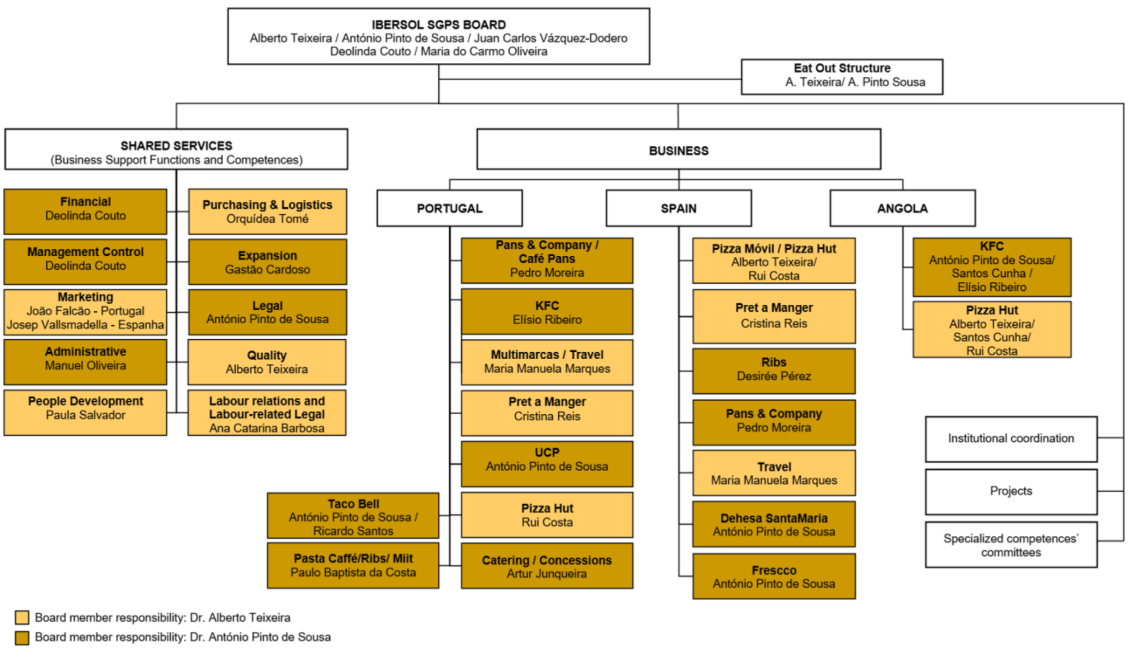
Effective Chartered Accountant: KPMG & ASSOCIADOS, Sociedade de Revisores Oficiais de Contas, represented by Pedro Manuel Bouça de Morais Alves da Costa
Substitute Auditor: Dr. Vítor Manuel da Cunha Ribeirinho

5.3 Functional organisation chart

The Ibersol Group develops results-oriented management, based on monitoring objectives and indicators, based on structured plans and action programmes that seek consistent and continuous improvement, so as to better scale the effectiveness and efficiency of the main processes and operations, adequately controlling environmental, social and governance risks and opportunities, and ensuring the satisfaction of all stakeholders.

The functional structure of the group is developed from the Board of Directors through two large areas: Shared Services, which ensures all the central functions of the organisation and support to the group's businesses and the Businesses, which are organised by market and brand. A specific structure for the Spanish market (Eat Out) and a set of other business support initiatives, within the scope of institutional articulation, project management and other specific competencies, also report directly to the Board of Directors.

The different functional areas of structure and business are distributed in a balanced way between the two Executive Directors who form the Executive Committee. The distribution of functions is detailed in the organisational chart below.



5.4 Certified management systems

We establish a connection with each customer through our restaurants.

Ibersol is a multi-brand Group with the ambition of providing unique dining experiences to all its customers. Good experiences determine relationships of trust, an essential asset that impacts the entire organisation.

The Group has clear strategic objectives in the "Customer" asset, in their level of satisfaction, in the responses they seek to receive, in the evolution of their consumption behaviour, desires and expectations regarding the products and services made available to them.

This focus allows us to identify, with greater clarity and speed, the trends to follow, to anticipate concepts, to innovate the offer, enhancing greater complementarity with the customer and to strengthen the company's competitive position.

Passion for the customer

Customers are the Ibersol Group's raison d'être. The trust and preference they give us are the result of their continued work in getting to know each customer's profile and their satisfaction throughout the relationship process with the Group's brands.

The Ibersol Group studies the customer profile, seeking to identify the best practices for monitoring consumption trends, adapting and changing the different units, both in terms of spaces, products and services, and in terms of internal procedures, information systems and new concepts.

To closely follow customers' experiences, the Group measures and monitors, on an ongoing basis, the quality of service of its restaurants and services. Therefore, we use various tools, of which we highlight:

Guest Experience Survey (GES)

In Portugal, the opinion of more than 146,600 customers was sought through the answers given to these online satisfaction surveys.

Complaints

All the complaints received were carefully analysed and responded to, embodying critical management indicators that support corrective actions and continuous improvement.

Continente Card

The year was marked by the continued strengthening of the partnership with the Continente Card, through segmented proposals for each customer of each of the brands that make up the programme.

Quality and Food Safety

Quality and food safety are essential values and a priority for the Ibersol Group.

Its full and thorough implementation makes a strong contribution to sustainability as a whole.

In this sense, the Group monitors consumption trends and customer expectations so that every year the means and tools are reinforced and perfected, thus guaranteeing a consolidated environment of trust for those who visit its restaurants.

The Ibersol Group's sustainability policy is to guarantee its stakeholders maximum readiness and satisfaction in terms of quality and food safety, in all markets.

Quality and Food Safety Certifications

In 2021, the Ibersol Group continued its process of continuous improvement, in line with the principles of the standards in which it is certified for quality assurance, food safety and customer satisfaction.

Particularly noteworthy in this regard:

a) FSSC 22000 Certification (Version 5.1) of the Group's central production unit - IBERGOURMET - PRODUTOS ALIMENTARES, S.A. (UCP Modivas), a highly demanding GFSI standard in terms of food safety requirements: - 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 packages, 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 in the NP EN ISO 9001 standard - 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: Ground zone: Burger King, Go To, Go To/ Go Natural; Air zone: Pizza Hut, KFC, Cockpit, Go Natural and Specially, including multi-brand warehouse.

c) Certification in the NP EN ISO 22000 standard - Food Safety Management Systems.

Portugal

HEAD OFFICE: Food Chain Management of the Ibersol Group's restaurant operations

CATERING UNITS:

Provision of restaurant/catering services in the restaurants: Catering Estádio do Dragão; VOG Tecmaia, Lisbon Airport - Terminal 1: Land Zone: Burger King, Go To Aeroporto Lisboa, Go To - Go Natural; Air Zone: Pizza Hut, KFC, Cockpit, Go Natural and Specially, including multi-brand warehouse, Pizza Hut Colombo, Pans & Company, Colombo, KFC Colombo, KFC CascaisShopping, KFC Amadora Estação, KFC Montijo, KFC Alameda Shopping, Pizza Hut Alameda Shopping, Pans&Company (including kiosk) Alameda Shopping, also including multi-brand support store, KFC Norteshopping, Pasta Caffé Norteshopping, Taco Bell Norteshopping, Pizza Hut Norteshopping, Pans&Company Norteshopping, Miit Norteshopping, also including multi-brand support store, Pizza Hut Foz, Pizza Hut Matosinhos, Go To Campanhã.

Angola

Management of the logistics chain (spawning and reception, storage and distribution to the restaurants) and restaurant operations (reception, storage, preparation, cooking and serving of meals) at the restaurants: 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 of the Ibersol/Eat Out Group's restaurant operations.

Provision of Restoration Services on Pans Sabadell and Ribs Maquinista.

Programme for the Control of Suppliers and Products and Processes in Restaurants

In a context of global difficulties in the supply chain and constraints in the purchase and distribution of raw materials, and from a perspective of partnership with our suppliers and of minimising the risk associated with the whole chain, the Ibersol Group continued with the programme of supplier audits and food safety certifications, product control (with suppliers, brands and authorities) and certifications and processes in the Group's restaurants.

In this context, over 180 product suppliers and 6 logistics operators are involved in the Group's supplier management programme and international brands and/or in the certification in international food safety standards (GFSI standards).

Within the scope of the Ibersol operation, the maintenance/renewal of certification in accordance with the international standards in force in the Group should also be noted:

1. The FSSC certification in Version 5.1, of the central production unit - IBERGOURMET - PRODUTOS ALIMENTARES, S.A. (Modivas PCU).

The Ibersol Group therefore has certifications in 5 international standards, in 3 markets, by the end of 2022:

- Portugal - ISO's: 9001:2015, 22000:2018, 14001:2015 and 45001:2018 and FSCC 22000 (Version 5.1) at its central production site

- Spain - ISO's: 9001:2015 and 22000: 2005

- Angola - ISO 22000: 2018

Allergen Information

In accordance with the principles of transparent communication with the customer, in all the restaurants, it is possible to request information on possible allergens present in the more than 3,000 products and raw materials used in our kitchens.

This information is also available on the brands' websites and on www.vivabem.pt.

Live Well" Programme: Quality, Food Safety and more

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

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

6. ENVIRONMENT AND CLIMATE ACTION

6.1 Framework

We respect and improve the world we live in

The Ibersol Group seeks to ensure the sustainable development of its business, in a commitment to respect the environment and constantly seek solutions that help reduce the environmental impact and ensure the protection of the planet.

One of the sustainability vectors defined by the Ibersol Group as a priority in terms of action is the environmental dimension. Reducing the environmental impact of the entire Group's activity is a fundamental objective.

In 2022 we remain committed to a vision of a circular economy, which promotes the decoupling of economic growth from increased resource consumption. This vision will continue to lead us to pursue rigorous environmental management practices in its different aspects.

In this sense, the Ibersol Group invests daily in reducing the environmental impacts arising from its activity, namely at the level of:

Preservation of Resources, reducing the environmental footprint and promoting positive change, through:

Environmentally efficient restaurants (building materials that allow for greater thermal insulation, natural lighting, solar energy systems)

- More energy efficient equipment and materials
- Programmes, procedures and devices for reducing energy and water consumption;
- Use of recycled materials, reduction of packaging quantities, use of biodegradable materials;
- Minimisation of waste produced.

Contributions to the Circular Economy

The contributions to the circular economy include a circular approach to packaging and waste generated with actions directed towards the reduction, reuse and recycling of the waste generated in our restaurants, promoting recycling practices and forwarding used cooking oil waste for the production of biodiesel.

Sustainable Procedures and Customer Relations

- Minimisation of the use of disposables and waste treatment (*v.g.* reduce straws and cup lids and ensure waste separation);
- Reduction of food waste;
- Menu proposals with local ingredients, seasonal ingredients;
- Practices and communication coherent and aligned with Group policy.

Supply Chain

- Homologation requirements for suppliers and products (sustainable sourcing) - e.g. FSC/PEFC certified packaging and animal welfare certification;
- Recycled materials, reduction of packaging sizes/quantities, use of biodegradable materials;

● Control of C02 emissions in logistics operations - e.g. multi-temperature vehicles (deliver all products at once / < no. of trucks in circulation).

Reflecting these concerns, in 2022, the Group renewed its certification in the NP EN ISO 14001:2015 Standard - Environmental Management Systems, a certification that attests to the commitment of the entire structure to strengthen its environmental performance in managing the impact of its activities, namely by optimising the use of natural resources, protecting the environment and reducing the ecological footprint. This certification covers the management of the Ibersol Group's catering operations and the Catering operations at Estádio do Dragão, Vog Tecmaia and all the Group's units operating at Lisbon Airport.

6.2 Packaging and waste

Single Use Packaging and Utensils

In line with the Group's concerns, we have made it a priority to increase the sustainability of packaging and single-use utensils, reflected in the measures that we have been developing and implementing for some years now, aimed at promoting a circular economy, reducing plastic - with replacement by sustainable and biodegradable solutions - and eliminating some packaging components.

To complement these initiatives, we developed awareness campaigns to promote recycling, namely through our social networks. In December 2022, we launched the **#recicle Sempre** campaign on the **Ibersol Group's Instagram, with different publications and information on what to put and not put in the different recycling bins - Yellow, Blue and Green.**

Separation and Selective Forwarding

The separation and selective forwarding of waste is ensured daily in all the Group's restaurants and offices, thus guaranteeing an active role in responsible waste management. This practice includes the separation of paper/cardboard, plastic/metal and glass for correct forwarding.

The Group maintains its contract of membership of the Integrated Packaging Waste Management System, coordinated by Sociedade Ponto Verde, to guarantee recycling, recovery and a reduction in the volume of waste deposited in landfills.

Also, as a form of communication and appeal to consumer responsibility for selective separation, the Group has been reinforcing the placement of messages and iconography on service packaging to ensure that consumers correctly dispose of packaging waste when it reaches the end of its life cycle.

This approach contributes to the recovery of materials and energy and avoids the conventional production of materials and their loss in landfill or incineration.

Food Oils

1200 tonnes of used cooking oil recovered

The production of waste cooking oil continued to be managed and monitored, ensuring that 100% of the waste produced is forwarded, recycled and recovered.

We direct all used cooking oil to biodiesel production, through an operator licensed to collect, transport and valorise used cooking oil

All our restaurants have a certificate of used cooking oil collection and in 2022, approximately 1200 tonnes of used cooking oil were sent for biodiesel production.

6.3 Energy and other resources

Energy Resource Saving Measures

The Ibersol Group, aware of the environmental and economic importance of energy resources and that sustainability in the environmental dimension requires the efficient use of energy goods, has in recent years developed and extended a set of measures to save these resources, of which we highlight the following:

- Monitoring electricity, gas and water consumption per site to identify best practices and detect areas of opportunity for reducing consumption.

- On-Off Plan: definition of the times of switching on and off equipment (electric and gas) throughout the day, in order to optimise adjustment to production and customer service needs.

- Maintenance and Cleaning Plan for equipment and facilities.

- When purchasing new equipment, for new installations or to replace existing equipment, the focus is on equipment with greater energy efficiency.

- Installation of resource-saving materials and equipment:

- equipment activation clocks (namely extraction and exhaustion machines and exterior lighting)
- led lamps (replacement in existing installations and application in new installations)

- indoor (e.g. warehouses, bathrooms, changing rooms) and outdoor (dimmable outdoor lighting) lighting sensors

- automatic doors at customer entrances to shops

- solar thermal and photovoltaic panels

- taps with automatic activation

- water flow reducers on hand wash taps (allow reducing the water flow by more than 50%)

- chargers for electric vehicles .

▪ Temperature adjustment on air conditioning equipment: maximum 18ºC in winter and 25ºC in summer.

▪ Optimisation of irrigation operations (timing and timing) in shops with outdoor gardens.

▪ Vehicle Fleet: conversion to electric vehicles

▪ For new restaurants, carrying out building projects with better energy performance through architectural and engineering solutions that favour energy saving (e.g. maximisation of lighting through natural light with glazing; use of building solutions and materials with greater thermal insulation) and through the incorporation of more energy efficient and resource saving equipment.

Reactive Energy

Excessive reactive power consumption, associated with low power factor values, presents disadvantages:

-Reduced useful life of the equipment;

-Penalties on the bill from the electricity distributor;

Over-utilisation of installed capacity.

This energy was compensated in the restaurants through the installation of capacitor banks in the Low Voltage General Switchboard, compensating all the reactive energy. Tests were made to the capacitor banks already installed that were malfunctioning and were not compensating the reactive energy.

Photovoltaic Autoconsumption

In 2022, in addition to the existing photovoltaic installations, with a subsidised tariff scheme for micro-production, photovoltaic panels were installed at more consumption sites. For these photovoltaic installations it is estimated a reduction of 29% to the total value of the invoice and a payback of 5 years.

The installation of photovoltaic solar energy systems for the production of electricity on the roofs and in the car parks of the drive-in restaurants is under study, a project for which an application was made to the Recovery and Resilience Plan (PRR).

Electric Mobility

The Ibersol Group established a partnership with the energy supplier for the installation of the latest generation of fast chargers for vehicles. The chosen equipment enables various types of charging, between direct or alternating current. All the sockets are fast, that is, they allow charging in just 20 to 30 minutes the equivalent to 100 kilometres of autonomy, on average.

This partnership aims to make a decisive contribution to increase the charging options for electric and hybrid vehicles in the country and to contribute to the energy transition of national mobility, through the Public Electric Vehicle Charging Network - MOBI.E. and to the decarbonisation of the Portuguese economy.

With the installation of the electric chargers, the Ibersol Group is able to offer its customers the possibility of charging their electric vehicle while enjoying a meal and thus, together with its customers, contribute to reducing greenhouse gas emissions in Portugal.

With this support equipment for electric mobility, the Ibersol Group promotes customers' travel to its restaurants in a more environmentally sustainable way.

Energy Market and Contracting of Energy Resources

In 2022 the war in Ukraine, which began in February, caused a major disruption in the energy *commodities* markets. The restriction of natural gas supply by Russia, the world's main producer, translated into a sharp increase in the price of natural gas and, indirectly, also of electricity. In Europe, the European Union (EU) sought to mitigate this adverse impact by diversifying natural gas supply sources, reorienting electricity generation sources and rationalising internal energy consumption and, in particular, Portugal and Spain found added support in the context of the Iberian energy market.

In the Ibersol Group the electricity contracts are in the free market regime, ending in June 2024. The negotiation of the electricity prices was carried out in 2020, so, considering the evolution of the global electricity market, in 2022 the negotiated prices were lower than the market prices. After July 2022 the contracts benefited from the reduction in the network access tariffs.

For the Group's restaurants gas contracts were held in liberalised market until September 2022. Gas prices were negotiated in 2021 and therefore throughout 2022 were below market prices, strongly impacted by the war in Ukraine.

From October 2022, for restaurants with annual gas consumption of up to 10 000 m3, it was opted to contract with the Supplier of Last Resort (CUR), regulated market, because the price of the gas energy component was lower than the price of gas energy in the free market.

The remaining facilities with annual consumption over 10,000 m3, in accordance with legislation, remained in the liberalised market. Due to the perspective of lower market prices, for these gas consumptions it was decided to contract in the natural gas indexed market.

Consumption Energy Resources

Regarding electricity, in Portugal there is a trend towards a slight reduction in consumption in the same universe of restaurants, reflecting the effort to save energy. In 2022 compared to the previous year, this reduction was 368 MWh (-0.92%). The average consumption per restaurant in 2022, compared to 2019, the last pre-pandemic year, registers a reduction of 4.2%, also reflecting the impact of the opening of restaurants with greater energy efficiency. In the years 2020 and 2021, affected by the pandemic, energy consumption is influenced by the contraction of activity and the temporary closure of restaurants. Therefore, in the comparison of 2022 with 2021, it should be noted that consumption per location, although in absolute value it increased, per unit of sales value decreased.

In Spain, in 2022 compared to the previous year, there is still a reduction in consumption per place of consumption.

Ibersol Group Portugal					
Indicators	**2022 without Iberking**	**2022**	**2021**	**2020**	**2019**
Electricity Consumption					
Consumption points	308	421	394	364	351
Global Consumption (kWh)	**30 774 994**	**44 401 794**	**40 157 156**	**39 243 448**	**38 652 469**
Average Consumption per point (kWh / store)	99 919	105 467	101 922	107 812	110 121
Consumption Reduction same store universe (kWh)	233 740	368 372	555 691	522 314	652 842
Consumption Reduction same store universe (%)	0,53%	0,92%	1,42%	1,35%	

Ibersol Group Spain			
Indicators	**2022 without Lurca**	**2022**	**2021**
Electricity Consumption			
Consumption points	71	112	122
Global Consumption (kWh)	**7 432 679**	**13 042 562**	**15 919 794**
Average Consumption per point (kWh / store)	104 686	116 451	130 490
Consumption Reduction same store 2021 (kWh)	81 155	156 006	
Consumption Reduction same store 2021 (%)	1,00%	0,98%	

In terms of gas in Portugal, in recent years there has been a downward trend in consumption per place of consumption in absolute terms and/or per euro of sales.

Ibersol Group Portugal					
Indicators	**2022 without Iberking**	**2022**	**2021**	**2020**	**2019**
Gas Consumption					
Consumption points	139	243	226	202	195
Global Consumption (kWh)	**5 810 704**	**18 645 867**	**17 277 091**	**16 104 476**	**15 807 476**
Average Consumption per point (kWh / store)	41 804	76 732	76 447	79 725	81 064

Ibersol Group Spain			
Indicators	2022 without Lurca	2022	2021
Gas Consumption			
Consumption points	25	60	61
Global Consumption (kWh)	**1 779 937**	**5 085 133**	**5 171 038**
Average Consumption per point (kWh / store)	71 197	84 752	84 771

With regard to Water, in Portugal there is a downward trend in water consumption per site, reflecting the efforts of operations to save this resource and the contribution of consumption control equipment.

Ibersol Group Portugal					
Indicators	2022 without Iberking	2022	2021	2020	2019
Water Consumption					
Global Consumption (m^3)	142 035	194 985	194 785	192 819	192 075
Average Consumption per point (m^3 / store)	**461**	**463**	**494**	**530**	**547**

CO2 emissions

In Portugal, in 2022 compared to 2019, the previous pre-pandemic year, the indirect CO_2 emissions associated with electricity consumption, in total value, increased due to the growth in activity, but per point of sale they reduced slightly. Also noteworthy in 2022 is a significant increase compared to previous years in CO_2 emissions avoided with renewable energy production, due to the installation of photovoltaic panels in more locations.
The direct $C0_2$ emissions associated with gas consumption in Portugal per point of sale show, in trend, relative stability.

Ibersol Group Portugal					
Indicators	2022 without Iberking	2022	2021	2020	2019
CO_2 Indirect Emissons linked to Electricity Consumption					
Specific CO_2 Emissions (kg/kWh)	0,25	0,25	0,23	0,26	0,25
CO_2 Emissions in Consumption (ton)	7 632	11 012	9 236	10 203	9 458
CO_2 Emissions in Consumption per point (ton / store)	**25**	**26**	**23**	**28**	**27**
Production with renewable energy (KWh)	12 547	60 119	11 417	12 460	12 011
CO_2 Emissions avoided through renewable energy production (ton)	**3,1**	**14,9**	**2,1**	**2,7**	**2,4**
CO_2 Direct Emissions linked to Gas Consumption					
CO_2 Emissions produced (ton)	686	2 200	2 039	1 900	1 747
CO_2 Emissions produced per point (ton / store)	**4,9**	**9,1**	**9,0**	**9,4**	**9,0**

Ibersol Group Spain			
Indicators	**2022 without Lurca**	**2022**	**2021**
CO_2 Indirect Emissons linked to Electricity Consumption			
Specific CO_2 Emissions (kg/kWh)	0,26	0,26	0,23
CO_2 Emissions in Consumption (ton)	1 918	3 365	3 662
CO_2 Emissions in Consumption per point (ton / store)	**27**	**30**	**30**
CO_2 Direct Emissions linked to Gas Consumption			
CO_2 Emissions produced (ton)	210	600	610
CO_2 Emissions produced per point (ton / store)	**8,4**	**10,0**	**10,0**

7. PEOPLE AND COMMUNITIES

7.1 Framework

People Development at the Ibersol Group has made significant progress. The mapping and continuous updating of processes in the various areas of People Development was a central priority in 2022, characterised by a year of analysis and planning of new practices and policies.

The Group continuously invests in training its people and is recognised by all as a "School for Life". This investment is materialised in the Ibersol Academy, which this year continued to develop its remote learning dimension, investing in the development of e-learning content, which allows greater flexibility, in time and space, to the training process. However, and complementarily, having overcome the constraints of the Covid-19 pandemic, it was also a year of promoting face-to-face training, especially in the areas of learning that acquire greater effectiveness in this learning model. It should also be noted that we continued to provide our employees with access to external training, through partnerships established with training institutions and teaching schools and we systematically promoted the commemoration of a set of dates through the sharing of knowledge resident in the Ibersol teams, as was the case of Food Safety Day. On this day, the Shared Services employees were able to visit our restaurants and learn about the procedures that ensure the quality of the products we serve to customers.

7.2 Employees

Portugal

Evolution of the number of employees by gender

Collaborators	2022*		2021		2020		2019		2018	
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%
Women	2690	53%	3 696	51%	2 895	51%	3 622	52%	3 287	53%
Men	2381	47%	3 511	49%	2 731	49%	3 372	48%	2 860	47%
Total	**5071**		**7 207**		**5 626**		**6 994**		**6 147**	

Evolution of the number of employees by Age Group

Age group	2022*		2021		2020		2019		2018	
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%
< 18 years old	344	6.8%	108	1%	44	1%	238	3%	175	3%
18 to 25 years old	2012	39.7%	3 529	49%	2 456	44%	3 370	48%	2 951	48%
26 to 30 years old	721	14.2%	1 155	16%	1 002	18%	1 120	16%	1 054	17%
31 to 35 years old	571	11.3%	816	11%	752	13%	798	11%	701	11%
> 35 years old	1423	28.1%	1 599	22%	1 372	24%	1 468	21%	1 266	20%
Total	**5071**		**7 207**		**5 626**		**6 994**		**6 147**	

*Note: not including workers in units operated by Iberking

Evolution of the number of employees by level of academic qualifications

Academic Qualifications	2022	2021	2020	2019	2018
Up to Year 12	35%	35%	36%	38%	40%
12th Year, Technical and Higher	65%	65%	64%	62%	60%
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Higher Education	8%	9%	11%	10%	9%

Turnover Rate* Evolution

Rotation Rate	**2022**	**2021**	**2020**	**2019**	**2018**
Group	89%	70%	69%	104%	85%
Units	96%	72%	72%	107%	88%
Structure Business and Shared Services	14%	17%	10%	12%	17%
Management Teams	26%	23%	18%	30%	28%

*Turnover indicator = number of employees who left in the month x 12 months / active in the month. Excludes movements within the Group.

Breakdown of Employees by Career Stage and Gender

Career Stadium	**Sex**	
	Female	**Male**
Operation	49%	51%
Management Shift	69%	31%
Direction Unit	61%	39%
Structure Business and Shared Services	57%	43%

Characterisation of Employees by Career Stage and Age Group

Career Stadium	**Age**				
	< 18 years old	**18 to 25 years old**	**26 to 30 years old**	**31 to 35 years old**	**> 35 years old**
Operation	9%	48%	13%	9%	21%
Management Shift	0%	26%	23%	20%	32%
Direction Unit	0%	1%	9%	20%	69%
Structure Business and Shared Services	0%	6%	8%	10%	77%

Breakdown of Employees by Career Stage and Academic Qualifications

Career Stadium	Academic qualifications			
	< Grade 9	Year 9	Secondary	Superior
Operation	6%	29%	58%	7%
Management Shift	4%	26%	57%	12%
Direction Unit	2%	23%	56%	19%
Structure Business and Shared Services	1%	6%	35%	57%

Breakdown of Employees by Career Stage and Years of Service

	Antique				
	< 6 months	6 to 12 months	1 to 2 years	2 to 4 years	> 4 years
Operation	43%	16%	15%	8%	18%
Management Shift	11%	8%	13%	16%	52%
Direction Unit	5%	2%	3%	6%	83%
Structure Business and Shared Services	5%	3%	3%	3%	85%

7.3 People development

Training and Education

Ibersol promotes a culture of learning and continuous development for its employees. In 2022, in order to meet the current and future challenges of our businesses and shared services, we will strengthen our investment in our digital platform, Ibersol Academy, by continuing the existing training programmes, in a format that combines e-learning with on-the-job training and has proven to be effective in transmitting knowledge and consolidating learning.

Training developed in Portugal

Occupational Health and Safety		
Contents	**Training Volume (Total sum of individual training hours)**	**Graduates**
Prevention of Accidents at Work	**10 209**	**2 092**
Accidents at Work		
Customer Accidents		
Fire Safety Organisation		
First Aid		
Medicine at work		

Food Safety		
Contents	**Training Volume (Total sum of individual training hours)**	**Graduates**
Food Safety	**16 443**	**2 399**
Different types of Contamination		
Food Microbiology		
Hygiene of the manipulator		
Hygiene of Facilities, Equipment		
Utensils and Surfaces		
ISO Standard 22:000		

Other Training Programmes		
Contents	**Training Volume (Total sum of individual training hours)**	**Graduates**
Welcome/Integration	**359 682**	**3 485**
Operational Training		
Training for Management Teams		
Other areas		

Internships in Portugal

The Ibersol Group welcomed a total of 30 trainees in 2022, 24 in curricular internships, totalling 13,338 hours in a real work context and 6 professional internships, corresponding to 3,840 hours of training. These numbers are still far from the pre-pandemic figures, but they are growing.

Internships	**2022**		**2021**		**2020**		**2019**	
	NO.	Training volume (h)	NO.	Training volume (h)	NO.	Training volume (h)	NO.	Training volume (h)
Curricular	24	13.338	19	10.560	10	14.737	30	37.390
Professionals	6	3.840	1	780	4	2.687	6	9.342

7.4 Safety and health

Occupational Health and Safety is a fundamental area in any organisation, for collective balance, and also for individual well-being.

Ensuring a culture of safety in all areas of the organisation is therefore a mission in which the Ibersol Group is involved on a daily basis as a way of ensuring that everyone participates towards this same goal.

The focus on prevention and protection, through sensitisation and awareness of good practices in collective and individual behaviour, is the most efficient formula to achieve the desired results.

Based on these awareness-raising and awareness-raising principles, in 2022, the Group realised:

- More than 610 control audits of principles and practices.
- The development of a programme of recognition of good practices, with the following actions:

– Don't Fall For It!" *teaser*, sharing the *ranking of the* safest units as an incentive to prevent accidents at work;

– As part of the commemoration of the week of the **"National Occupational Prevention and Safety Day"**, another challenge was launched to the Group's employees to "take" a photograph illustrating safe behaviour in the categories of ergonomics, firefighting and evacuation, and preventing falls and accidents at work. This competition aims to build a picture of Ibersol's good practices and awards prizes for the best photographs.

– Platinum" and "Gold" awards were given to the units with excellent results in the control audits;

● The challenge "The earth shakes" was launched to all employees of the Ibersol Group's units and central offices, inviting all employees to participate in an activity that aims to alert, raise awareness about how to act before, during and after an earthquake.

● Two consultations with workers on Occupational Safety and Health, which achieved adherence rates of around 72%.

● Visits to workplaces by Occupational Safety and Health Services and follow-up visits.

● Training and awareness-raising actions on personal protective equipment and work equipment.

● During the week of the **"National Day for Prevention and Safety at Work"** ergonomics training was given to all employees at the central offices and activities were carried out for gymnastics in the workplace.

- In the same week and to commemorate the **"National Occupational Prevention and Safety Day",** a "video" **was released to** all the Ibersol Group's shops for the restaurant teams to do workplace exercise exercises.

It also stands out, in 2022:

- Recertification in ISO 45001:2018 of the Ibersol Group's Integrated Management System;

- The start of the year with the highest peak of positive Covid-19 cases (fifth wave), focusing on the follow-up of positive cases, in close coordination with health authorities and medical services and the surveillance of suspected and low-risk cases.

A final note goes to the connection of the information systems within the scope of occupational medicine on the continent, through a web service with a view to updating data on workers and occupational medicine consultations in real time, with the inherent improvements in services and available information.

7.5 Well-being

"Ibersol in Movement

In order to strengthen the employees' well-being and spirit of belonging, we continued the "Ibersol in Movement" programme, reinforcing internal communication through the Employee Portal for Operations.

I-News

In keeping with its mission to strengthen the feeling of belonging and bringing everyone closer together, three editions of i-News, the Ibersol Group's digital newsletter, were published. This cross-cutting communication tool of the Group relies on the involvement of the Businesses and Departments in the production of content: dissemination of new projects, guidelines, best practices, testimonials, recognitions, news about products and campaigns, events, etc.).

2022 was also the time to review the magazine's editorial line with a view to a communication model more in line with current communication requirements, while simultaneously seeking to maintain its mission of cohesion, sharing information, promoting culture and the Group's priority projects, of which the Sustainability Programme stands out. This is how the I-People concept was born this year.

Employer Branding Communication

The Ibersol Group's communication image was also rethought and changed in 2022, to become more inclusive, to have greater representation of cultures and generations, as well as a more direct speech.

Campaigns and Activities

Bring a Friend Campaign

In the summer we launched the "Bring a Friend" campaign again, making it permanent because we believe that our people are one of the richest sources of recruitment, because the best ambassadors are the people who work with us.

"You are important"
Under the motto "You are important", we held several initiatives and activities throughout the year, aimed at Employees and their families. Initiatives whose aim is to strengthen ties and involve and integrate our people, making the work environment a pleasant and welcoming place.

Halloween 2022 at Ribs
In Spain, the Ribs brand has a long tradition of celebrating Halloween, with the decoration of the facilities according to the chosen theme, a costume competition among employees and a competition for the best decorated facilities, with prizes for the winners. Always with the focus on identifying with

the brand and promoting the well-being of the teams and, at the same time, the involvement of customers in this American celebration.

Christmas 2022

As part of the Christmas festivities, and after 2 years of pandemic, the great Ibersol family got together again for the much-desired Christmas Party, celebrating Sharing and Union, values that are part of our identity and that we want to maintain and preserve.

This was a moment of joy and conviviality such as had not been possible for a long time, which once again had as its high point the recognition of those who, during 2022, lived the Ibersol Values and achieved critical business objectives (performance, zero complaints and Customer loyalty). Thus, more than 40 awards were given to employees or teams who stood out throughout the year for their dedication, entrepreneurial spirit and daily living of the Ibersol Values.

Reconhecimento **RESTAURANTES TOP 10**

Reconhecimento
PROGRAMA DE FIDELIZAÇÃO CLIENTES IBERSOL

Reconhecimento COORDENADORES "TOP 3"

Reconhecimento RECLAMAÇÕES ZERO

Reconhecimento valor "ACREDITAMOS
E VALORIZAMOS AS NOSSAS PESSOAS"

Reconhecimento valor "FAZEMOS SEMPRE MELHOR"

Reconhecimento valor "EXISTIMOS PARA O CLIENTE"

Reconhecimento valor
"TEMOS ENTUSIASMO EM EMPREENDER"

Also this year we tried to be more sustainable, digital and closer to the family and the Ibersol brands in the way we celebrate this festive season, like this:

1. The diary has acquired a more sustainable and flexible format, avoiding paper waste and ensuring multifunctionality.
2. The gift, some headphones, a support for work on digital platforms.

3. Our children and their families had the opportunity to enjoy a meal at an Ibersol Group unit of their choice, combined with a trip to the Christmas Circus or Cinema. This was an incentive for them to

get to know a new brand or visit the children's favourite brand back home, bringing families, teams and the Group closer together.

As usual, we held another edition of the much sought-after Christmas Competition for our employees' children, with countless participants sending us their illustrations and Christmas stories with much imagination and joy.

Vencedor 1º escalão
Rodrigo Duarte
MM Cockpit Bar Aeroporto de Lisboa
Mãe: Vânia Ferreira

Vencedor 2º escalão
Carolina Mendes
PH Gaia Largo dos Aviadores
Mãe: Angelina Carvalho

Conto de Natal:
" Chegou dezembro, o mês "

Vencedor 3º escalão
Bruna Mestre
PH General Roçadas
Mãe: Sónia Andrade

7.6 Connection with the community

Pursuing the values and principles of sustainability, the Group maintained an active role in promoting initiatives of involvement with the community in which it operates.

Visits - "Open Kitchen

As usual, in 2022 we welcomed students from the Porto School of Hospitality and Tourism to our Norteshopping and Ibergourmet units. These visits aim to show them a new reality and create conditions for a possible professional integration of these young people.

Pizza Hut maintained its presence in KidZania, a theme park located in Ubbo Shopping, in Lisbon, aimed at families with children and youngsters up to 15 years old. In this "city of professions", built to their scale, children can "play at being grown-ups" in a highly realistic environment.

Donation of meals and food

Throughout 2022, the Ibersol Group supported various Social Solidarity initiatives, particularly through the donation of food, offering meals and allocating menus to different Institutions.

Silva Carvalho Catering maintained its active role in supporting humanitarian causes, through the donation of food and meals, donating around 49,500 meals/ 17.3 tonnes of food. The institutions that benefited from these donations were mainly "Coração da Cidade", in Porto and "Refood", in Lisbon.

Pizza Hut in 2022 supported various organisations of a social nature throughout the country by offering meals, highlighting:

- Voluntary Fire Brigade of Penafiel

- Clube SC Cumieira, in Vila Real with the supply of post-match meals

- ADIRT- Associação para o Desenvolvimento Integrado de Rio Tinto, in collaboration with AMIZADE- Associação de Imigrantes de Gondomar, through the Rio Tinto shop, for the benefit of refugees from Ukraine, in March

- Get Up - Summer camp for refugees from Ukraine in July, through the Telheiras and Odivelas teams

- Parents on the Net - Non-governmental organisation that supports people with mental disabilities, in August, at the Expo shop

- AFID Diferença Foundation, an institution that supports young people and young adults with disabilities, in August, through PH Amadora

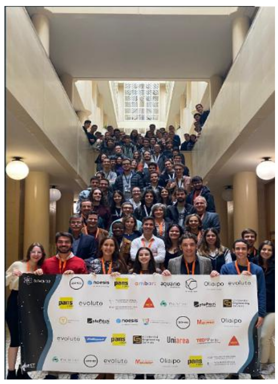
- GIRA - Active Intervention and Rehabilitation Group, a support institution for mentally disabled young people and adults, in September, through the Fontes Pereira Melo PH shop

- Associação Salvador, an entity that helps people with motor disability, in the following actions to promote inclusion and diversity: Open Day Surf (25 June) and Walkathon (September).

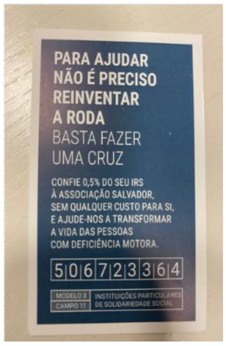
Throughout the year, Pizza Hut, held in the school community various initiatives offering pizza tasting in different schools.

Pans & Company, in Portugal, in 2022 supported two initiatives of Best (Board of European Students of Technology), at its hub in Porto. Best is an international, non-profit and non-governmental organisation that promotes the development of students of technology. The Porto cluster includes the Faculty of Science and the Faculty of Engineering of the University of Porto. Pans participated in the Best Porto EBEC Iberia 2022 (Engineering competition) and SciTeCh'22 (Technologies competition) with the offer of 200 meals in each event, produced in the Pans Alameda Antas shop.

Pans & Company through its sustainable development plan Pans&World reflects its commitment to social responsibility and for a better world.



Pans in Spain collaborates with the NGO SCI Madrid in its volunteering project "Sandwiches in the street". Almost every Wednesday throughout the year, sandwiches are donated to a group of people at risk of social exclusion.



Pans in 2022 once again supported the La Marató TV3 Foundation, in the TV3 Marathon event, in an action directed to the volunteers who participated in answering calls for donations. This year the goal of the Marathon was to raise awareness of cardiovascular diseases and collect funds for the prevention, diagnosis and treatment of these pathologies.

Fundació
La Marató 3

Other initiatives

Pizza Hut, in the area of social responsibility, in 2022 supported the Salvador Association, an entity dedicated to people with motor disabilities, through a campaign among its customers for the consignment of their income tax to the institution

Pizza Hut in 2022 supported, through sponsorship, various institutions and events, highlighting:

- Portuguese Winter Sports Federation, through the Covilhã shop, from January to March

- Covilhã Residential Shelter, in July, by the city shop team

- group of refugees from Ukraine attending Portuguese language training promoted by IEFP, in August, through the Coimbra Centro shop

- Marco de Canaveses Trial in November

- Marco Autismo e Eu Association, from Marco Canaveses, by the Penafiel shop, in December


Pizza Hut also supported FC Gaia - Andebol through the attribution of discounts on meals.

In 2022 Pans in Spain collaborated with the Johan Cruyff Foundation, an entity that aims to promote sport among young people, and especially among those who are disadvantaged by economic issues or disabilities, by sponsoring its main event "Open Day".


The Ibersol Group continues to celebrate special days. Thus, the Pizza Hut units celebrated "Women's Day" once again.

Support to the Rimkieta Friends Foundation

In Spain, Lurca, one of the companies of the Ibersol Group that represented the Burger King brand, maintained its role as "Friend Company" of the Rimkieta Friends Foundation.

This support aims to help the Foundation in its mission to develop the best possible living conditions in and around the Rimkieta neighbourhood in Ouagadougou, the capital of Burkina Faso.

The support is mainly given to women and children for education, food and health, as well as social and professional promotion of women.

FUNDRAISING CAMPAIGN UKRAINE

Portuguese Red Cross

In partnership with the Portuguese Red Cross, the Ibersol Group carried out a campaign to support the victims of the conflict in Ukraine.

With the theme "Let's hold hands and help", the charity campaign to collect donations took place during the week of 16 to 22 May and customers of the restaurants of the Burger King, KFC, Pans & Company, Pizza Hut, Pasta Caffé, Taco Bell brands, among other Group brands, were invited to donate to the cause.

The amount donated by our customers was 18,000 euros, which was given to the Portuguese Red Cross, which channelled it to the victims of the conflict in Ukraine.

In parallel, the Ibersol Group advertised its job offers to the Ukrainian community living in the country, in articulation with the Association of Ukrainians in Portugal.

2022 Campaign against Hunger

Portuguese Federation of Food Banks Against Hunger

Being solidary implies concrete actions and in 2022 another edition of the Fight Against Hunger Campaign was held, in partnership with the Portuguese Federation of Food Banks Against Hunger.

With the motto "Smile! And make those who need it most smile", the solidarity campaign took place between 21 and 27 November and invited customers to donate an amount, which was later converted into food to be distributed to those who need it most, through the network of twenty-one Food Banks in mainland Portugal and in the Autonomous Regions of Madeira and the Azores.

23,639.27 euros were raised through donations made by customers in the KFC, Pans & Company, Pizza Hut, Taco Bell, Miit, Pasta Caffé, Ribs and SOL brand restaurants, who actively participated in this solidarity action, which also included the involvement and commitment of all employees. The total amount donated by the Ibersol Group to the Portuguese Federation of Food Banks was 27,000 euros.

This was the 14th year that the Ibersol Group carried out this type of nationwide initiative in Portugal, having handed over 880,000 euros in total from its Social Responsibility campaigns.

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Angola

In 2022, the Ibersol Group once again carried out the Social Responsibility project ADD HOPE supporting the Cáritas Angola Institution.

Caritas works in the following areas: institutional capacity building, health (especially on HIV-AIDS and maternal and child health); literacy and vocational training; agriculture (with priority for rural areas).

The ADD HOPE project is part of Ibersol Angola's Social Responsibility strategy which, over the years, has developed relevant actions to support the community. This support from Ibersol Angola to Cáritas de Angola dates back to 2012, under which various projects have already been implemented that aim to provide a better quality of life for the most vulnerable families in the country's neediest communities.

Still within the scope of community support, the offer of used oils for recycling was maintained, which were destined for the production of soap for underprivileged populations.

8. ACKNOWLEDGEMENTS

The Board of Directors' first thanks goes to all the Group's employees and the franchisees of our brands, at a time when all the teams showed enormous resilience.

It was a year in which our customers returned to our restaurants and gave us their preference, a clear sign of their trust, which was only possible with the collaboration and support of our franchisees, as well as our suppliers and other partners.

A word of thanks also to the banking institutions and the shareholder structure that have accompanied us over the years for the trust they have placed in our organisation.

Finally, the Supervisory Board, Auditors and Statutory Auditor also deserve recognition for their assiduous collaboration and capacity for dialogue in monitoring and examining the company's management.

Statement of Responsibility

In compliance with paragraph c) of number 1 of the 29º G 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 2022, 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.

Porto, 26 April 2023

The Board of Directors

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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

9. ANNEXES TO THE MANAGEMENT REPORT

EU Green Taxonomy

Framework

The European Union's (EU) priority objectives are to redirect capital flows towards sustainable investments, to promote the systematic integration of sustainability into risk management and to increase transparency in economic and financial operations through an agreed definition of "green" activities.

It is in this context that the "**EU Green Taxonomy**", which we will hereafter refer to as Taxonomy, emerged through the publication of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, alongside other relevant initiatives linked to non-financial reporting (CSRD) and sustainable finance reporting (SFDR).

Taxonomy is an activity classification system that translates the EU's climate and environmental objectives into criteria for investment in certain economic activities considered green or environmentally sustainable. This system is applicable to companies subject to the obligation to publish a non-financial statement, as is the case of the **Ibersol Group**, besides also targeting all financial market players (including unlisted issuer companies) that offer financial products.

Under the Taxonomy, for those economic activities considered eligible, all organisations covered are expected to indicate whether, in addition to complying with a set of minimum social safeguards, they **make a substantial contribution** and/or **do not significantly harm** each of the following **six environmental objectives**:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration biodiversity and ecosystems

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 **substantially contributes 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**. By the end of the first quarter of 2023, technical criteria for the remaining four environmental objectives had not yet been published.

An analysis of the reference list of activities eligible for Taxonomy allowed us to verify that the Ibersol Group's core activity – **restaurant business** - is not on that list. This means that the Ibersol Group's core activity does not contribute substantially to any of the first two environmental objectives (climate action), so the **Turnover** indicator (proportion of revenues aligned with Taxonomy) will be null.

On the other hand, it was possible to identify a set of initiatives and individual activities supporting the Ibersol Group's core business that, in fact, correspond to eligible economic activities according to the Taxonomy, in relation to which it is possible to trace **Green CAPEX** and **Green OPEX**. This analysis is presented below.

Eligible supporting activities of the EU Green Taxonomy

Transport

Despite an adverse economic climate and an unprecedented shortage in the automotive industry's supply chains, in 2022 the Ibersol Group decided to strengthen the transition to electric mobility at the level of its central structure and business support fleet, with the operational leasing and purchase of new electric cars.

This purchase is therefore covered by section 6 of Delegated Regulation (EU) 2021/2139 concerning "Transport", both for objective "1. Climate change mitigation" and for objective "2. Adaptation to climate change", except that the immediate purpose of the purchase of such vehicles is not the sale or provision of transport services to third parties, but their own use or operation.

In this framework, the activity "*6.5. Transport in motorbikes, passenger cars and light commercial vehicles*" of Delegated Regulation (EU) 2021/2139 was considered eligible and aligned, in the components of **Green CAPEX** (procurement) and **Green OPEX** (operational leasing).

Construction and real estate activities

Every year the Ibersol Group makes various types of investments in real estate aimed at housing its restaurant activities, and there are three specific situations that, a *priori,* it is interesting to consider under the green Taxonomy, namely: (i) the construction of new restaurants, (ii) the signing of lease contracts in new developments in which the Ibersol Group ensures all the final specialisation works, finishing, decoration and installation of equipment for the launch of new restaurants, and (iii) the refurbishing or upgrading of existing restaurants.

These activities fall mostly under Section 7 of Delegated Regulation (EU) 2021/2139 on "Construction and real estate activities" for both Objective "1. Climate change mitigation" and Objective "2. Adaptation to climate change", except that the immediate purpose of the construction of the buildings concerned is not to sell or rent them out, but to use or exploit them.

Analysing in detail the aforementioned construction and real estate activities, the following **sub-activities** were identified as **eligible** for **Green CAPEX** and/or **Green OPEX** screening:

- *7.1 Construction of new buildings*
  During 2022, the Ibersol Group built 10 new restaurants; these properties meet the energy requirements of Taxonomy in the "substantial contribution" aspect, having obtained energy certificate A or B. However, compliance with the "no significant harm" criteria regarding the use of water resources is not fully guaranteed. Therefore, this specific activity was mostly considered **"not aligned" in terms of Green CAPEX**. However, in the same scope, it was possible to track an **"aligned" share of Green CAPEX** regarding construction waste recovery services and other "aligned" components of Green CAPEX and/or Green OPEX regarding several components described below.
- *7.2 Renovation of existing buildings*
  During the year 2022, the Ibersol Group carried out refurbishment or upgrading works in 32 restaurants, however there is no evidence or guarantee that these properties meet the energy requirements of Taxonomy. Therefore, this specific activity was mostly considered **"non-aligned" in terms of Green CAPEX**. Even so, in the same scope, it was possible to track an **"aligned" share of Green CAPEX** regarding construction waste recovery services.
- *7.4 Installation, maintenance and repair of building-mounted electric vehicle charging stations building-mounted (and building-related parking places)*
  During 2022, the Ibersol Group installed electric vehicle charging stations in the 10 new restaurants it built. Therefore, this specific activity was considered **"aligned" in terms of Green CAPEX**.

- *Installation, maintenance and repair of renewable energy technologies*
  During 2022, the Ibersol Group installed solar DHW (domestic hot water) panels in the 10 new restaurants and in 2 more restaurants that were refurbished, for a total of 12 new facilities. Therefore, this specific activity was considered **"in line" in terms of Green CAPEX**. On the other hand, maintenance and repair operations were carried out in two existing photovoltaic panel installations and in 82 existing solar DHW panel installations, so this activity was also considered "aligned" in terms of **Green OPEX**.
- *9.3 Professional services related to energy performance of buildings*
  During 2022, it hired professional services specifically dedicated to the optimisation of the energy performance of the 10 new buildings. This activity falls within the scope of technical consultancy (energy consultancy, energy simulations, project management, preparation of energy performance contracts, specific training actions) and, by contributing to the improvement of the energy performance of buildings, has an effective contribution to the environmental objectives under consideration. Therefore, it was considered **"aligned" in terms of Green CAPEX** (given that these services are one-off and allocated to the respective construction projects).

Ensuring Minimum Social Safeguards

The Ibersol Group bases its market operations on the strictest ethical standards and legal compliance, always with a view to defending the interests of its stakeholders, primarily its employees and customers. In particular, some specific notes are presented below regarding the main issues covered by the Minimum Social Safeguards:

- *Human Rights*
  The Ibersol Group fully complies with the Labour Law and the main requirements in terms of Human Rights advocated by the United Nations (an application was submitted for formal subscription and maintenance of the Global Compact principles at the end of 2022) and by other benchmark organisations, such as the International Labour Organisation (ILO) or the Organisation for Economic Cooperation and Development (OECD). On the other hand, there is no record of incidents or legal proceedings related to non-compliance in terms of human rights in any of the markets where the Ibersol Group operates.

- *Corruption*
  The Ibersol Group operates within a sector and business model that is highly regulated and scrutinised by its international business partners and independent auditing entities (namely at the level of eligible suppliers and at the level of quality assurance and food safety). On the other hand, the Ibersol Group has implemented and is committed to strengthening anti-corruption measures, such as the Anti-Money Laundering and Terrorist Financing Act and the availability of the Whistleblowing Channel.

- *Taxation*
  The Ibersol Group and its subsidiaries comply with all legal tax rules, and there is no record of any controversy related to any non-compliance at this level.

- *Competition*
  The Ibersol Group has never been the target of unfair competition proceedings by the economic supervision authorities, neither at an operational level (ASAE), nor at a transactional level (AdC).

Calculation of Key Performance Indicators

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

The **total reference CAPEX** (denominator) of the Ibersol Group in 2022 was evaluated at **86.757.157,00 euros**.

(millions of euros)	2022
Increases in Tangible Assets (Note 6.3)	40 436 811
Increases in Intangible Assets (Note 6.2)	3 682 926
RoU Increases (Note 6.4)	42 637 420
Total Reference Capex	86 757 157

The CAPEX component considered eligible under EU Green Taxonomy was assessed at **€26,168,898.31** and relates to activities falling under section 6, 7 and 9 of Delegated Regulation (EU) 2021/2139 on construction and real estate activities, as detailed above.

Taxonomy-aligned **CAPEX** (numerator) was assessed at **319,999.08 euros** taking into account the criteria set out in Delegated Regulation (EU) 2021/2139.

Therefore, in 2022 the **Proportion of CAPEX aligned by Taxonomy was 0.369%**.

According to Annex I to 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, that are necessary to ensure the continued and effective functioning of these assets.

(millions of euros)	2022 Continued Op.
Rents of contrats with duration inferior to 1 year (Note 4.3.1)	838 552
Maintenance and Reparing (Note 4.3.1)	6 825 711
Total Reference OPEX of Continued Operations	7 664 263

The **total reference OPEX** (denominator) of the Ibersol Group in 2022 was estimated at **7,664,263.00 euros**.

The **eligible OPEX aligned with** the Taxonomy (numerator) was, in turn, evaluated at **14,658.22€ and** refers to activities under sections 6 and 7 aligned with the criteria set by Delegated Regulation (EU) 2021/2139, as detailed above. No activities were considered eligible for taxonomy but not sustainable from an environmental point of view.

Therefore, in 2022 the **Taxonomy-aligned OPEX Proportion was 0.191%**.

The following are the summary tables in the same format as proposed by Annex II of Delegated Regulation (EU) 2021/4987 for key performance indicators (KPIs) for non-financial companies.

					Criteria for substantial contribution (%)		Criteria of not significantly harming (Y/N)								
Economic activities	**Code**	**Observations**	**Absolute CAPEX (€)**	**Proportion of CAPEX**	**Climate change mitigation**	**Adapting to climate change**	**Climate change mitigation**	**Adapting to climate change**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Proportion of CAPEX aligned by Taxonomy (2022)**	**Proportion of CAPEX aligned by Taxonomy (2021)**
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY															
A1. Environmentally sustainable activities (aligned to taxonomy)															
6.5. Transport in motorcycles, passenger cars and light commercial vehicles	H.49.32 - Occasional carriage of passengers in light vehicles	Acquisition of electric cars	€117 900,00	0,136%	100%	0%	N/A	S	N/A	S	S	N/A	S	0,136%	0,000%
7.1. Construction of new buildings	F.41.20 - Construction of residential and non-residencial buildings	New restaurants (recovery of construction waste)	€26 255,40	0,030%	100%	0%	N/A	S	S	S	S	S	S	0,030%	0,050%
7.2. Renovation of existing buildings	F.41.20 - Construction of residential and non-residencial buildings	Refurbished restaurants (recovery of construction waste)	€70 110,88	0,081%	100%	0%	N/A	S	S	S	S	N/A	S	0,081%	0,087%
7.4. Installation, maintenance and repair of electric vehicle charging stations mounted in buildings (and parking spaces associated with buildings)	F.43.21 - Electrical installations	EV charging stations in new restaurants	€44 700,80	0,052%	100%	0%	N/A	S	N/A	N/A	N/A	N/A	S	0,052%	0,030%
7.6. Installation, maintenance and repair of energy technologies from renewable sources	F.43.29 - Other construction installations	Installation of solar panels for DHW in new and refurbished restaurants	€33 732,00	0,039%	100%	0%	N/A	S	N/A	N/A	N/A	N/A	S	0,039%	0,151%
9.3. Professional servives related to the energy performance of buildings	M.71.12 - Engineering and related technical activities	Energy efficiency projects for new restaurants	€27 300,00	0,031%	100%	0%	N/A	S	N/A	N/A	N/A	N/A	S	0,031%	0,036%
CAPEX of environmentally sustainable activities (aligned to the taxonomy)			**€319 999,08**	**0,369%**	-	-	-	-	-	-	-	-	-	**0,369%**	**0,353%**
A2. Activities eligible for taxonomy but not environmentally sustainable (not aligned for taxonomy)															
7.1. Construction of new buildings	F.41.20 - Construction of residential and non-residencial buildings	New restaurants (all except aligned components)	€13 031 139,41	15,020%											
7.2. Renovation of existing buildings	F.41.20 - Construction of residential and non-residencial buildings	Refurbished restaurants (everything except aligned components)	€12 817 759,82	14,774%											
CAPEX of taxonomy eligible but environmentally unsustainable activities (not taxonomy aligned)			**€25 848 899,23**	**29,795%**										**29,795%**	**31,519%**
TOTAL (A1+A2)			**€26 168 898,31**	**30,163%**										**30,163%**	**31,872%**
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY															
CAPEX from non-eligible activities for taxonomy (B)			**€60 588 258,69**	**69,837%**											
TOTAL CAPEX (A+B)			**€86 757 157,00**	**100,000%**											

					Criteria for substantial contribution (%)		Criteria of not significantly harming (Y/N)								
Economic activities	**Code**	**Observations**	**Absolute CAPEX (€)**	**Proportion of CAPEX**	**Climate change mitigation**	**Adapting to climate change**	**Climate change mitigation**	**Adapting to climate change**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Proportion of OPEX aligned by Taxonomy (2022)**	**Proportion of OPEX aligned by Taxonomy (2021)**
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY															
A1. Environmentally sustainable activities (aligned to taxonomy)															
6.5. Transport in motorcycles, passenger cars and light commercial vehicles	N.77.11 - Renting of automobiles	Operational leasing of electric motorbikes and service cars	€10 905,38	0,142%	100%	0%	N/A	S	N/A	S	S	N/A	S	0,142%	0,000%
7.6. Installation, maintenance and repair of energy technologies from renewable sources	F.43.29 - Other construction installations	Maintenance of solar panels for DHW in new and refurbished restaurants	€3 752,84	0,049%	100%	0%	N/A	S	N/A	N/A	N/A	N/A	S	0,049%	0,000%
OPEX of environmentally sustainable activities (aligned to the taxonomy)			**€14 658,22**	**0,191%**										**0,191%**	**0,000%**
A2. Activities eligible for taxonomy but not environmentally sustainable (not aligned for taxonomy)															
			€0,00	0,000%											
OPEX of activities eligible for taxonomy but not environmentally sustainable (not aligned to the taxonomy)			**€0,00**	**0,000%**										**0,000%**	**0,000%**
TOTAL (A1+A2)			**€14 658,22**	**0,191%**										**0,191%**	**0,000%**
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY															
OPEX of activities not eligible for taxonomy (B)			**€7 649 604,78**	**99,809%**											
TOTAL OPEX (A+B)			**€7 664 263,00**	**100,000%**											

Conclusion

As already indicated, the **contribution of the Ibersol Group's activity under the European Union Green Taxonomy is nil at the level of its restaurant business activity**, since it is an activity that is not part of the basic list of eligible activities indicated in Annexes I and II of Delegated Regulation (EU) 2021/2139.
With regard to the support activities included in that list, namely transport, construction and real estate activities, the conclusion is that the Ibersol Group's contribution is not material, since proportion indicators lower than 1% were found both in OPEX and CAPEX.

GRI Index

Statement of use: IBERSOL SGPS SA reported considering the GRI standard as reference, for the period from 1 January to 31 December 2022.

GRI 1 standard used: GRI 1: Fundamentals 2021

GRI Sector Standards: Not applicable

STANDARD / DISCLOSURE	STATUS	PGNU	SDGS
GENERAL CONTENTS AND MATERIAL THEMES			
General Contents			
GRI 2: General Contents 2021			
1. The organisation and its reporting practices			
2-1 Organisation details • IBERSOL SGPS SA, Praça Bom Sucesso 105/159, 9th floor, Porto, Portugal 4150-146 • Integrated Management Report (IMR): Chapter 2 (2.2, 2.3), Chapter 5 (5.1, 5.2, 5.3)	Ok		
2-2 Entities included in the organization's sustainability report • IBERSOL SGPS SA and its subsidiaries, covering business in Portugal, Spain and Angola • Some metrics, duly noted, are not available for all markets. • RIG: Chapter 1.2	Ok		
2-3 Reporting period, frequency and point of contact • Reporting period: 1 January 2022 to 31 December 2022 • Annual frequency, given that the sustainability report is integrated into the management report. • Any questions on non-financial reporting should be directed to the following address: sustentabilidade@ibersol.com • RIG: Chapter 1.2	Ok		
2-4 Reformulation of information • The 2021 Green Taxonomy CAPEX figure (Annex) has been corrected to reflect the criteria used in 2022 and thus ensure comparability.	Ok		
2-5 External check • No external verification of non-financial information was carried out.	Ok		
2. Activities and workers			
2-6 Activities, value chain and other business relationships • The Ibersol Group is a company in the restaurant business, operating directly or through a franchise network in the Portuguese, Spanish and Angolan markets, managing a set of franchised and own commercial brands. • The Ibersol Group's operations are ensured by a set of entities in which IBERSOL SGPS SA has a stake, both in terms of business (organised by markets and brands) and in terms of support (specialised support entities for central management and operations). • RIG: Chapters 2.2 and 2.3	Ok		17
2-7 Employees • RIG: Chapters 1.4 (Main indicators) and 7.2 (Contributors)	Inc		
2-8 Workers who are not employees • No information available.	Nd		
3. Governance			
2-9 Governance structure and its composition • RIG: Chapter 5 (Corporate Governance) • Corporate Governance Report (RGS): Part I - B (Corporate Bodies and Committees)	Ok		
2-10 Nomination and selection for the highest governance body • RGS: Point 16	Ok		
2-11 Chair of the highest governance body • Dr. António Alberto Guerra Leal Teixeira (Chairman of the Board of Directors) • RIG: Chapter 5.2 (Governing Bodies) • RGS: Point 19	Ok		
2-12 Role of the highest governance body in overseeing the management of impacts • RIG: Chapter 2.8 (Risk Management) • RGS: Article 21 (division of powers)	Ok		

2-13 Delegation of responsibility for managing impacts • RIG: Chapters 2.8 (Risk Management) and 5.2 (Governing Bodies) • GSR: Articles 29 and 30; Section III (Internal control and risk management)	Ok		
2-14 Role of the highest governance body in sustainability reporting • The Chairman of the Board of Directors chairs the project group responsible for designing and implementing the Ibersol Group's Sustainability Programme • The general sustainability reporting framework has been approved by the Board of Directors	Ok		
2-15 Conflicts of interest • RGS: Part I (Section E) and Part II (Chapter I), namely with regard to the relationship between company bodies, conflicts of interest and transactions with related parties	Ok	10	
2-16 Communication of critical concerns • The structure and business divisions communicate regularly with the Executive Committee, thus ensuring a permanent and timely follow-up to any concerns or complaints.	Ok	10	
2-17 Collective knowledge of the highest governance body • The Board of Directors and all the structural and business departments were involved in launching and developing the Ibersol Group's Sustainability Programme for 2022, having taken part in internal information and training initiatives, as well as making a relevant contribution to the materiality analysis • In 2022, the Executive Committee took part in various events on Sustainability and ESG, with a particular focus on *Governance* • Also in 2022, the Chairman of the Board of Directors submitted the Ibersol Group's application for admission to the United Nations Global Compact.	Ok		
2-18 Evaluation of the performance of the highest governance body • RGS: Points 24 and 25, Part II (Chapter 5) on Performance Appraisal, Remuneration and Appointments	Ok		
2-19 Remuneration policies • RGS: Part II (Chapter 5) on Performance Appraisal, Remuneration and Appointments • RGS: Annexes 1 and 2	Ok		
2-20 Process for determining remuneration • RGS: Part I, Section D (Remuneration) • RGS: Annexes 1 and 2	Ok		
2-21 Proportion of total annual remuneration • Information not available in 2022.	Nd		8
4. Strategy, policies and practices			
2-22 Declaration on sustainable development strategy • RIG: Chapter 2 (2.4, 2.7)	Ok		
2-23 Policy commitments • The Ibersol Group largely indexes its activity to the commitment to the requirements of the Integrated Policy of its management system, which covers Quality, Environment, Occupational Health and Safety and Food Safety. This policy, which is available on the website https://www.ibersol.pt/sustentabilidade/politica-dos-sistemas-gestao/, refers to issues of responsibility, prevention and traceability, diligence, communication and training and continuous improvement.	Ok	7, 8, 9	3
2-24 Incorporation of policy commitments • Policy commitments are materialised through training actions, awareness raising and through the development of projects specifically created to produce changes in the organisation's processes and performance. Some policies are associated with a high level of demand and require external verification and certification.	Ok		8
2-25 Processes to repair negative impacts • The Ibersol Group's permanent concern is to ensure that the interests of its stakeholders are satisfied. In addition to a structured complaints management system and a channel for complaints, the Ibersol Group prudently manages and closely monitors all contractual and legal issues that may arise from the relationships it maintains with its national and international partners, in order to prevent the occurrence of negative impacts and protect all parties' interests.	Ok		
2-26 Mechanisms for advice and raising concerns • RGS: Part I - C - II (reporting of irregularities)	Ok		
2-27 Compliance with laws and regulations • RGS: Part I - C - III (Internal control and risk management)	Ok		
2-28 Participation in associations • 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; Associação Business Roundtable Portugal.	Ok		17

• Spain: AEF - Asociación Española de Franquiciadores; Entidad Urbanística de Conservación de A Granxa; CHP - Câmara de Comercio Hispano Portuguesa; Colegio de Graduados Sociales. • Angola: AHORESIA - Association of Hotels, Restaurants, Similar Establishments and Catering in Angola.			
5. Stakeholder engagement			
2-29 Approach to *stakeholder* engagement • RIG: Chapter 2.5 (Stakeholder Engagement)	Ok		
2-30 Collective bargaining agreements • Two collective labour agreements have been negotiated in Portugal through AHRESP, one for restaurant operations and the other for central kitchen operations. • In Spain, in addition to several collective agreements (in different regions), there is also a company agreement involving one of the subsidiaries of IBERSOL SGPS SA.	Ok	3	17
Material issues			
GRI 3: Material Themes 2021			
Contents on material themes			
3-1 Process of defining material themes • RIG: Chapter 2.6 (Materiality Analysis)	Ok		
3-2 List of material themes • RIG: Chapter 2.6 (Materiality Analysis) • Areas of intervention that emanate from the materiality analysis carried out: ○ Environmental emergency, regarding climate, energy and preservation of natural capital ○ Management of food and non-food waste, benefiting business efficiency and social action ○ Business governance in the areas of organisational culture, ethics and compliance ○ Ensuring food quality and safety, as an element of social responsibility ○ Digital transformation of the business and the evolution of consumer habits ○ Human capital in the areas of diversity and inclusion and talent management ○ Managing strategic partnerships and ESG aspects of the supply chain	Ok		
ECONOMIC PERFORMANCE (GRI 200)			
Economic performance			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Management of food and non-food waste, benefiting business efficiency and social action	Ok		
GRI 201: Economic Performance 2016			
201-1 Direct economic value generated and distributed • Direct economic value generated: 355.6M • RIG: Chapter 4 (Financial Performance), Chapter 11 (Financial Statements)	Ok		8
201-2 Financial implications and other risks and opportunities arising from climate change • RIG: Chapters 2.8 (Risk Management)	Ok		8
201-3 Defined benefit obligation and other retirement plans • Not applicable	On		
201-4 Financial assistance received from government • RIG: Chapter 4 (Financial Performance), Chapter 11 (Financial Statements)	Ok		8
Market Presence			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Human capital in the areas of diversity and inclusion and talent management	Ok		
GRI 202: Market Presence 2016			
202-1 Ratio of the lowest wage to the local minimum wage, with breakdown by gender • Women: 100%. • Men: 100%.	Ok	6	8
202-2 Proportion of board members hired from the local community • Portugal: 100%. • Spain: 33%. • Angola: 0%.	Ok	6	8
Indirect economic impacts			

GRI 3: Material Themes 2021			
3-3 Management of material issues • Not applicable	On		
GRI 203: Indirect Economic Impacts 2016			
203-1 Infrastructure investments and support services • RIG: Chapter 2.3, Chapter 4, Chapter 7	Ok		8
203-2 Significant indirect economic impacts • RIG: Chapter 2.3, Chapter 4, Chapter 7	Ok		8
Purchasing practices			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Managing strategic partnerships and ESG aspects of the supply chain	Ok		
GRI 204: Purchasing Practices 2016			
204-1 Proportion of spending on local suppliers • Not available	Nd		17
Fight against corruption			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Business governance in the areas of organisational culture, ethics and compliance	Ok		
GRI 205: Fighting Corruption 2016			
205-1 Operations assessed for risks related to corruption • Given the high degree of scrutiny by external partners and entities, the risk of corruption is not considered significant. So far, there has been no assessment of operations in this area and no denunciations related to corruption have been received.	Ok	10	
205-2 Communication and training on anti-corruption policies and procedures • No capacity building actions have yet been carried out in this area.	Ok	10	4
205-3 Confirmed cases of corruption and measures taken • No confirmed cases have been reported.	Ok	10	
Combating Unfair Competition			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Business governance in the areas of organisational culture, ethics and compliance	Ok		
GRI 206: Unfair Competition 2016			
206-1 Legal actions for *anti-competitive behavior*, *anti-trust*, and monopoly practices • There is no record of cases of unfair competition, anti-trust or monopoly in which the Ibersol Group has been involved.	Ok	10	
Taxation			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Business governance in the areas of organisational culture, ethics and compliance	Ok		
GRI 207: Taxation 2019			
207-1 Approach to taxation • The Ibersol Group carries out its activity and manages its approach to taxation in accordance with the law, applicable regulations and the best practices and experiences of each of the markets where it operates. The body responsible for monitoring the tax strategy is the Supervisory Board, and this control is carried out at least quarterly.	Ok	10	8
207-2 Governance, control and fiscal risk management • RIG: Chapters 2.8 (Risk Management) • GSR: Articles 29 and 30; Section III (Internal control and risk management)	Ok	10	8
207-3 Engaging *stakeholders* and managing their tax concerns • RIG: Chapter 2.5 (Stakeholder Engagement)	Ok	10	8
207-4 Country-by-country reporting • RIG: Chapter 4 (Financial Performance)	Ok	10	
ENVIRONMENTAL PERFORMANCE (GRI 300)			
Materials			

GRI 3: Material Themes 2021			
3-3 Management of material issues • Environmental emergency, regarding climate, energy and preservation of natural capital • Management of food and non-food waste, benefiting business efficiency and social action			
GRI 301: Materials 2016			
301-1 Materials used by weight or volume • Portugal - Total weight of urban packaging (Source: SPV): ○ Plastic: 91,882 Kg (8.1%) ○ Paper/Cardboard: 1,026,197 Kg (90.8%) ○ ECAL: 770 Kg (0.1%) ○ Steel: 5,467 Kg (0.5%) ○ Aluminium: 5,330 Kg (0.5%) ○ Wood: 0 Kg (0%) ○ Other Materials: 117 Kg (0.01%) • Very incomplete or no information for other markets.	Inc	7, 8, 9	12
301-2 Raw materials or recycled materials used • Not available	Nd		12
301-3 Reclaimed products and their packaging • Not available	Nd		12
Energy			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Environmental emergency, in its climate, energy and preservation of natural capital aspects	Ok		
GRI 302: Energy 2016			
302-1 Energy consumption within the organisation • Electricity consumed: ○ Portugal: 110,790 GJ (grid) + 45 GJ (produced) + 29 GJ (electric fleet) ○ Spain: 26.759 GJ • Natural gas: ○ Portugal: 20.919 GJ ○ Spain: 6.408 GJ • Fuels (Portugal fleet): Diesel: 6,175 GJ + Petrol: 543 GJ • RIG: Chapter 6.3 (Energy and other resources)	Inc	7, 8, 9	13
302-2 Energy consumption outside the organisation • Not available	Nd		13
302-3 Energy intensity • Total energy within the organisation: 171,668 GJ • Turnover: 355.6 M€ • Energy intensity: 482.8 GJ/M€ ≈ 0.0005 GJ/€ • An error of less than 1% is estimated in the energy intensity metric as a result of missing energy consumption figures from Angola.	Ok	7, 8, 9	13
302-4 Reduction of energy consumption • RIG: Chapter 6.3 (Energy and other resources)	Ok	7, 8, 9	13
302-5 Reductions in the energy requirements of products and services • RIG: Chapter 6.3 (Energy and other resources)	Ok	7, 8, 9	13
Water and Wastewater			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Environmental emergency, in its climate, energy and preservation of natural capital aspects	Ok		
GRI 303: Water and Wastewater 2018			
303-1 Interactions with water as a shared resource • RIG: Chapter 6	Ok	7, 8, 9	12, 15
303-2 Managing impacts related to wastewater • Reducing effluents is a concern of the Ibersol Group, which has 12 wastewater treatment plants (WWTP) installed in restaurants in Portugal. • RIG: Chapter 6	Inc	7, 8, 9	12, 15
303-3 Water abstraction • Not applicable	On		15
303-4 Waste water • Not available	Nd		15
303-5 Water consumption • Water consumption Portugal: 142,035 m^3 • Average consumption per point: 461 m /restaurant^3 • RIG: Chapter 6.3 (Energy and other resources)	Inc	7, 8, 9	15
Biodiversity			

GRI 3: Material Themes 2021			
3-3 Management of material issues • Environmental emergency, regarding climate, energy and preservation of natural capital	Ok		
GRI 304: Biodiversity 2016			
304-1 Operational units owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas • There are no facilities or operations in protected areas or adjacent to them • RIG: Chapters 2.8 (Risk Management)	Inc	7, 8, 9	15
304-2 Significant impacts of activities, products and services on biodiversity • There are no operations with significant impacts on biodiversity. • RIG: Chapters 2.8 (Risk Management)	Ok	7, 8, 9	15
304-3 Protected or restored habitats • There are no facilities or operations in areas classified as protected or restored habitat areas. • RIG: Chapters 2.8 (Risk Management)	Ok	7, 8, 9	15
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organisation's operations • There are no installations or operations in areas classified as habitat zones for IUCN Red List species and national list species • RIG: Chapters 2.8 (Risk Management)	Ok	7, 8, 9	15
Emissions			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Environmental emergency, regarding climate, energy and preservation of natural capital	Ok		
GRI 305: Emissions 2016			
305-1 Direct greenhouse gas (GHG) emissions (Scope 1) • Natural gas (Portugal and Spain): 1,145 ton CO and$_2$ • Fuels (Portugal fleet): 474 ton CO and$_2$ • RIG: Chapter 6.4 (CO emissions)$_2$	Inc	7, 8, 9	13

305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy procurement
• Emissions associated with the production of the electricity consumed:
  ○ Portugal - 7,632 ton CO_2 e (offices and restaurants) + 2 ton CO_2 e (electric fleet)
  ○ Spain - 1,918 ton CO and$_2$
• RIG: Chapter 6.4 (CO emissions)$_2$
	Inc	7, 8, 9	13

305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG) • *Downstream* logistics operation (storage and transport): 993 ton CO and$_2$ • Use of the water distribution network (estimate): 37.5 ton CO and$_2$ • Management Structure Air Travel: 94 ton CO and$_2$ • RIG: Chapter 6.4 (CO emissions)$_2$	Inc	7, 8, 9	13
305-4 Greenhouse gas (GHG) emissions intensity • Scope 1 and 2 emissions: 11,171 ton CO and$_2$ • Turnover: 355.6 M€ • GHG emissions intensity: 31.41 ton CO_2 e/M€ = 0.00003 ton CO_2 e/€ • RIG: Chapter 6.4 (CO emissions)$_2$	Ok	7, 8, 9	13
305-5 Reduction of greenhouse gas (GHG) emissions • RIG: Chapter 2 (2.4, 2.6, 2.7) and Chapter 6.4 (CO emissions)$_2$	Ok	7, 8, 9	13
305-6 Emissions of ozone-depleting substances (ODS) • Not available	Nd		
305-7 Emissions of NOX, SOX and other significant air emissions • Not available	Nd		
Waste			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Environmental emergency, regarding climate, energy and preservation of natural capital	Ok		
GRI 306: Waste 2020			
306-1 Waste generation and significant impacts related to waste • RIG: Chapter 2 (2.4, 2.6, 2.7) and Chapter 6.2 (Packaging and waste)	Ok	7, 8, 9	12
306-2 Management of significant impacts related to waste • RIG: Chapter 2 (2.4, 2.6, 2.7) and Chapter 6.2 (Packaging and waste)	Ok	7, 8, 9	12

306-3 Generated waste • Packaging waste reported in Portugal (SPV): 1,129,764 Kg (paper/cardboard > 90%) • Packaging waste declared in Spain (Ecoembes): 80,647 Kg (paper/cardboard > 90%) • RIG: Chapter 2 (2.4, 2.6, 2.7) and Chapter 6.2 (Packaging and waste)	Ok	7, 8, 9	12
306-4 Waste not destined for final disposal • Food oil: 1,200 tons sent for biodiesel production • A project is being implemented for the distribution of food that, according to commercial criteria, would be classified as waste and destined for final disposal, but which is still in good enough condition to be consumed safely. A pilot project has already started in the Spanish market and during 2023 it will be transposed to the Portuguese market. The publication of new regulations in this regard is also awaited. • RIG: Chapter 2 (2.4, 2.6, 2.7) and Chapter 6.2 (Packaging and waste)	Ok	7, 8, 9	2, 12
306-5 Waste for final disposal • RIG: Chapter 2 (2.4, 2.6, 2.7) and Chapter 6.2 (Packaging and waste)	Inc	7, 8, 9	12
Environmental Assessment of Suppliers			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Managing strategic partnerships and ESG aspects of the supply chain • Ensuring food quality and safety, as an element of social responsibility			
GRI 308: Environmental Assessment of Suppliers:2016			
308-1 New suppliers selected on the basis of environmental criteria • RIG: Chapter 2 (2.4 to 2.7) and Chapter 5.4 (Certified Management Systems) • All new suppliers were assessed according to environmental compliance requirements	Ok	7, 8, 9	12, 17
308-2 Negative environmental impacts of the supply chain and measures taken • Not available	Nd		12, 17
SOCIAL PERFORMANCE (GRI 400)			
Employment			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Human capital in the areas of diversity and inclusion and talent management			
GRI 401: Employment 2016			
401-1 New hires and employee turnover • Turnover rate in Portugal: 89 • Turnover indicator = (Number of employees who left in the month x 12 months) / Active employees in the month. Excludes movements within the Group. • Chapter 7.2 (Collaborators)	Inc		8
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees • There is no distinction in the benefits granted to employees according to the partial or full nature of their contract.	Ok		8
401-3 Maternity/paternity leave • In accordance with the applicable legislation, all employees are entitled to parental leave.	Inc		8
Labour relations			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Human capital in the areas of diversity and inclusion and talent management	Ok		
GRI 402: Labour Relations 2016			
402-1 Minimum notice period regarding operational changes • All changes comply with the legal requirements. In the absence of regulation, the deadlines are defined on a case-by-case basis depending on the change in question, in accordance with the defined planning.	Ok		8
Health and Safety at Work			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Human capital in the areas of diversity and inclusion and talent management	Ok		
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety management system • The Ibersol group applies an occupational health and safety management system across the entire business model.	Ok		3
403-2 Hazard identification, risk assessment and incident investigation • Ibersol has a multidisciplinary OHS team for identifying hazards, assessing risks and investigating accidents at work. • OSH audits are carried out to all restaurants and workplaces by specialised Occupational Safety and Health (OSH) technicians, where they analyse/observe the Occupational Safety and Risks organisation issues. • RIG: Chapter 7.4 (Health and Safety)	Ok		3

403-3 Occupational health services • Ibersol informs its workers about the functions of the Occupational Health services, through internal regulations and a brochure. • The health services participate in identifying and minimising occupational risks through activities in the Occupational Safety and Health Promotion programme, such as visits to workplaces and training and awareness-raising activities for workers. • RIG: Chapter 7.4 (Health and Safety)	Ok		3
403-4 Employee engagement, consultation and communication with workers on occupational health and safety • Ibersol surveys the workers twice a year on Occupational Health and Safety issues, through optional and anonymous questionnaires. • The answers to the questionnaire are duly processed and the results are shared with all stakeholders with responsibility for Occupational Safety and Health, with a view to implementing action plans where necessary. • RIG: Chapter 7.4 (Health and Safety)	Ok		3
403-5 Training of workers in occupational health and safety • All Ibersol employees comply with the training plans and carry out initial and recertification training online, with a practical component on the risks in their workplace. • Information on occupational safety and health is available in *flipbook* and print edition. • In the half-yearly audits, pamphlets with themes related to the main causes of accidents at work are handed out, with a view to raising the Teams' awareness and reinforcing training. • RIG: Chapter 7.4 (Health and Safety)	Ok		3
403-6 Worker health promotion • The Ibersol Group is very concerned about the occupational and non-occupational health of its employees, promoting safety and comfort in the workplace, but also awareness-raising initiatives and training with a relevant impact outside the workplace. These initiatives were very visible at the time of the Covid-19 pandemic, in preventing contagion, with sensitive effects on the health of our employees and our customers. • RIG: Chapter 7.4 (Health and Safety)	Ok		3
403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships • The Ibersol Group guarantees that the commercial relationships and commitments it establishes with business partners have no impact on the health or safety of its employees.	Ok		3
403-8 Workers covered by an occupational health and safety management system • In Portugal, the Group's employees are covered by the Occupational Health and Safety management system, which is directly verified in the following units: Catering Estádio do Dragão, VOG Tecmaia, Lisbon Airport - Terminal 1: Ground zone: Burguer King, Go To Aeroporto Lisboa, Go To - Go Natural; Air zone: Pizza Hut, KFC, Cockpit, Go Natural, Specially, including multi-brand warehouse. • RIG: Chapter 7.4 (Health and Safety)	Inc		3

403-9 Accidents at work
• Portugal
  ○ Accidents at work in 2022: 562
    ▪ No. of accidents on the road *(in itinere)*: 35
    ▪ No. of days lost due to accidents at work: 15,362
    ▪ No. of days lost due to commuting accidents: 1,417
  ○ Most accidents occur in home deliveries (Delivery 49%) or in the workplace (45%), with 5% accidents *in itinere* and 1% in external service.
  ○ Of the 562 registered, there were 2 fatal road accidents (1 in a home delivery service and another in the external service).
	Inc		3

403-10 Occupational diseases • 1 occupational disease recorded in Portugal.	Inc		3
Training and Education			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Human capital in the areas of diversity and inclusion and talent management	Ok		
GRI 404: Training and Education 2016			
404-1 Average hours of training per year per employee • Portugal: 56.5 hours / employee • RIG: Chapter 7.3 (People Development)	Inc		4
404-2 Programmes to improve employee skills and support career transition • Every year, the Ibersol Group hosts curricular internships and professional internships that open up new career opportunities to the respective employees. On the other hand, the Ibersol Group encourages the valuing of its employees' academic qualifications, providing the necessary conditions for them to attend professional, higher or post-graduate courses in a healthy balance with the professional duties they perform. • RIG: Chapter 7.3 (People Development)	Ok		4
404-3 Percentage of employees receiving regular performance and career development reviews • The periodicity of performance evaluations depends on seniority and internal level, and is carried out at least annually. • With regard to career development processes, the analysis is case-by-case and has as one of its inputs the result of the performance evaluation. The career development of the Operations, Shift Management and some functions of Unit Management are analysed on a monthly basis. For the remaining functions, career developments are dealt with in an annual process. • Both processes are applicable to 100% of the Group's employees.	Ok		4

Diversity and Equal Opportunities			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Business *governance in* the areas of organisational culture, ethics and *compliance* • Human capital in the areas of diversity and inclusion and talent management			
GRI 405: Diversity and Equal Opportunities 2016			
405-1 Diversity in governance bodies and employees • RGS: Points 18 and 19 (CA: executive/non-executive directors, independence, qualifications) • RIG: Chapter 1.4 (Main indicators), Chapter 5.2 (Governing Bodies) and 7.2 (Employees)	Ok		
405-2 Ratio of basic salary and remuneration received by women to that received by men • Not available	Nd		8
Non-discrimination			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Human capital in the areas of diversity and inclusion and talent management	Ok		
GRI 406: Non-discrimination 2016			
406-1 Cases of discrimination and corrective measures taken • There is no record of any cases of discrimination.	Ok	6	8
Freedom of Association and Collective Bargaining			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Business *governance in* the areas of organisational culture, ethics and *compliance* • Human capital in the areas of diversity and inclusion and talent management	Ok		
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be at risk • There is no record of situations in which freedom of association and collective bargaining may have been called into question within the Ibersol Group, at any supplier or partner.	Ok	3	8
Child Labour			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Managing strategic partnerships and ESG aspects of the supply chain	Ok		
GRI 408: Child Labour 2016			
408-1 Operations and suppliers with significant risk for incidents of child labour • The Ibersol Group did not identify any situations of risk of child labour or young workers exposed to hazardous work during the 2022 financial year.	Ok	5	17
Forced Labour or Slave-like Labour			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Managing strategic partnerships and ESG aspects of the supply chain	Ok		
GRI 409: Forced or Compulsory Labour 2016			
409-1 Operations and suppliers with significant risk for cases of forced or compulsory labour • The Ibersol Group did not identify situations of significant risk of forced labour or labour analogous to slave labour during the 2022 financial year.	Ok	4	17
Security Practices			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Business *governance in* the areas of organisational culture, ethics and *compliance*			
GRI 410: Safety Practices 2016			
410-1 Security personnel trained in human rights policies or procedures • Not applicable	On	1, 2	
Indigenous Peoples' Rights			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Not applicable	On		
GRI 411: Rights of Indigenous Peoples 2016			
411-1 Cases of violation of indigenous peoples' rights • Not applicable	On	1, 2	
Local Communities			
GRI 3: Material Themes 2021			

3-3 Management of material issues • Management of food and non-food waste, benefiting business efficiency and social action • Business governance in the areas of organisational culture, ethics and compliance	Ok		
GRI 413: Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs • RIG: Chapter 7.6 (Community liaison)	Ok		2
413-2 Operations with significant actual or potential negative impacts on local communities • There is no knowledge of situations with significant actual or potential negative impacts on local communities.	Ok		
Social Evaluation of Suppliers			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Managing strategic partnerships and ESG aspects of the supply chain			
GRI 414: Social Assessment of Suppliers 2016			
414-1 New suppliers selected on the basis of social criteria • The supplier selection and evaluation criteria focus more on quality, food safety and environmental compliance aspects. However, the new sustainable purchasing policies to be implemented will also include social and *governance* criteria. • RIG: Chapter 2.7 (sustainability strategy), Chapter 5.4 (certified management systems)	Ok	1, 2	17
414-2 Negative social impacts of the supply chain and measures • There is no knowledge of any situations of negative social impacts in the Ibersol Group's supply chain.	Ok	1, 2	17
Public Policies			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Business governance in the areas of organisational culture, ethics and compliance	Ok		
GRI 415: Public Policies 2016			
415-1 Political contributions • The Ibersol Group made no contributions of a political nature during the 2022 financial year.	Ok		
Consumer Health and Safety			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Ensuring food quality and safety, as an element of social responsibility	Ok		
GRI 416: Consumer Health and Safety 2016			
416-1 Assessment of health and safety impacts caused by categories of products and services • RIG: Chapter 2.3 (Business model and value creation), Chapter 2.8 (Risk management), Chapter 5.4 (Certified management systems)	Ok		

416-2 Cases of non-compliance regarding health and safety impacts of products and services
• Portugal: 0.25 food safety complaints per 100,000 transactions.
  ○ Unconfirmed incidents after the enquiry procedure
  ○ 0 laboratory non-conformities of Product Safety
  ○ Certified Quality and Food Safety Management Systems
• Spain: 0.07 food safety complaints per 100,000 transactions.
  ○ Unconfirmed incidents after the enquiry procedure
  ○ 0 laboratory non-conformities of Product Safety
  ○ Certified Quality and Food Safety Management Systems
• Angola: 0 complaints
  ○ 0 laboratory non-conformities on Product Safety, in particular for risky products (vegetables)
  ○ Certified Food Safety Management System.
	Ok		3

Marketing and Labelling			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Ensuring food quality and safety, as an element of social responsibility	Ok		
GRI 417: Marketing and Labelling 2016			
417-1 Requirements for product and service information and labelling • 100% conformity checked in product homologation. • All legally required information is provided to the customer in good time and through the appropriate channels, namely regarding consumption conditions, validity, nutritional composition and the possible presence of products that may cause allergies or intolerances. • RIG: Chapter 5.4 (Certified Management Systems)	Ok		3
417-2 Cases of non-compliance regarding product and service information and labelling • In 2022 there were no recorded non-conformities related to labelling information.	Ok		3

417-3 Cases of non-compliance regarding marketing communications • Portugal and Spain have certified Quality Management and Food Safety systems: ○ Portugal: complaints in the promotions category: 0.64 rec/100,000 transactions ○ Spain: Claims in the communication category: 0.32 rec/ 100 000 transactions • Angola: 0 complaints. Certified Food Safety Management System	Ok		
Customer Privacy			
GRI 3: Material Themes 2021			
3-3 Management of material issues • Digital transformation of the business and the evolution of consumer habits	Ok		
GRI 418: Customer Privacy 2016			
418-1 Confirmed complaints regarding breaches of customer privacy and losses of customer data • In 2022, there was no record of any complaints regarding violation of privacy or loss of customer data.	Ok	1, 2	

MAPPING LEGEND

STATUS

- Ok - Reported
- Inc - Partially reported
- Nd - Not reported due to unavailable or insufficient information
- Na - Not applicable

UNGCP (10 Principles of the United Nations Global Compact)

Human Rights	1. Businesses should support and respect the protection of internationally recognised human rights. 2. Ensure their non-participation in human rights violations.
Labour practices	3. Businesses should uphold the freedom of association and the effective recognition of collective bargaining. 4. The abolition of all forms of forced and compulsory labour. 5. Effective abolition of child labour. 6. Elimination of discrimination in employment.
Environmental Protection	7. Businesses should support a precautionary approach to environmental challenges. 8. Undertake initiatives to promote environmental responsibility. 9. Encourage the development and diffusion of environmentally friendly technologies.
Fight against Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.

SDGs (8 Sustainable Development Goals considered a priority by the Ibersol Group)

Social	SDG 2 - Eradicate Hunger SDG 3 - Quality Health SDG 4 - Quality Education
Environmental	SDG 13 - Climate Action SDG 15 - Protect Earth Life
Economic	SDG 8 - Decent Work and Economic Growth SDG 12 - Sustainable Consumption and Production
Partnerships	SDG 17 - Partnerships for Goal Implementation

IBERSOL – SGPS, SA

Publicly Listed Company

Head Office: Edifício Península, Praça do Bom Sucesso, n.º 105 a 159 - 9º andar, 4150 - 146 Porto

Share Capital: 46.000.000 euros

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

CORPORATE GOVERNANCE REPORT 2022

CORPORATE GOVERNANCE

REPORT

2022

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 2022 Ibersol SGPS SA. held 3.640.423 of its own shares, corresponding to near 7,914% of the share capital, with a nominal value of one euro per share, at an overall acquisition cost of 11.410.226,58 euros (which would correspond to a percentage of about 7,914% of voting rigths) – having acquired 40.442 own shares during the year of 2022.

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 2022, there were no financings under these conditions. 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 2022 according to the notifications received by the Company and in accordance with articles 16^{th} and 20^{th} 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	26 004 023	56,53%
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	**2 309 200**	**5,02%**
Bestinver Gestion SGIIC		
Total attributable	**3 316 600**	**7,21%**
FMR LLC		
Fidelity Managemment & Research Company LLC	**1 529 492**	**3,32%**
Cobas Asset Management SGIIC		
Total attributable	**1 894 371**	**4,12%**

(*) The voting rights attributable to the ATPS- SGPS, SA are also attributable to António Pinto de Sousa and Alberto Teixeira under subparagraph b) and c) of paragraph 1 of Article 20 and paragraph 1 of Article 21, both of the Securities Code, by virtue of these latter hold the domain of that company, in which they participate indirectly through respectively CALUM – SERVIÇOS E GESTÃO, SA. with the NIPC 513799486 and DUNBAR – SERVIÇOS E GESTÃO, SA with the NIPC 513799257 (in which they hold the majority of the share capital), which together, each with a holding of 25.02%, 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.

5.100 shares representing 51,0% 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 31/12/2022 holds 26,004,023 shares of Ibersol SGPS, SA representing 56,53% of the share capital of Ibersol, SGPS, SA.

Vice-Chairman - 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 31/12/2022 holds 26,004,023 shares of Ibersol SGPS, SA representing 56,53% 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 2022 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 2025 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 members of the Board of Directors and the members of the Statutory Audit Committee are described respectively in the following points 19. and 33, and the structure and composition of the Board of Directors, with 5 members, 2 executive and 3 non-executive, of the Supervisory Board and of the Statutory Auditor is demonstrably appropriate to the size of the Company, being the necessary and sufficient to ensure the minimization of risks to which the company is exposed inherent to its specific activity, as well as it also proves to be adequate to ensure the necessary efficiency in the exercise of the functions assigned to each of these members, being that the non-executive members of the management body exercise all their necessary direct collaboration with the corporate objectives to which they are attached.

For each electoral general meeting, the proposals for election of the members of the governing bodies must be accompanied by due grounds regarding the suitability of the profile, knowledge and curriculum to the function to be performed by each candidate, and the company does not have a nominations committee, as this does not deemed to be necessary given the structure and organic/functional dimension of the company.

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 2022 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 1991 (Dr. António Alberto Guerra Leal Teixeira), in 1990 (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 can be 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 determining a factor of non independence of the same, being rather a presupposed merely resulting from the course of time and not from the effective material conditions of his exercises of the respective corporate position - not being observed that such temporal conditioning has been susceptible of affecting or conditioning, in any aspect, his necessary impartiality of analysis and decision, during the course of 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 of the 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.

It should be noted that these non-executive directors perform their functions in the context of a mutual and integrated functional coordination established between them, which has promoted, in all aspects, an effective and efficient response by them to the demands of their respective corporate mandates.

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– 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 (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

EGGON – SGPS, SA (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

ANATIR – SGPS, SA

DEHESA DE SANTA MARIA FRANQUICIAS, S.LU.

FIRMOVEN - Restauração, SA

FOOD ORCHESTRATOR, S.A.

FOODSTATION, SLU

HCI - Imobiliária, SA.

IBERAKI - Restauração, SA.

IBERESPAÑA CENTRAL DE COMPRAS, A.I.E.

IBERGOURMET - Produtos Alimentares, SA.

IBER KING - Restauração, SA. (until november 30, 2022)

IBERSANDE - Restauração, SA.

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo, SA (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

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, SLU

JOSÉ SILVA CARVALHO – Catering, SA.

LURCA, SAU. (until november 30, 2022)

LUSINVER RESTAURACIÓN, SAU.

MAESTRO - Serviços e Gestão Hoteleira, SA.

PANSFOOD SAU.

PANSFOOD, S.A., FOODSTATION,S.L., VIDISCO,S.L. Y LURCA, S.A., Unión Temporal de Empresas, LEY 18/1982

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU.

VIDISCO, SLU

VOESMU RESTAURACIÓN, S.L.

VOLREST ALDAIA, S.L.U.

VOLREST ALFAFAR, S.L.U.

VOLREST ALCALÁ, S.L.U.

VOLREST RIVAS, S.L.U.

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– 1990/ 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. (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

EGGON – SGPS, SA. (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

ANATIR – SGPS, SA.

DEHESA DE SANTA MARIA FRANQUICIAS, S.L.U.

FIRMOVEN - Restauração, SA.

FOOD ORCHESTRATOR, S.A.

FOODSTATION, SLU.

HCI - Imobiliária, SA.

IBERAKI - Restauração, SA.

IBERESPAÑA CENTRAL DE COMPRAS, A.I.E.

IBERGOURMET - Produtos Alimentares, SA.

IBER KING - Restauração, SA. (until november 30, 2022)

IBERSANDE - Restauração, SA.

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo, SA. (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

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, SLU

JOSÉ SILVA CARVALHO – Catering, SA.

LURCA, SAL. (until november 30, 2022)

LUSINVER RESTAURACIÓN, SAU.

MAESTRO - Serviços e Gestão Hoteleira, SA.

PANSFOOD SA.

PANSFOOD, S.A. FOODSTATION, S.L., Y LURCA, S.A., Unión Temporal de Empresas, Ley 18/1982

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU.

VIDISCO, SLU

VOESMU RESTAURACIÓN, S.L.

VOLREST ALDAIA, S.L.U.

VOLREST ALFAFAR, S.L.U.

VOLREST ALCALÁ, S.L.U.

VOLREST RIVAS, S.L.U.

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.

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 (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

DEHESA DE SANTA MARÍA FRANQUICIAS, SLU

EGGON – SGPS, SA (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

FIRMOVEN, Restauração SA

FOOD ORCHESTRATOR, S.A.

FOODSTATION, SLU

HCI - Imobiliária, SA

IBERAKI, Restauração, SA

IBERESPAÑA CENTRAL DE COMPRAS, A.I.E.

IBERGOURMET – Produtos Alimentares, SA

IBER KING, Restauração SA (until november30, 2022)

IBERSANDE Restauração SA

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo SA (until June 28, 2022, date of the merger by incorporation of this company in IBERSOL- Restauração S.A.)

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, SLU

JOSÉ SILVA CARVALHO – Catering, SA

LURCA, SAL (until november30, 2022)

LUSINVER RESTAURACIÓN, SA

MAESTRO - Serviços e Gestão Hoteleira SA

PANSFOOD, SAL

PANSFOOD,S.A., FOOSTATION,S.A., VIDISCO, S.L. Y LURCA, S.A., Unión Temporal de Empresas, LEY 18/1982

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU

VIDISCO, SLU

VOESMU RESTAURACIÓN, S.L.

VOLREST ALDAIA, S.L.U.

VOLREST ALFAFAR, S.L.U.

VOLREST ALCALÁ, S.L.U.

VOLREST RIVAS, S.L.U.

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.

FOOD ORCHESTRATOR, S.A.

FOODSTATION, SLU.

IBERSOL - Restauração, SA.

PANSFOOD SAU.

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)

<u>Vogal – Dr.ª Maria do Carmo Guedes Antunes de Oliveira</u>

Academic qualifications

- 1983 ▪ MBA, Nova School of Business and Economics
- 1980 ▪ Degree in ECONOMIA, Faculdade de Economia do Porto

Professional activity

- 2021- - Member of the Board of Directors of Ibersol, SGPS, SA.

- 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.

The Directors António Alberto Guerra Leal Teixeira and António Carlos Vaz Pinto de Sousa hold, respectively through the Companies Dunbar - Serviços de Gestão, SA. (in which the former holds a 51% stake) and Calum-Serviços de Gestão, SA. (in which the latter has a 99.96% participation), control of ATPS SGPS, SA., a company to which a 56.53% participation in the share capital of Ibersol SGPS, SA is attributed, participation which is also imputed to them individually.

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.

In compliance with the strategic objectives, organisation and coordination of the corporate structure and the company's main policies, namely with the due analysis and definition of the limits in terms of risk-taking, objectives that the Board of Directors analyses and ensures - the Executive Committee executes an operational coordination of the functional departments and the different company businesses, meeting with the respective managers on a regular and periodic basis. The decisions taken by the Functional and Business Directors must respect the overall guidelines that emanate from the delegation of powers conferred by the Executive Committee and are coordinated in the periodic meetings.

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.

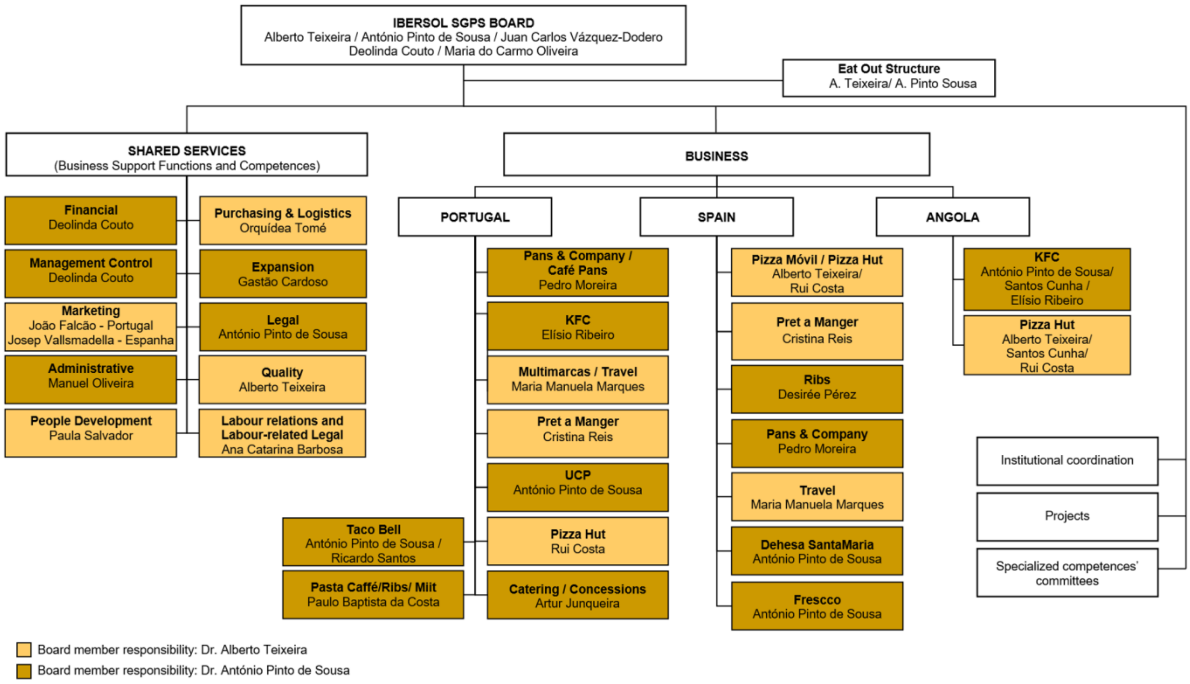
The powers delegated to the Executive Committee are as follows:

a) Exercise 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 2022, 26 meetings of the Board of Directors were held.

In one of these meetings, one non-executive Member was absent and at the other 25 meetings all of the Executive Members and non-executive Members were present or represented (herein ex vi article 14º nº 4 of the Company' s Bylaws and article 410º nº 5 of the CSC).

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., as explained in points 69 and 77 below.

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. As regards the performance regime of the executive directors with regard to the exercise, by them, of executive functions in entities outside the Ibersol Group, their qualifications, skills and professional experience consolidated over many years in their exercise, objectively guarantee a high level of performance in the performance of their respective positions which is not objectively affected by the exercise of other management positions in companies outside the group, whether in terms of their qualification as executive or non-executive - which is proven by the good application of management and efficiency methodologies that continuously ensure and guarantee the efficient promotion of the company's objectives, leading to its sustainable development.

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 2022, whose matters are set out in the respective minutes drawn up within this framework..

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.

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;

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;
2020 to date: carries out the activity of Statutory Auditor, member of several Fiscal Councils and Chairman of the Superior Council of the Association of Statutory Auditors.
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 two 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.

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

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 2022, 9 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, carrying out periodic and regular control actions to ensure that the risks effectively incurred by the company are consistent with the objectives set by the management body, should taking cognisance of all relevant information, adopting a position on the work plans and resources allocated to internal control functions, including risk management functions, proposing any operational adjustments inherent to this management that it deems necessary;
- 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, observing the verification procedures designed to ensure compliance with the independence requirements applicable to the statutory auditor;

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.

In order to carry out its functions, the Supervisory Board obtains from the Board of Directors, in advance, on a regular and timely basis, all the necessary information for the assessment and pronouncement on the strategic guidelines and risk policy, acting in a timely manner in relation to the Board of Directors' final decisions on these matters, gathering information on the Group's operational and financial performance, changes in the composition of the companies and businesses portfolio, and the content of the main decisions taken.

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 2022, fees for services other than audit represented 12,8% 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 2022 to 274,800 euros, as follows:

Summary

	2022	%	2021	%
Ibersol SGPS, SA				
Audit	45 000 €	16,4%	32 000 €	11,4%
Other services			30 000 €	10,7%
Other companies on group control				
Audit	194 500 €	70,8%	210 000 €	74,7%
Reliability assurance services	35300€	12,8%		
Other services			9 000 €	3,2%
TOTAL	**274 800 €**	**100%**	**281 000 €**	**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.

Furthermore, in 2022, the Company approved and implemented an Internal Procedure for Reporting Irregularities (Whistleblowing), in compliance with the obligations arising from Law no. 93/2021, of 20 December, which is applicable to the Ibersol Group companies and ensures the rights of anonymity, confidentiality and absence of retaliation in the event of a report.

Therefore, for the purpose of reporting irregularities under the aforementioned Law No. 93/2021, of 20 December, which establishes the General Protection Regime for Whistleblowers, as well as those that are covered by the regime of Decreto-Lei n.º 109-E/2021, of 9 December, which establishes the General Regime for the Prevention of Corruption, the Group companies have their own whistleblowing channel available through an email address that is duly informed on the Company's website at: https://www.ibersol.pt/investidores/canal-de-denuncias/".

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, which have proven to be adequate and efficient taking into account the size of the company and the risks inherent to its activity.

For specific business aspects there are risk areas whose management has been assigned to functional departments, being conducted by the Executive Committee the internal control and monitoring of the internal control systems.

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. For this purpose, the Supervisory Board gathers all the necessary information to enable it to issue an effective assessment about these matters, gathering the necessary prerequisites to issue a timely pronunciation near by the Board of directors regarding the final decisions to be made by this body within the same scope.

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. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in carrying on its business.

The Board of Directors believes that the Group is exposed to the normal risks arising from its activity in the restaurant business. Below are briefly presented the risks that are subject to regular analysis, assessment, and monitoring by the functional and business areas in consultation with the Board and its specialized committees.

Quality and Food Safety Risks

The Quality Management Department ensures most of the prevention and control measures in different areas of the Ibersol Group's business. The risks associated with food quality and safety are very critical in the Ibersol Group's business, since they are directly linked to the quality of the business' core product and to ensuring the consumers' safety and health. The monitoring and control of these risks is essentially based on developing internal skills, carrying out periodic internal and external audits, implementing and certifying specialised management systems, investing in support technologies, and enegaging and raising the awareness of stakeholders.

Legal and Regulatory Risks

The Ibersol Group is very exposed to general and sectoral legislation and is highly scrutinised in terms of the sector's best national and international practices. Accordingly, various resources, partnerships and compliance verification routines have been established to enable access at all times to all the current legislative and regulatory information most relevant to the business, namely on the following topics: reporting of financial and non-financial information, food quality and safety, food and non-food products, restaurant operations, consumers, employment and social matters, energy and natural resources, environment and climate change, legal-labour matters and real estate/real estate.

Environmental risks

Environmental impact

The Ibersol Group's management of environmental risks is largely based on the implementation and certification of management systems, such as the ISO 14001 standard. In particular, the main flows of packaging materials are monitored, and reporting obligations are fulfilled with the entities licensed to manage and promote the selection, collection and recycling of packaging waste in the Portuguese and Spanish markets.

Climate change

Climate change is increasingly affecting agricultural and livestock production in various markets, leading to food shortages, price volatility and disruptive events in global supply chains. To help mitigate these situations and ensure the continuity of its activities, the Ibersol Group is working to reduce its greenhouse gas emissions and adjust its procurement strategies.

Extreme events

The increasingly frequent occurrence of extreme natural events threatens people's safety and the continuity of activities. The Ibersol Group has ISO certifications that guarantee high standards of health, occupational safety and quality and food safety, in addition to complying with all the legal rules for physical safety and civil protection. On the other hand, the Covid-19 pandemic required more resilient and flexible management processes, including the digitalisation of the sales channels and business support activities, strengthening the internal competences for crisis management and business continuity.

Use of natural resources

The Ibersol Group depends on the use of natural and energy resources for its operation but is aware of the impacts that events such as extreme drought and price volatility in the energy market can have on its operation and results, so it maintains internal policies and specific initiatives for a more efficient use of those resources. Furthermore, the Ibersol Group respects standards and good practices for the storage, handling and distribution of food and non-food raw materials, with robust monitoring, segregation, and traceability processes to minimise food safety risks and reputational risks.

Financial Risks

Foreign exchange risk

The Ibersol Group adopts a natural hedging policy regarding exchange rate risk, using financing in local currency. The exposure to exchange rate risk is limited, since the Group is mainly present in the Iberian market and has little volume of purchases outside the euro zone. The most relevant exchange rate risk comes from operations in Angola, where devaluation of the Kwanza could affect the Group's results. However, the financing contracted by the Angolan subsidiaries is denominated in the local currency and the Group monitors the credit balances in foreign currency on a monthly basis and adopts a partial hedge through Treasury Bonds of the Republic of Angola, indexed to the USD.

Interest rate risk

The Ibersol Group has no significant interest-bearing assets, except for the Angolan State Treasury Bonds, whose interest is fixed and indexed to the US dollar. The group had Term Deposits amounting to 165 million euros on 31 December due to the sale of Burger King brand restaurants. The main interest rate risk comes from liabilities, namely long-term loans. Loans issued with variable rates expose the Group to cash flow risk associated with the interest rate and loans issued with fixed rates expose the group to fair value risk associated with the interest rate. The Group's policy, in longer maturity loans, is to fix interest rates up to 50% of the outstanding amount.

Credit risk

The Ibersol Group has no relevant credit risk concentrations, since its main activity is carried out with sales paid in cash or by debit or credit card. However, in relation to the Catering and Franchising businesses that represent about 7.3% of the consolidated turnover, the Group regularly monitors the accounts receivable, controlling the credit granted, analysing the ageing and recoverability of the receivables and the customers' risk profile. In relation to home sales through Aggregators, the Group receives the money within eight or fifteen days.

Liquidity risk

The Ibersol Group manages liquidity risk by maintaining a sufficient amount of cash and bank deposits, viability of the consolidation of floating debt and the ability to liquidate market positions. The annual planning of treasury needs is reviewed quarterly and adjusted daily. Flexible management of commercial paper and continuous negotiation of credit lines available, in accordance with the dynamics of the underlying business, is adopted.

Capital risk

The Ibersol Group seeks to maintain an adequate level of equity to ensure the continuity and expansion of the business. The balance of the capital structure is monitored based on the financial leverage ratio, which is intended to be kept within the 50% to 75% range.

Economic, Sectoral and Short-term Risks

Business portfolio

The Ibersol Group undertakes strategic and operational risk management of its business portfolio, including the assessment of new projects and actions to manage specific risks. It operates international brands under a franchising scheme, with long-term renewable contracts, except for restaurants in concession spaces at airports, which are awarded by tender. The Group is committed to maintaining good relationships with franchisors to ensure continuity and to comply with contractual obligations and defined standards.

Disposable income and purchasing power

The Group's business can be negatively affected by economic downturns due to a decrease in household consumption, which is influenced by wage policies, unemployment, credit, interest rates, confidence, and social protection. The Group offers products and services accessible to the public in general and adjusts the portfolio in accordance with adverse socioeconomic conjunctures, ensuring sustainable activity and profitability.

Consumption habits

Another potential risk for the Ibersol Group and the brands it represents is the possible inability to understand consumers' preferences and needs and adapt to behavioural changes in time to offer innovative and attractive products and concepts in a profitable manner. The ability to develop higher value products under competitive conditions is critical for the restaurant sector, but behavioural evolutions are difficult to predict. However, the Ibersol Group maintains a close relationship with global brands, monitors consumption trends in different markets, participates in innovation forums and has resources allocated to the development of new products.

Commodity prices

Commodity prices, mainly agricultural products, are expected to retreat in 2023 due to the decrease in global demand. However, limited supply will keep prices high. The war in Ukraine will continue to affect the market for agricultural products, while climate change and China's geopolitical position also pose significant risks. Disruptions in supply chains due to the pandemic are expected to diminish in 2023, leading to a drop in food indices. Cereal prices will be influenced by events in the Black Sea region and oilseed and vegetable prices should reach a trough by the end of 2023. The war in Ukraine could also indirectly affect coffee, cocoa, and tea prices due to fertiliser shortages.

Energy scarcity

Europe risks shortages of liquefied natural gas in the winter of 2023-2024 if Russia stops supplies to Europe and diverts all quantities to China. The International Energy Agency (IEA) urged European states to implement concrete measures to reduce natural gas consumption and increase the use of renewable energy sources. In this context, the Ibersol Group is promoting actions to reduce the consumption of gas and electricity in its administrative facilities and restaurants and has also begun to monitor the carbon footprint associated with electricity consumption to establish a decarbonisation roadmap for the coming years.

Prolonged economic stagnation

For 2023, the IMF and ECB forecast growth of less than 1% in Europe due to the exceptional conditions of uncertainty at international level. The Bank of Portugal (BoP) forecasts a strong cooling of the national economy, with private consumption practically stagnating in 2023 and growing only about 1% per year on average throughout the period to 2025. The further reduction of the savings rate contributes to contain the deceleration of private consumption. In Spain, on the other hand, the economic situation is slightly more favourable, with the pre-pandemic GDP level expected to be reached in the second half of 2023 and growth between 1.5% and 2% per year until 2024. The Ibersol Group maintains an attentive approach to the evolution of the entire economic environment in which it carries out its activity and has specialised teams dedicated to managing the expansion and refurbishment projects of its restaurant units to ensure compliance with its business plans in the medium and long term.

Social disaggregation

The unstable economic situation may lead to social breakdown, increasing intolerance, discrimination, and criminality. Moreover, involuntary migrations from other regions of the world to Europe may cause additional socio-economic challenges. The Ibersol Group is committed to increasing employees' motivation and engagement, valuing social capital, and promoting inclusion and solidarity.

Brand reputation

The Ibersol Group's success is linked to the international brands it represents and develops. In fact, the Group follows the contracts and standards that guarantee the offer of products and services in accordance with the brands, which brings opportunities and benefits, but can also lead to various challenges related to managing the image and communication. The Group closely follows the brands and monitors the sector nationally and internationally.

Social Risks

Attracting and retaining critical talent

Technological and cultural evolution requires companies to acquire and develop critical skills for the future and attract professionals aligned with their organisational values. The Ibersol Group is aware of the importance of retaining talent, promoting training, motivation, and a diverse and merit-promoting work environment. Furthermore, new competencies for the future are being defined, in line with the Group's value structure, and new working models, which may bring challenges and opportunities, are being monitored.

Occupational Health and Safety

The Labour Relations and Labour-related Legal Department is responsible for managing labour risks and well-being at the Ibersol Group. Various programmes and measures are adopted, including workplace risk assessment, training and information for employees and implementation of self-protection measures in the units. In 2022, there was a strong focus on protecting the health of employees and customers during the Covid-19 pandemic, with various training, information, and awareness actions for employees.

Technological Risks

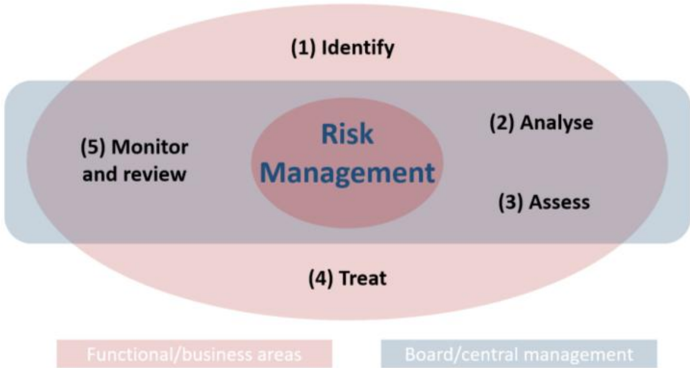
Information, communication, and decision support technologies are crucial for the innovation and expansion of the Ibersol Group's business, but they also present various risks, especially those that have been at the root of the increase in cybercrime in recent years. Any failure in these systems may affect the functioning of the management processes and operations in the restaurants, generating costs and loss of revenue that may affect the Group's profitability and financial situation, as well as damaging the reputation of the organisations and brands. The Ibersol Group is attentive to the legal and regulatory requirements in terms of information security, implementing technologies, processes and systems for protection, detection, and disaster recovery, in addition to maintaining permanent articulation with the international brands with regard to technological solutions to support the business.

Global Context Risks

The current global context is marked by uncertainty and volatility in the markets due to historical circumstances and social, cultural, political, and military phenomena, as well as natural disasters and climate change. The conflicts in Israel, the dispute over Taiwan and the war in Ukraine are foci of instability that may aggravate the situation. The possibility of states with nuclear military capability becoming involved in armed conflicts is an existential risk for humanity, while the consequences of climate change may lead to more infectious diseases and pandemics. The Ibersol Group is committed to acting in accordance with the laws and guidelines of the Portuguese State and to protecting its stakeholders.

54. Description of the identification, assessment, monitoring, control and risk management process.

The internal risk management process in the Ibersol Group is based on guidelines common to the main risk management frameworks, considering a cyclical approach consisting of five main stages:



The phases of risk identification and treatment are typically more decentralised and associated to the different functional and business areas, while the analysis, assessment and ‘monitoring and revision’ phases are generally tackled by the latter in interaction with the Board. This operating model makes it possible to maintain a high level of awareness, accountability, and control in the approach to the different types of risks that affect the organisation. The following scheme is a representation of the main groups of risks considered relevant in terms of their probability of occurrence and level of potential impact.

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.

Considering that, organically and functionally, the different Directions of the Group direct the "compliance" services in articulation with the Board of Directors and the Supervisory Board and being the respective heads of these different Directions duly identified in the Company's organization chart, it is important to restate that they do so in interaction with the Supervisory Board and with the Board Members, 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 2022 were received 37 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/sociedade-orgaos-sociais

61. Location where the Articles of Regulation for the committees can be found.

www.ibersol.pt\investidores\Estatutos and www.ibersol.pt/investidores/sociedade-orgaos-sociais

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/sociedade-orgaos-sociais

www.ibersol.pt/investidores/relacao-com-investidores

63. Location where is provided the documents of accounting, calendar of corporate events.

www.ibersol.pt/investidores/relatorios/relatorio-e-contas

www.ibersol.pt/investidores/calendario-de-eventos

64. Location where is provided the notice to General Meeting and related information.

www.ibersol.pt/investidores/assembleias-gerais-ibersol

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-ibersol

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.

Without prejudice to the due assessment by the Remuneration Committee of any eventual consultancy services that, within the scope of the respective judgement of necessity and convenience, could came to be contracted and provided with total independence, in fact 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.

At the General Meeting of May 26, 2022, following a mere clarification of the indicated remuneration policy, the Remuneration Policy for the Corporate Bodies for the four-year period 2021 to 2024 was approved, and in order to provide information or clarification to the shareholders, the member of the Remuneration Committee, Mr. Joaquim Alexandre Silva, was present at this meeting.

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 2022 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: 45,000 euros in a fixed amount for the year 2022, 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 submitted the same for approval of the Company's shareholders at the Annual General Meeting on 26 May 2022, 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.

d) No application of any variable remuneration components, nor any share-based remuneration component, nor any supplementary pension or early retirement schemes, nor any other;

f) Application of criteria of proportionality and adequacy to the type and degree of responsibility in the exercise of the respective functions of the various members of these corporate bodies, having also taken into account, in a comparative, proportional and equitable sense, the conditions of employment and remuneration of the company's employees when establishing this remuneration policy;

g) The duration of the respective mandates is established in the respective electoral act of the GM of 18 June 2021 for the four-year period 2021-2024, and no agreements with the members of the Board of Directors, nor with the members of the Supervisory Board, with no periods of notice, nor any indemnity clauses or other clauses related to the termination of the respective mandates, nor are there any payments associated with the termination of the respective mandates;

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 or has 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. with a continuous annual duration and in force in the year 2021, as well as in the year 2022, having received for such services, in 2022, a total of 1,000,008,00 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 controlled 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 1,000,008 euros in 2022, each of this Directors received the amount of 500,004 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 2022, 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 €12,252.97/annual value of €147,035.64;

- Prof. Juan Carlos Vazquez-Dodero (Member): annual value of 6,000.00 euros in 2022.

- 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 2022 was 27,500 euros. This total breaks down as follows:

Charmain – Dr. Hermínio António Paulos Afonso: 9.900 euros;

Member – Dr. Carlos Alberto Alves Lourenço: 8.800 euros;

Member – Dr.ª Maria José Martins Lourenço da Fonseca: 8.800 euros;

Substitute - Dr. Joaquim Jorge Amorim Machado: did not receive any remuneration.

82. Indication of the annual remuneration earned by the Chairman of the Shareholders' General Meeting.

Chairman of the Board – Prof. Dr. José Rodrigues de Jesus: 1,500.00 euros.

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 and necessary control 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.

Each member of the Board of Directors is obliged, with regard to facts applicable to his or her conduct in particular and pursuant to the Internal Procedure on Transactions with Related Parties (cf. point 3.2. of this Procedure) - specifically to the following:

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.

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 with related parties are 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 2022 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.	**Parcially 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 exercise of remote voting, including by correspondence and electronic means.	**partially adopted**	**12 - v.d. explanation 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.	**Parcially adopted**	**18**
RECOMMENDATION		Corporate

	Degree of Compliance	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 been attributed. The formation of such suitability judgment should be included in the corporate governance report.	**Adopted**	**15, 17, 18, 28, 29, 31 to 33**

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.	**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	**partially adopted**	**17 and 18**

vi) having been a qualified holder or representative of a shareholder of qualifying holding.		
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 toit 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, 38 and 51**
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 and Annex I to this Report**

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 and not applicable in the part concerning internal committees**	**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 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.	**Not applicable**	**76, 83, 84 and Annex I below (Declaration of the Remuneration Committee)**

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.	**Adopted**	**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.	**adopted**	**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 of the 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 performance, in the terms defined by a company's internal regulation.	**Not applicable**	**69, 70 to 74**
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 and point 15 above.**
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**	**21, 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 structured in 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 the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	**Adopted**	**38,50 and 51**
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, 38, 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 compliance and 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 and Annex I below (Declaration of the Remuneration Committee)**
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. Given that in previous General Meetings of Shareholders held in 2020, 2021 and 2022, the Company has already made available to its shareholders a reiterated practice, duly justified and secure, of being able to exercise their voting right in the form of postal voting by electronic mail - noting that this method was included in the respective Notices of Meeting and in the respective electronic voting forms published in connection therewith - should be consider that the appropriate means for exercising the right to vote at a distance in complete security and guaranteeing of integrality and confidentiality of this method of electronic voting have been duly implemented by the Company.

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 2022 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 2023

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 2022, received the amount 1,000,008 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 1,000,008 euros paid in 2022, it is supposed that each of this Directors has received the amount of 500,004 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 12,252,97 euros, 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, 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 2022.

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 2022 was set at a annual fixed amount, payable twelve times a year. The individual members received the following annual remuneration:

Chairman– Dr. Hermínio António Paulos Afonso: earned the monthly amount of 825 euros, 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, 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, not having received any other remuneration components for the exercise of the respective position;

At the last General Meeting, following the approval of the proposal presented by the Remuneration Committee, clarification was given to aspects of the wording of the principles underlying the remuneration of the governing bodies, given 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 resume, availability 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 such 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.
These principles are duly taken into consideration in the assumptions made in the aforementioned contract signed between ATPS - Sociedade Gestora de Participações Sociais, SA. and Ibersol - Restauração, SA.

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 submitted to the company at the time of the consultation of the various entities carried out under the supervision of the Statutory Audit Board for the appointment of the Statutory Auditor that took place on May 14, 2018, being considered therein the remuneration amounts to be provided.

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.

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. There is no contractual limitation provided for the compensation to be paid for unfair dismissal of a director, nor is there any relationship with the variable component of remuneration (the variable component is not stipulated in the contract), applying to the specific case to be considered, any legal provisions that may be applicable in this scope.

Oporto, 26th April 2023

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 2022 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 attributing 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, 26th April 2023.

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

Member of the Statutory Audit Committee

- UNIVERSO IME, S.A.

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.
- Cláusula Didatica, 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:

-MCretail, SGPS, SA

- 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 Computadores 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.
- Feedzai – Consultoria e Inovação Tecnológica, 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
- LMcapital Wealth Management, Empresa de Investimento 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

Member of of the Supervisory Board:

-Universo IME SA

Oporto, 26th April 2023.

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.

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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.

Consolidated Financial Statements

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

31 December 2022

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Consolidated Statement of Income and Other Comprehensive Income

For the years ended 31 December 2022 and 2021

	Notes	Years ended on December 31st 2022	2021 Restated
Sales	4.1.	352 601 385	202 466 214
Rendered services	4.1.	2 995 184	1 534 872
Cost of sales	5.1.1.	-87 767 965	-42 853 515
External supplies and services	4.3.1.	-107 012 426	-51 960 523
Payrolll costs	4.3.2.	-105 451 807	-70 634 339
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	6.1. a 6.5.	-39 061 832	-64 194 201
Other operating gains (losses)	4.3.3.	5 815 149	67 327 897
Operating Income		22 117 688	41 686 405
Financial expenses and losses	8.8.	-9 275 566	-13 359 378
Financial income and gains	8.8.	1 610 283	662 049
Gains (losses) in associated and joint controlled sub. - Equity method	6.6.	100 603	-59 343
Profit before tax from continuing operations		**14 553 008**	**28 929 733**
Income tax	9.1.1.	2 141 726	-3 721 370
Net profit from continuing operations		**16 694 734**	**25 208 363**
Discontinued operation			
Profit (loss) from discontinued operations, net of tax	6.7.	143 178 459	6 128 785
TOTAL COMPREHENSIVE INCOME		**159 873 193**	**31 337 148**
Another integral result			
Net exchange differences		1 242 981	1 489 677
CONSOLIDATED COMPREHENSIVE INCOME		**161 116 174**	**32 826 825**
Consolidated net profit attributable to:			
Shareholders of parent company			
Continued operations		16 696 690	25 251 122
Discontinued operations		143 178 459	6 128 785
Non-controlling interests	8.1.4.		
Continuing operations		-1 956	-42 759
Discontinued Operations		0	0
		159 873 193	31 337 148
Consolidated comprehensive income attributable to:			
Shareholders of parent company			
Continued operations		17 939 671	26 740 799
Discontinued operations		143 178 459	6 128 785
Non-controlling interests	8.1.4.		
Continuing operations		-1 956	-42 759
Discontinued Operations		0	0
		161 116 174	32 826 825
Earnings per share:	8.1.6.		
Basic			
Continuing Operations		**0,39**	**0,75**
Discontinued Operations		**3,38**	**0,18**
Diluted			
Continued operations		**0,39**	**0,75**
Discontinued Operations		**3,38**	**0,18**

Porto, 26th April 2023

The Board of Directors,

Consolidated Statement of Financial Position

At 31 December 2022 and 2021

ASSETS	Notes	31/12/2022	31/12/2021
Non-current			
Goodwill	6.1.	54 391 775	79 032 821
Intangible Assets	6.2.	26 862 783	35 870 696
Property, plant and equipment	6.3.	130 540 302	214 373 712
Assets under rights of use	6.4.	89 927 682	138 871 151
Investment property	6.8.	8 470 400	-
Investments in Associates and Joint Ventures	6.6.	3 087 921	2 940 318
Debt instruments at amortised cost	8.5.	2 477 133	841 165
Non-current Receivables	5.2.	14 727 489	8 503 296
Deferred Tax Assets	9.2.1.	9 989 258	11 088 442
Total non-current assets		**340 474 744**	**491 521 600**
Current Assets			
Inventories	5.1.	13 084 136	15 717 458
Income tax recoverable	9.1.2.	109 587	110 222
Debt instruments at amortised cost	8.5.	591 725	1 338 791
Current receivables	5.2.	55 820 271	26 698 358
Cash and bank deposits	8.6.	237 132 629	96 968 003
Total current assets		**306 738 348**	**140 832 831**
Group of assets classified as held for sale	6.7.	5 428 897	-
Total Assets		**652 641 989**	**632 354 431**
EQUITY			
Share capital			
Share capital	8.1.1.	46 000 000	46 000 000
Own shares	8.1.2.	-11 410 227	-11 180 516
Share premium	8.1.1.	29 900 789	29 900 789
Currency translation reserve	8.1.3.	-10 088 451	-11 331 432
Legal reserve	8.1.3.	1 976 081	1 751 081
Retained earnings and other reserves	8.1.3.	167 521 938	142 053 271
Net profit for the year	5.1.3.	159 875 149	31 379 907
Equity attributable to shareholders of Ibersol		**383 775 279**	**228 573 100**
Non-controlling Interests	8.1.4.	-81 719	90 482
Total Equity		**383 693 560**	**228 663 582**
LIABILITIES			
Non-current liabilities			
Borrowings	8.2.	46 234 860	140 439 066
Lease liabilities	8.4.	70 113 338	121 422 685
Deferred tax liabilities	9.2.2.	4 303 563	3 376 658
Other provisions	10.1.	2 530 869	2 428 023
Derivative financial instruments	8.3.	-	18 976
Non-current payables	5.3.	43 149	4 176
Total non-current liabilities		**123 225 779**	**267 689 584**
Current Liabilities			
Borrowings	8.2.	23 847 026	26 593 284
Lease liabilities	8.4.	20 760 371	21 645 649
Current payables	5.3.	98 821 242	87 305 932
Income tax payable	9.1.2.	413 865	456 400
Total current liabilities		**143 842 504**	**136 001 265**
Liabilities directly associated with the group of assets classified as held for sale	6.7.	1 880 146	-
Total Liabilities		**268 948 429**	**403 690 849**
Total Equity and Liabilities		**652 641 989**	**632 354 431**

Porto, 26th April 2023

The Board of Directors,

Consolidated Statement of Cash Flows

For the years ended 31 December 2022 and 2021

	Note	2022	2021
Cash Flows from Operating Activities			
Receipts from clients		522 059 661	355 474 947
Payments to supliers		274 899 298	152 876 810
Staff payments		115 328 597	89 558 121
Flows generated by operations		131 831 767	113 040 016
Payments/receipt of income tax		2 514 504	27 658
Other paym./receipts related with operating activities		-16 895 137	-32 669 824
Flows from operating activities (1)		**112 422 126**	**80 342 534**
Cash Flows from Investment Activities			
Receipts from:			
Disposal of discontinued operations net of cash and cash equivalents	6.7.	193 822 251	-
Financial investments		354 815	137 842
Tangible fixed assets		3 684	29 953
Interest received		1 693 147	570 729
Other financial assets	8.5.	1 429 154	2 075 587
Payments for:			
Financial investments		818 120	842 070
Other financial assets	8.5.	2 264 442	1 467 453
Tangible fixed assets		39 593 542	34 706 345
Intangible assests		3 682 205	3 080 111
Flows from investment activities (2)		**150 944 741**	**-37 281 867**
Cash flows from financing activities			
Receipts from:			
Capital increases and issue premium	8.1.1.	-	39 578 472
Loans obtained	8.2.	3 000 000	34 298 753
Payments for:			
Loans obtained	8.2.	83 427 754	32 227 604
Rental debt	8.4.	24 317 016	28 991 264
Interest from loans and similar costs		5 067 915	4 111 911
Interest from lease contracts	8.4.	8 082 545	5 040 566
Dividends paid	8.1.5.	5 724 003	-
Acquisition of own shares	8.1.2.	229 711	-
Flows from financing activities (3)		**-123 848 944**	**3 505 880**
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**139 517 923**	**46 566 547**
Effects of exchange rate differences		422 816	-147 921
Effect of variation in perimeter	6.7.	223 887	
Cash & cash equivalents at the start of the period		96 968 003	50 549 377
Cash & cash equivalents at end of the period	8.6.	**237 132 629**	**96 968 003**

The Board of Directors,

Consolidated Statement of Changes in Equity

For the years ended 31 December 2022 and 2021

	Note	Attributable to equity holders									
		Share Capital	Own Shares	Share Premium	Legal Reserves	Translation Reserve	Other Reserves & Retained Earnings	Net Profit	Total	Non-controlling interests	Total Equity
Balance as at 1 January 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 for the period:											
Application of the 2020 consolidated result:											
Transfer to reserves and retained earnings					121 483		-55 318 732	55 197 249	-		-
Capital increase	8.1.1	10 000 000		29 430 852					39 430 852		39 430 852
Conversion reserves - Angola						1 489 677			1 489 677		1 489 677
Consolidated net profit for the year ended 31 December 2021								31 379 907	31 379 907	-42 759	31 337 148
Total changes for 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
Consolidated net profit								**31 379 907**	**31 379 907**	**-42 759**	31 337 148
Consolidated comprehensive income									32 869 584	-42 759	32 826 825
Transactions with equity holders in the period											
Appropriation of consolidated net profit for 2020											
Dividends distributed	8.1.5.								-		-
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**
Balance as at 1 January 2022		46 000 000	-11 180 516	29 900 789	1 751 081	-11 331 432	142 053 271	31 379 907	228 573 100	90 482	228 663 582
Changes in the period:											
Application of consolidated result 2021:											
Transfer to reserves and retained earnings					225 000		31 154 907	-31 379 907	-		-
Liquidation of subsidiaries									-	-170 245	-170 245
Conversion reserves - Angola						1 242 981			1 242 981		1 242 981
Purchase of own shares			-229 711						-229 711		-229 711
Others							37 762		37 762		37 762
Consolidated profit for the year ended 31 December 2022								159 875 149	159 875 149	-1 956	159 873 193
Total changes for the period		-	-229 711	-	225 000	1 242 981	31 192 669	128 495 242	160 926 181	-172 201	160 753 980
Consolidated net profit								**159 875 149**	**159 875 149**	**-1 956**	159 873 193
Consolidated comprehensive income									161 118 130	-1 956	161 116 174
Transactions with equity holders in the period											
Appropriation of consolidated net profit for 2021											
Dividends distributed	8.1.5.						-5 724 002		-5 724 002		-5 724 002
Balance on 31 December 2022		**46 000 000**	**-11 410 227**	**29 900 789**	**1 976 081**	**-10 088 451**	**167 521 938**	**159 875 149**	**383 775 279**	**-81 719**	**383 693 560**

Porto, 26th April 2023

O Conselho de Administração,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation and Structure of the Group

IBERSOL, SGPS, SA (Group or Ibersol) with head office at Praça do Bom Sucesso, Edifício Península n.º 105 a 159 – 9º, 4150-146 Porto, Portugal. Ibersol's subsidiaries (jointly called "the Group"), operate a network of 621 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Ribs, FrescCo, SantaMaría, Kentucky Fried Chicken, Burger King, Pans Café, Pizza Móvil, Miit, Taco Bell, Sol, Silva Carvalho Catering and Palace Catering, Goto Café and others. The group has 421 units which it operates and 66 units under a franchise contract. Of this universe, 296 are based in Portugal, of which 295 are owned and 1 franchised, and 179 are based in Spain, spread over 116 own establishments and 63 franchisees, and 10 in Angola and 2 in other locations.

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

Company: IBERSOL, SGPS, S.A.
Head Office: Edifício Península Praça do Bom Sucesso, nº 105 a 159, 9º, Porto, Portugal
Legal Nature: Public Limited Company
Share Capital: €46.000.000
L.E.I.: 501 669 477

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

1.1. Ibersol Group Subsidiaries

For the periods ended 31 December 2022 and 2021, the Group companies, their head offices and their main developed business included in the consolidation by the full consolidation method and the respective proportion of equity is as follows:

Company	Head Office	% Shareholding	
		Dec/22	Dec/21
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%
Iberking Restauração, S.A.	Porto	-	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%
Firmoven Restauração, S.A.	Porto	100%	100%
IBR - Sociedade Imobiliária, S.A.	Porto	100%	100%
Eggon SGPS, S.A.	Porto	-	100%
Anatir SGPS, S.A.	Porto	100%	100%
Lurca, SA	Madrid-Espanha	-	100%
Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%
José Silva Carvalho Catering, S.A.	Porto	100%	100%
Iberusa Central de Compras para Restauração ACE	Porto	100%	100%
PANS, FOOD, VIDISCO Y LURCA UTE	Vigo - Espanha	100%	100%
Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%
SEC - Eventos e Catering, S.A.	Porto	100%	100%
IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%
HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%
Ibergourmet Produtos Alimentares (ex-Gravos 2012, S	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%
Volrest Aldaia, S.L	Vigo - Espanha	100%	100%
Volrest Alcala, S.L	Vigo - Espanha	100%	100%
Volrest Alfafar, S.L.	Vigo - Espanha	100%	100%
Volrest Rivas, S.L.	Vigo - Espanha	100%	100%
Voesmu Restauracion, SL	Vigo - Espanha	100%	100%
Food Orchestrator, S.A.	Braga	84%	2%
IBERESPANA Central de Compras, A.I.E.	Vigo - Espanha	100%	-

1.2. Ibersol Group's joint ventures and associates

For the periods ended 31 December 2022 and 2021, the Group's companies, their respective head offices and their main developed business included in the consolidation by the equity method and the respective proportion of equity is as follows:

Company	Head Office	% Shareholding	
		Dec/22	Dec/21
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%

1.3. Changes in the consolidation perimeter

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

In the year ended 31 December 2021 there were no acquisitions of subsidiaries.

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

In the year ended December 31, 2021 there were no disposals of subsidiaries.

Other changes in the consolidation perimeter
Liquidation of subsidiary
With reference to 13 January 2022, the subsidiary Cortsfood, SL was liquidated.

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

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

2. Basis of preparation of the financial information

Introduction

Burger King Restaurant Purchase Agreement

As announced on August 2, Ibersol Restauração and Inverpeninsular signed an agreement with RBI - Restaurant Brands Iberia, SA for the sale of the Burger King business operation in Portugal and Spain, operated essentially by its subsidiaries Iberking and Lurca, respectively.

The purchase and sale operation was carried out on 30 November and confirmed through a statement by Ibersol SGPS on 1 December 2022.

The operation was carried out based on the following values:

Total Operation Price (30 Nov)	253 747 624
Estimated Net Debt	-2 384 837
Estimated Selling Price	251 362 787
Value of assets not transferred on 30 Nov (*)	-9 115 550
Total price as of 30 Nov	**242 247 237**
Amount paid on 30 Nov (**)	235 247 237
Debt dependent on the extension programme of some contracts	7 000 000

(*) 9 restaurants in concession areas in which the concession holders are other subsidiaries of the group and whose contracts and respective assets are expected to be sold at a later date, identified as "carve-in" (see note 6.7). These assets and corresponding liabilities are presented in the statement of financial position as "Group of assets classified as held for sale" and "Liabilities directly associated with the group of assets classified as held for sale". The amount corresponding to these assets is deposited by the buyer in an Escrow account.

The full price of the transaction excludes the amount of 6,000,000 euros that was foreseen as earn-out if a certain amount of EBITDA was achieved by November 2022, and includes the full 7,000,000 euros of earn-out to be paid for the fulfillment of a program to extend some contracts.

As the net debt calculation is still under discussion and the renegotiation of the contract extension program is still in progress, the Group does not estimate that there will be relevant adjustments to the price presented above.

(**)Of the 235 million euros, 209 million euros were paid to the sellers on the day of the transaction and 26 million euros were deposited by the buyer in an Escrow account (see note 5.2), co-assigned by the buyers and sellers, to be moved when determining the final amount of the price, i.e. the final amount of the Net Debt.

The numbers relating to the Burger King operation, in respect of both the restaurants already sold and the restaurants to be transferred under this operation ("carve ins") are presented in the consolidated statement of income and other comprehensive income as "discontinued operations" (see note 6.7). The comparatives for the year 2021 have also been restated to include the Burger King activity as discontinued operations".

2.1. Bases of presentation

2.1.1. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 26 April 2023.

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

2.1.2. Accounting standards

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the previous Standards Interpretation Committee (SIC), as adopted and effective in the European Union on 1 January 2022. In the case of Group companies using different accounting standards, conversion adjustments were made to the IFRS.

2.1.3. Measurement basis

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

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

2.1.4. Comparability

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

2.1.5. Consolidation Bases

2.1.5.1. Subsidiaries

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

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

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

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

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

Balances and gains arising from transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction reveals evidence of impairment of a transferred asset. The accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

2.1.5.2. Associates and joint ventures

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

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

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

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

2.1.5.3. Business activities concentration

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

2.1.6. Presentation currency and transactions in foreign currency

2.1.6.1. Presentation currency

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

The foreign currency exchange rates used to convert transactions and balances expressed in Kwanzas at 31 December 2022 and 2021 were respectively:

Dec/22

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

dez/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

2.1.6.2. Foreign currency transactions

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

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

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

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

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

2.2. New standards, amendment and interpretation

Standards	Change	Date of application
Standards and amendments endorsed by the European Union and mandatory for financial years beginning on or after 1 January 2022		
Reference to the Conceptual Framework (Amendments to IFRS 3)	In May 2020 the IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations. The amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial	1 January 2022

	Reporting with a reference to the latest version, which was issued in March 2018. The Amendments shall be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.	
Property, Plant and Equipment – Proceeds before Intended Use, Amendments to IAS 16 Property, Plant and Equipment	In May 2020, the IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. The Amendments would prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in a manner intended by management. Instead, an entity would recognise those sales proceeds in profit or loss. The Amendments shall be applied retrospectively for annual periods beginning on or after 1 January 2022, with earlier application permitted.	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract	In May 2020, the IASB issued Onerous Contracts—Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The objective of the Amendments is to clarify the requirements of IAS 37 on onerous contracts regarding the assessment of whether, in a contract, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.	1 January 2022
Annual Improvements to IFRS Standards 2018 – 2020	On 14 May 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 containing the following amendments to IFRSs: (a) permit an entity that is a subsidiary, associate or joint venture, who becomes a first-time adopter later than its parent and elects to apply paragraph D16(a) of IFRS 1 First-time Adoption of International Financial Reporting Standards, to measure the cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRSs; (b) clarify that the reference to fees in the 10 per cent test includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf; (c) remove the potential confusion regarding the treatment of lease incentives applying IFRS 16 Leases as was illustrated in Illustrative Example 13 accompanying IFRS 16; and (d) remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value applying IAS 41. The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.	1 January 2022

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

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

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

Standards	Change	Date of application
Standards and amendments not yet endorsed by the European Union		
Clarification requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements)	IASB issued on 23 January 2020 narrow-scope amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. The amendments clarify an IAS 1 criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer the liability's settlement at least 12 months after the reporting period. The amendments aim to: a. specify that an entity's right to defer settlement must exist at the end of the reporting period and have substance; b. clarify that covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at the reporting date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date; and c. clarify the requirements to classify the liabilities that an entity will settle, or may settle, by issuing its own equity instruments (e.g. convertible debt).	1 January 2024
Lease liability in a sale-and-leaseback (amendments to IFRS 16 – Leases)	The IASB issued amendments to IFRS 16 - Leases in September 2022 that introduce a new accounting model for variable payments in a sale and leaseback transaction. The amendments confirm the following: - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. Under IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.	1 January 2024

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

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

2.3. Relevant accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

Estimates, assumptions and circumstances will, by definition, seldom match the actual results reported. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Relevant estimates and judgements	Notes
Recoverability of goodwill	6.1.
Recoverability of property, plant and equipment, intangible assets and righ	6.2. a 6.4.
Determination of the price and capital gain of the Burger King business tra	6.7.
Lease term and incremental finance charge	8.3.
Measurement of deferred tax assets	9.2.1.

The estimates and underlying assumptions were determined based on the best knowledge existing at the date of approval of the financial statements of the events and transactions in progress, as well as the experience of past and/or current events. However, situations may occur in subsequent periods that were not foreseeable at the date of approval of the financial statements and were not considered in these estimates.

Changes to the estimates that occur after the date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8, using a prospective methodology. For this reason and given the degree of uncertainty, the actual results of the transactions in question may differ from the corresponding estimates..

3. Operational Risk Management

3.1. Risks of the global context

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

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

3.2. Risks of development and franchise agreements

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

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

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

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

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

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

3.3. Quality and food safety risks

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

3.4. Price Risk

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

4. Operational Performance

4.1. Revenue

Accounting policies

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

Recognition

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

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

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

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

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

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

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

The revenue from contracts with customers is presented as follows:

	2022	2021
Catering sales	**515 883 700**	**348 551 311**
Restaurant sales	495 356 179	344 608 698
Event catering sales	14 707 102	2 531 696
Concession catering sales	5 820 419	1 410 916
Merchandise sales to franchisees	**14 715 432**	**7 159 148**
Total sales	**530 599 132**	**355 710 459**
Services Rendered	**3 065 770**	**1 624 795**
Franchise royalties	1 953 371	1 401 493
Other	1 112 399	223 302
Turnover Continuing Operations	**533 664 902**	**357 335 254**
Turnover Discontinued Operations (note 6.7)	**-178 068 333**	**-153 334 168**
Turnover	**355 596 569**	**204 001 086**

In 2022 restaurant sales through Aggregator platforms amount to €33.9 million (€27.5 million in 2021).

4.2. Segment reporting

Accounting policies

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

In accordance with IFRS 8, an operating segment is a component of the Group:
(i) that engages in business activities from which it may earn revenues and incur expenses;
(ii) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about allocating resources to the segment and assess its performance; and
(iii) for which separate financial information is available.

The group operates in three major segments of activity:
Restaurants, which comprises the units with table service and home delivery restaurant offerings;
Counters, which comprises the units with over-the-counter sales;
Concessions and catering, which includes all the other businesses, namely the catering activity and the units located in concession areas.

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

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

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

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

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

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

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

SEGMENT		
Restaurantes	Counters	Concessions, Travel and Catering
Brands		
Pizza Hut Pasta Caffe Pizza Móvil FresCo Ribs Sta Maria	KFC O'Kilo Miit Pans & Co. Coffee Counters Taco Bell	SOL (AS) Concessions Catering Convenience stores Travel

INFORMATION BY BRAND (Turnover)

Turnover by brand (sub-segments) is broken down as follows:

Brand/Segment	2022	2021	Var %
Pizza Hut	79 835 834	57 891 083	37,9%
Pasta Caffe	810 173	510 555	58,7%
Pizza Móvil	4 637 826	4 870 665	-4,8%
FrescCo	2 394 354	384 382	522,9%
Ribs	20 424 303	14 541 822	40,5%
Santa Maria	27 240	30 210	-9,8%
Restaurants	**108 129 730**	**78 228 717**	**38,2%**
Burger King	171 622 888	148 982 829	15,2%
Pans & Company	46 393 192	31 248 448	48,5%
KFC	60 975 895	36 108 685	68,9%
O'Kilo/Miit	646 537	532 834	21,3%
Quiosques	1 919 458	958 917	100,2%
Taco Bell	11 029 450	5 371 148	105,3%
Counters	**292 587 419**	**223 202 861**	**31,1%**
Travel (Airports and Service Areas)	112 112 871	50 238 705	123,2%
Catering	14 899 242	5 421 837	174,8%
Concessions, Travel and Catering	**127 012 113**	**55 660 543**	**128,2%**
Others	5 935 641	243 133	2341,3%
TOTAL Continuing operations	**533 664 902**	**357 335 254**	**49,3%**
Discontinued Operations	-178 068 333	-153 334 168	16,1%
TOTAL	**355 596 569**	**204 001 086**	**74,3%**

DETAILED INFORMATION REGARDING OPERATING SEGMENTS

	Restaurants		Counters		Concessions, Travel and Catering		Others, eliminations and adjustments		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Turnover	**105 795 161**	**77 754 411**	**123 299 100**	**70 343 000**	**120 566 668**	**55 660 542**	**5 935 641**	**243 133**	**355 596 569**	**204 001 086**
Operating profit minus amortisation, deprec. and impairment losses	**20 348 526**	**15 399 087**	**22 350 714**	**17 181 941**	**17 739 216**	**73 052 275**	**741 064**	**247 303**	**61 179 520**	**105 880 606**
Amortisation, depreciation and impairment losses	-12 172 604	-13 197 178	-19 131 375	-14 618 892	-8 069 538	-35 168 703	311 685	-1 209 428	-39 061 832	-64 194 201
Operating profit	**8 175 922**	**2 201 909**	**3 219 339**	**2 563 049**	**9 669 678**	**37 883 572**	**1 052 749**	**-962 125**	**22 117 688**	**41 686 405**
Financial profit (loss)									-7 665 283	-12 697 329
Other non-operating gains (losses)									100 603	-59 343
Income tax for the period									2 141 726	-3 721 370
Consolidated net profit									**16 694 734**	**25 208 363**

	Restaurants		Counters		Concessions, Travel and Catering		Others, eliminations and adjustments		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total allocated assets	91 896 930	102 329 624	183 447 497	319 161 004	83 279 920	84 079 655	7 153 239	12 518 244	365 777 586	518 088 526
Total allocated liabilities	54 157 982	42 821 202	111 840 362	163 854 471	26 414 682	25 333 521	1 736 089	797 272	194 149 115	232 806 466
Net investment in tangible and intangible fixed assets	5 220 395	1 491 820	35 792 269	22 062 749	1 754 182	2 935 422	991 240	862 086	43 758 085	27 352 077

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

Assets and liabilities of the unallocated segments	**Dec/22**		**Dec/21**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Deferred Taxes	9 989 258	4 303 563	11 088 442	3 376 658
Income tax	109 587	413 865	110 222	456 400
Net Financing	237 132 629	70 081 886	96 968 003	167 032 350
BK sale receivable amount	32 974 762			
Derivative financial instruments	-	-	-	18 976
Non-current accounts receivable	501 388	-	978 965	-
Investments in associates and joint ventures	3 087 921	-	2 940 318	-
Debt instruments at amortised cost	3 068 858	-	2 179 955	-
Others		-	-	-
Total	286 864 403	74 799 314	114 265 905	170 884 384

	Dec/22		**Dec/21**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Allocated by segment	365 777 585	194 149 115	518 088 526	232 806 465
Not allocated	286 864 403	74 799 314	114 265 905	170 884 384
Total Balance	652 641 989	268 948 429	632 354 431	403 690 849

Until 2021, the Group chose to allocate the value of cash and cash equivalents to the segments, based on the weight of each segment's turnover. As of 2022, the Group opted to present the total net debt, corresponding to the financing obtained less cash and cash equivalents, as unallocated assets and liabilities.

INFORMATION BY GEOGRAPHY

As at 31 December 2022 and 2021 the breakdown of revenues and non-current assets by geography is as follows:

31 December 2021	Portugal	Angola	Espanha	Grupo
Turnover	**119 400 599**	**8 647 451**	**75 953 036**	**204 001 086**
Tangible and intangible fixed assets	183 302 165	16 913 672	50 028 570	250 244 408
Right-of-use assets	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 assets	4 899 059	-	6 189 382	11 088 442
Investments in associates and joint ventures	2 940 318	-		2 940 318
Non-current accounts receivable	578 965	-	7 924 331	8 503 296
Debt instruments at amortised cost	-	841 165	-	841 165
Total non-current assets	**275 366 805**	**18 399 965**	**197 754 829**	**491 521 600**

31 December 2022	Portugal	Angola	Espanha	Grupo
Turnover	**203 358 050**	**14 279 000**	**137 959 519**	**355 596 569**
Tangible and intangible fixed assets	115 476 055	15 220 590	26 706 441	157 403 085
Right-of-Use Assets	47 488 843	536 784	41 902 055	89 927 683
Investment property	8 470 400	-	-	8 470 400
Goodwill	6 604 503	130 714	47 656 558	54 391 775
Deferred tax assets	-	-	9 989 258	9 989 258
Investments in assoc. and joint ventures	3 087 921	-	-	3 087 921
Non-current accounts receivable	7 501 388	-	7 226 101	14 727 489
Debt instruments at amortised cost	-	2 477 133	-	2 477 133
Total non-current assets	**188 629 110**	**18 365 221**	**133 480 413**	**340 474 744**

4.3. Operating income and expenses

Accounting policies

Employee benefits

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

Expenses to be recognized and accrued income

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

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

Government grants

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

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

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

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

As at 31 December 2022 and 2021, the other operating income and expenses are broken down as follows:

	Note	2022	2021
Cost of sales	**5.1.1.**	-87 767 965	-42 853 515
External supplies and services	**4.3.1.**	-107 012 426	-51 960 523
Personnel costs	**4.3.2.**	-105 451 807	-70 634 339
Depreciation, amortisation and impairment losses on non-financial assets	**6.1. a 6.5.**	-39 061 832	-64 194 201
Other operating income/(expense)	**4.2.3.**	5 815 149	67 327 897

In 2021 amortizations included amortizations of the right to use the Spanish Airports for a period of 9 months.

4.3.1. External supplies and services

External Supplies and Services in 2022 and 2021 can be broken down as follows

	2022	2021
Subcontracts	436 329	93 699
Electricity, water, fuel and other fluids	11 023 713	7 161 947
Rents and leases	39 738 687	7 027 597
Condominiums	4 160 217	3 778 276
Tools and utensils, rapid wear and office supplies	2 273 215	1 214 127
Royalties	10 258 852	6 269 418
Travel and accommodation	1 493 022	881 722
Commissions and fees	2 967 494	1 625 002
Maintenance and repairs	6 825 711	4 645 528
Publicity and advertising	8 111 397	6 057 432
Cleaning, hygiene and comfort	2 902 702	2 159 954
Specialised work	12 377 051	8 362 917
Communication, Insurance and Other Supplies and Services	4 444 036	2 682 904
Total	**107 012 426**	**51 960 523**

The evolution of expenses is due to the increase in activity.

Rents and leases are detailed as follows:

	2022	2021
Instalments for leasing contracts with a term of less than one year and other rental charges	838 552	3 780 619
Variable rents	39 731 131	7 235 709
Rental concessions	-830 996	-3 988 731
Total rents and leases	**39 738 687**	**7 027 597**

As a result of Law 13/2021, of October 2021, the airport rents in Spain have been fully considered as variable rents. Therefore, of the total variable rents for 2022, €33,146,336 relates to lease rents from Airports of Spain (2021: €5.6 million).

The amount in rent concessions reflects the application of the practical expedient introduced by the amendment to IFRS 16, in which the group recognized in the income statement rent concessions amounting to €830,996 in 2022 (€3,988,731 in 2021).

4.3.2. Payroll Costs

Payroll costs in 2022 and 2021 can be broken down as follows:

	2022	2021
Wages and salaries	80 303 445	53 869 844
Social security contributions	20 252 644	11 961 033
Meal subsidy (note 5.1.1.)	3 302 878	2 298 260
Insurance against accidents at work	823 317	599 024
Others payroll costs	769 523	1 906 178
Total	**105 451 807**	**70 634 339**

Average no. of employees	**7 161**	**6 022**

Other personnel costs include, namely, indemnities, recruitment and training of personnel and workplace health.

In 2021, the ERTE (Expediente de Regulación Temporal de Empleo) in Spain and the simplified and normal Lay-off in Portugal, made it possible to obtain support of 2.9 million euros in Portugal and 6.1 million euros in Spain.

The remuneration of the members of the board is presented in note 12.

4.3.3. Other operating income/(expenses)

Other expenses and other operating income breakdown in 2022 and 2021 is presented as follows:

	2022	2021
Other operating expenses		
Other provisions (10.1)	965 000	1 560 000
Direct/indirect taxes not affecting the operating activity	749 791	624 467
Losses on tangible fixed assets	33 060	659 380
Exchange differences	775 411	634 103
Stock losses	491 863	-
Membership fees, donations and gifts and inventory samples	236 845	126 028
Impairment adjustments (of receivables) (Notes 5.2.1. and 5.2.3.)	271 814	420 324
Other operating expenses	242 977	392 651
	3 766 760	**4 416 953**
Other operating income		
Derecognition of the lease contract with AENA	-	61 354 936
Operating subsidies	244 407	5 599 777
Supplementary income	5 287 685	3 331 269
Exchange differences	867 302	667 055
Indemnities and compensation	2 638 320	616 122
Gains on tangible fixed assets	3 666	33 078
Impairment (reversal) of accounts receivable (Notes 5.2.1. and 5.2.3.)	62 915	30 173
Investment subsidies	44 189	47 672
Other operating income	433 425	64 767
	9 581 909	**71 744 849**
Other operating income / (expenses)	**5 815 149**	**67 327 897**

The amount recorded in derecognition of the lease contract with AENA is due to the effect of the application of Law 13/2021, regarding the lease contracts of Airports in Spain.

Operating subsidies essentially refer to government support under Covid-19 earned in the year 2021 in the amount of 4,308,638 euros (IENAE - Incent. Extr. Norm. Activ. Empresarial).

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

Following the claim for amounts associated with the purchase of the Eat Out Group, a settlement agreement in the amount of 2 million euros was finally concluded in July. Additionally, compensation was received in the amount of 618,320 euros relating to the fire at the Alicante airport (amounts recorded under the item indemnities and compensation).

5. Working Capital

5.1. Inventories

Accounting policies

Inventories are stated at the lower of cost and net sell value. The cost is calculated using the weighted average cost and is equivalent to the acquisition cost less the value of quantity discounts.

The costs of feeding staff in stores are reflected in staff costs, as a contra entry to stock regularization.

The net realizable value corresponds to the estimated selling price in the normal course of business, less the selling costs.

As at 31 December 2022 and 2021, the detail of the group's inventories was as follows:

	Dec/22	Dec/21
Raw, subsidiary and consumable materials	12 672 414	15 326 340
Goods	486 703	466 099
	13 159 117	**15 792 439**
Decreases	-74 981	-74 981
Net Inventories	**13 084 136**	**15 717 458**

5.1.1. Cost of sales

In 2022 the cost of inventories recognized as an expense and included in "cost of sales" totaled 87,767,965 euros (in 2021: 42,853,515 euros), as shown below:

	2022	2021
M+MP Initial Inventory	15 792 439	11 676 996
Value of Lurca and Iberking inventories as of 31.12.2021	-2 579 658	-
Currency translation	529 720	343 490
Purchases	90 483 705	48 775 681
Inventory adjustment	-3 299 124	-2 150 213
Closing inventories M+MP	13 159 117	15 792 439
Cost of goods sold and materials consumed	**87 767 965**	**42 853 515**

The value of inventory adjustments refers, fundamentally, to employee meals at the workplace (3,302,878 euros and 2,298,260 euros, respectively in 2022 and 2021 respectively in 2022 and 2021, according to note 4.3.2.) and other adjustments.

The variation results from increased activity, due to normalized consumption, after the Covid-19 pandemic.

5.2. Accounts receivable

Accounting policies

Recognition and measurement

Trade and other receivables

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

Assets measured at amortised cost

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

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

Recognition and derecognition

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

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

Other receivables and financial assets

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

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

The Group makes estimates based on default risk and loss rates, which require judgment. Inputs used to assess the risk for loss on these financial assets include:
- credit ratings (to the extent they are available) obtained from information made available by rating agencies such as Standard and Poor's and Moody's;
- significant changes in the expected performance and behavior of the obligor; and
- data extracted from the market, notably on probabilities of default.

Impairment of clients and other debtors

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

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

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

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

As at 31 December 2022 and 2021, the accounts receivable item breaks down as follows:

	Note	Dec/22	Dec/21
Non-current accounts receivable			
Non-current financial assets		501 388	978 965
Other accounts receivable	**5.2.2.**	7 355 485	7 524 331
BK sale receivable amount		7 000 000	-
Accumulated impairment losses		-129 384	-
		14 727 489	**8 503 296**
Current accounts receivable			
Clients	**5.2.1.**	17 442 675	6 369 453
State and other public entities		3 041 134	5 803 060
Other debtors	**5.2.3.**	6 165 750	10 895 309
BK sale receivable amount	**6.7**	25 974 762	-
Advances to suppliers c/a		247 487	202 341
Advances to suppliers of fixed assets		296 657	225 008
Accrued income	**5.2.4.**	4 012 292	4 386 985
Expenses to be recognised	**5.2.5.**	1 526 337	1 698 608
Accumulated impairment losses	**5.2.1. e 5.2.3.**	-2 886 823	-2 882 406
		55 820 271	**26 698 358**
Total Accounts receivable		**70 547 760**	**35 201 654**

BK sale receivable amount (current and non-current)
Of the estimated amount receivable from the sale of BK, totaling 32,974,762 euros (see note 6.7), 7,000,000 euros relate to the earn-out to be received for compliance with a program to extend certain contracts, to be completed in 2024, and are therefore presented as non-current.

Non-current financial assets
The balance relates essentially to the Labor Compensation Fund.

State and other public entities
The balance relates essentially to VAT recoverable in the amount of 3,041,087 euros at December 31, 2022 (5,672,782 euros in 2021)

5.2.1. Clients

Essentially, balances from Catering and Franchising activities (direct merchandise or through the logistics operator and royalties) amounting, respectively, to about 2.7 million euros and 2.8 million euros on December 31, 2022 (2.4 million euros and 2.7 million euros in 2021)).

Concerning clients debts, their ageing is as follows:

	Dec/22	Dec/21
Debt not due	13 229 827	2 251 063
Debt due:		
For less than 1 month	324 118	361 575
From one to three months	1 237 031	1 176 946
Over three months	2 651 700	2 579 869
Total Clients	**17 442 675**	**6 369 453**
Accumulated impairment losses	-2 631 414	-2 674 804
	14 811 261	**3 694 649**

The increase in balances receivable reflects the effect of the sale of goods in December 2022, to Burger King restaurants, of the total debt not due on 31 December 2022, about 10 million euros relate to Iberking Restauração S.A.

On the other hand, the growth in activity in 2022 and the resumption of Catering activity, namely in concessions in soccer stadiums, also explain the increase in the amount receivable from customers.

The impairment of all customer debt with risk of default is recognized.

5.2.2. Other accounts receivable

The balance of the caption other non-current accounts receivable is mainly composed of deposits and guarantees in Spain, resulting from lease contracts. Accounts receivable from other debtors are initially recognized at fair value and, in the case of medium and long-term debts, are subsequently measured at amortized cost, using the effective rate method, less impairment adjustment.

The Group considers that this asset is not exposed to relevant credit risk, since in general these assets are directly associated with rent payment obligations.

These guarantees may be executed by the beneficiaries in the event of contractual breach by Ibersol, such as in cases where the rent is not paid.

The value of the guarantees and deposits related to the Airport lease agreements in Spain with AENA at December 31, 2022 total 4,944,138 euros (5,242,081 euros in 2021).

5.2.3. Other debtors

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

	Dec/22	Dec/21
Meal cards/aggregators	1 866 687	3 939 484
Deposits and bonds	1 064 483	2 611 543
Marketing and rappel	848 190	2 244 102
Debtors suppliers and others	1 377 361	1 674 746
Advances	131 447	136 857
Staff expenses	122 876	79 559
Credit sales	660 547	69 143
Insurance	-	68 692
IEFP	-	43 708
Continente card	94 160	27 475
Total	**6 165 750**	**10 895 309**

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

Deposits and guarantees
In 2021, following the appeal of an unfavorable decision to Pansfood in a lawsuit brought by a service provider, a deposit was made in the amount of 744,766 euros, which gave rise to the establishment of a provision, which has since been derecognized, according to note 10.1.

Additionally in 2021 a deposit of 847,735 euros was made in the Juzgado in Barcelona regarding the lawsuit with AENA, which with a favorable opinion, was returned in 2022.

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

With respect to debts from other debtors, their ageing is as follows:

	Dec/22	Dec/21
Debt not due	3 149 245	7 855 573
Debt due:		
For less than 1 month	793 784	871 158
From one to three months	552 806	718 664
Over three months	1 669 916	1 449 914
Total Other debtors	**6 165 751**	**10 895 309**
Accumulated impairment losses	-255 408	-207 602
	5 910 343	**10 687 707**

The balances relating to meal cards/aggregators are paid immediately after respective summaries, so the balance corresponds to the last period of sales charged by that operator according to the contracted conditions.

Balances with suppliers correspond to debits made in the month of December and are collected on the date of payments in the following month.

On the other hand, guarantees and deposits until the time for which they were constituted is not reached are considered as "debt not yet due".

The debt overdue for more than three months is duly analyzed and corresponds essentially to supplier debts whose internal conference processes require more time than the normal term of commercial relations and therefore do not justify the constitution of impairments.

5.2.4. Accrued income

Detail of the heading accrued income:

	Dec/22	Dec/21
Contracts with suppliers	2 577 984	2 321 033
Ascendi compensation	497 307	497 307
Continente card programme	290 657	506 780
Others	646 344	1 061 866
Total accrued income	**4 012 292**	**4 386 985**

The contracts with suppliers refer, essentially, to marketing contributions and rappel of raw material suppliers, of the period, according to the purchase volume.

5.2.5. Expenses to be recognized

Detail of expenses to be recognized:

	Dec/22	Dec/21
Rents and condominium	382 705	295 746
Discount value of guarantees	365 691	223 603
External supplies and services	346 327	585 225
Charges with raw materials	62 225	140 771
Others	369 390	453 263
Total expenses to be recognised	**1 526 337**	**1 698 608**

Rents and condominiums recognized in this item fall under the recognition exemptions set in IFRS 16.

5.3. Accounts payable

In the periods ended 31 December 2022 and 2021, the accounts payable item breaks down as follows:

	Note	Dec/22	Dec/21
Non-current payables			
Non-current payables		43 149	4 176
		43 149	**4 176**
Current payables			
Suppliers	**5.3.1.**	60 214 442	51 761 221
Accrued expenses	**5.3.3.**	23 469 782	20 746 170
Other creditors	**5.3.2.**	5 977 098	5 536 323
State and other public entities		8 401 652	8 480 036
Income to be recognised	**5.3.4.**	758 268	782 182
		98 821 242	**87 305 932**
Total accounts payable		**98 864 391**	**87 310 108**

State and other public entities
The balance of the item State and other public entities results, essentially, from VAT payable (4,133,605 euros) and Social Security (3,101,700 euros).

5.3.1. Suppliers

The breakdown of suppliers on 31 December 2022 and 2021, is as follows:

	Dec/22	Dec/21
Suppliers - Incoming invoices	44 166 336	38 501 025
Suppliers - Invoices being received and checked	5 782 983	3 196 603
Suppliers of fixed assets - current account	10 265 123	10 063 593
Total accounts payable to suppliers	60 214 442	51 761 221

The increase in balances reflects the growth of activity in the year 2022.

5.3.2. Other creditors

As at 31 December 2022 and 2021the breakdown of other creditors, is as follows:

	Dec/22	Dec/21
Services provided by third parties	5 077 193	5 346 960
Staff	899 905	189 363
Total	**5 977 098**	**5 536 323**

5.3.3. Accrued expenses

As at 31 December 2022 and 2021 the breakdown of accrued expenses, is as follows:

	Dec/22	Dec/21
Insurance payable	85 737	108 056
Accrued payroll	8 256 196	8 987 232
Rents and leases	9 559 234	5 583 055
External services rendered	5 237 673	5 583 485
Others	330 942	484 342
Total accrued expenses	23 469 782	20 746 170

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

5.3.4. Income to be recognized

The breakdown of income to be recognized on 31 December 2022 and 2021, is as follows:

	Dec/22	Dec/21
Indemnity for local works	284 746	311 864
Contracts with suppliers	325 127	254 682
Investment subsidy	74 270	149 792
Others	74 125	65 844
Total income to be recognised	758 268	782 182

The value of contracts with suppliers corresponds to revenues obtained from suppliers until 31 December and for the following periods.

6. Investments

6.1. Goodwill

Accounting policies

Recognition

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

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

Impairment

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

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

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

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

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

	Dec/22	Dec/21
Restaurants	7 147 721	7 147 721
Counters	12 558 945	37 199 991
Concessions and Catering	34 505 388	34 505 388
Others	179 721	179 721
Total	**54 391 775**	**79 032 821**

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

	Dec/22	Dec/21
Restaurants	**7 147 721**	**7 147 721**
Ribs	5 175 479	5 175 479
Pizza Hut	1 972 242	1 972 242
Counters	**12 558 945**	**37 199 991**
Pans & C.º	11 850 160	11 850 160
Burger King	-	24 641 046
KFC	708 785	708 785
Concessions and Catering	**34 505 388**	**34 505 388**
Concessions & travel (ES)	30 630 919	30 630 919
Concessions & travel (PT)	850 104	850 104
Catering	3 024 365	3 024 365
Others	**179 721**	**179 721**
Total	**54 391 775**	**79 032 821**

Changes in goodwill

In the periods ended 31 December 2022 and 2021, movements in goodwill occurred as follows:

01 January 2021	**80 509 642**
Additions/Revisions	-
Disposals	-
Impairment for the year	-1 476 821
31 December 2021	**79 032 821**
Additions/Revisions	-
Disposals	-24 641 046
Impairment for the year	-
31 December 2022	**54 391 775**

The disposals refer to the sale of Burger King, as per note 6.7.

The Goodwill impairment analysis is detailed in note 6.5.1.

6.2. Intangible assets

Accounting policies

Initial recognition and measurement

- Concessions and operating rights

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

- Software

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

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

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

- Brands

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

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

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

Depreciations

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

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

Impairment

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

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

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

Trademark recoverability

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

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

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

As at 31 December 2022, the concessions, included under the industrial property heading, and the respective associated useful life, are presented as follows:

Concession Rights	No. Years	Limit year for use
Lusoponte Service Area	33	2032
2ª Circular Service Area	10	2027
Portimão Marina	60	2061
Pizza Hut Cais Gaia	20	2024
Modivas Service Area	28	2031
Barcelos Service Areas	30	2036
Alvão Service Areas	30	2036
Lousada (Felgueiras) Service Areas	24	2030
Vagos Service Areas	24	2030
Aveiro Service Areas	24	2030
Ovar Service Areas	24	2030
Gulpilhares (Vilar do Paraíso) Service Area	24	2030
Talhada (Vouzela) Service Areas	25	2031
Viseu Service Areas	25	2031
Matosinhos Service Areas	24	2030
Maia Service Areas	26	2032

Changes in Intangible assets

During the years ended 31 December 2022 and 2021, the movement in the value of intangible assets, as well as in the respective amortization and accumulated impairment losses, was as follows:

	Brands	Industrial property	Other intangible assets	Intangible assets in progress	Total
01 January 2021	**17 416 667**	**16 025 623**	**1 751 799**	**1 655 511**	**36 849 600**
Currency translation	-	10 101	-	26 373	36 474
Additions	-	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 of the year from discontinued operations	-	-812 314	-4 951	-	-817 265
Amortization for the year	-1 100 000	-1 279 652	-340 198	-	-2 719 850
Impairment for the year	-	-651 454	-	-	-651 454
31 December 2021	**16 316 667**	**16 912 143**	**1 411 650**	**1 230 242**	**35 870 696**
Changes to the consolidation perimeter	-	447 026	-	-	447 026
Currency translation	-	2 649	-	18 885	21 534
Additions	-	2 413 845	714 714	554 367	3 682 926
Decreases	-	-8 738 366	-152 760	-540 976	-9 432 102
Transfers	-	208 008	-5 000	-98 546	104 462
Amortization of the year from discontinued operations	-	-561 444	-1 866	-	-563310,26
Amortization for the year	-1 100 000	-1 519 886	-312 405	-	-2 932 291
Reversal of impairment (note 6.5.2)	-	17 339	-	-	17 339
Transfer discontinued operations	-	-353 497	-	-	-353 497
31 December 2022	**15 216 667**	**8 827 817**	**1 654 333**	**1 163 972**	**26 862 783**

The value of the decreases refers essentially to the effect of the sale of the Burger King business, in the amount of 9,386,910 euros, note 6.7.

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

6.3. Property, plant and equipment

Accounting policies

Initial recognition and measurement

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

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

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

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

Depreciations

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

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

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

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

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

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

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

Subsequent costs

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

Reduce and disposals

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

Property, plant and equipment in progress

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

Impairment

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

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

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

Changes in property, plant and equipment

During the years ended 31 December 2022 and 2021, the movement in the value of tangible fixed assets, as well as in the respective amortization and accumulated impairment losses, was as follows:

	Land	Buildings and other constructions	Equipment	Other tangible fixed assets	Other tangible fixed assets	Total
01 January 2021	**14 737 521**	**151 566 194**	**35 218 881**	**10 358 548**	**1 422 880**	**213 304 024**
Currency translation	168 469	177 992	27 483	-17	47 175	421 102
Additions	4 647 921	18 519 568	4 743 443	1 690 090	142 409	29 743 431
Decreases	-	-117 430	-55 986	-19 595	0	-193 010
Transfers	-	396 419	485 375	36 569	-843 745	74 617
Depreciation charge for the year on discontinued operations	-	-6 264 163	-3 918 564	-1 244 983	-	-11 427 710
Depreciation	-47 575	-7 513 987	-4 668 607	-1 108 339	-	-13 338 508
Impairment for the year	-9 000	-3 526 492	-627 433	-47 315	-	-4 210 240
31 December 2021	**19 497 339**	**153 238 101**	**31 204 592**	**9 664 958**	**768 719**	**214 373 712**
Currency translation	147 622	94 102	-28 478	-15 456	506	198 296
Additions	3 103	25 557 781	9 805 617	3 419 615	1 650 695	40 436 811
Decreases	-1 308 187	-67 356 069	-13 986 649	-5 900 966	-706 538	-89 258 409
Transfers	-3 661 214	-4 818 523	79 403	3 849	-306 942	-8 703 426
Depreciation charge for the year on discontinued operations	-	-3 707 595	-2 390 155	-834 229	-	-6 931 979
Depreciation for the year	-97 127	-8 832 192	-4 742 138	-1 113 791	-	-14 785 248
Impairment for the year (note 6.5.2)	-	-2 410 175	-	-	-	-2 410 175
Reversal of impairment (note 6.5.2)	-	992 976	-	-	-	992 976
Transfer discontinued operations	-	-2 295 260	-732 862	-344 133	-	-3 372 255
31 December 2022	**14 581 536**	**90 463 145**	**19 209 331**	**4 879 846**	**1 406 440**	**130 540 303**

The investment of around 31.6 million euros essentially refers to the opening of 17 KFC, 5 Taco Bell, 5 Pizza Hut and 3 Pans. The remainder respects Burger King units. In 2021, the investment basically refers to the opening of five Taco Bell (2 due to the conversion of other existing units), five Pizza Hut, twelve Burger King, six KFC and the acquisition of land for the installation of 5 restaurants.

The value of the decreases essentially corresponds to the effect of the sale of Burger King, in the amount of 88,941,949 euros, as per note 6.7. The transfer to discontinued operations respects Burger King restaurants located in concessions, essentially Service Areas, whose sale will be completed by 30 November 2023.

An impairment in the amount of 2.5 million euros was recognized and an impairment reversal of around 1 million euros was recognized, as per note 6.5.2.

Under the expansion and development contracts with the brands, the Group assumed the commitment to invest in tangible and intangible fixed assets associated with new store openings and refurbishments, as per note 11.2.

6.4. Right of use assets

Accounting policies

Initial recognition and measurement

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

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

- Leases in Shopping Centers: are, as a rule, for a period of 6 years, with a fixed monthly income or an income based on monthly sales, if this is greater than the fixed income

- Leases in street locations: these are normally for longer periods of 10 to 20 years with a fixed monthly income, with the tenant having the option of terminating the lease for a shorter period. There are other contracts that are concluded for shorter terms and there is the lessee's right to successive renewals up to a maximum term, which is generally 20 years.

- Leases in concession spaces: for the contractual period with a variable income depending on annual sales subject to a guaranteed minimum annual value.

There are lease agreements that provide for variable rents. In the case of Airports in Spain, pursuant to Law 13/2021, the minimum annual rents depend on the traffic of the Airports until the traffic for the year 2019 is reached, whereby variable rent contracts are considered until such traffic is reached.

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

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

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

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

Amortization

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

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

Impairment

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

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

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

Changes in right of use assets

During the years ended 31 December 2022 and 2021, the movement in the value of the rights of use, as well as in the respective amortization and accumulated impairment losses, is presented as follows:

	Shops and Commercial Spaces	Buildings	Equipment	Other assets	Total
01 January 2021	**270 400 085**	**8 021 626**	**2 993 872**	**217 007**	**281 632 590**
Currency translation	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 of the year from discontinued operations	-7 211 552	-	-	-	-7 211 552
Depreciation for the year	-39 046 548	-2 148 068	-691 846	-42 456	-41 928 918
31 December 2021	**128 125 587**	**5 881 809**	**4 496 619**	**367 138**	**138 871 151**
Currency translation	93 857	-	-	-	93 857
Increases	41 567 014	10 423	997 765	62 218	42 637 420
Decreases	-64 078 803	-35 172	-1 552 617	-159 620	-65 826 212
Transfers	-	92 801	20 112	400	113 313
Depreciation of the year from discontinued operations	-4 196 869	-3 999	-258 495	-21 527	-4 480 890
Depreciation for the year	-17 793 551	-1 253 051	-690 927	-40 286	-19 777 815
Transfers from discontinued operations	-1 703 145	-	-	-	-1 703 145
31 December 2022	**82 014 090**	**4 692 812**	**3 012 457**	**208 323**	**89 927 680**

The value of the increases refers essentially to 37 new leases (32 of spaces and 5 of equipment), 72 renewals and 6 extensions of contract terms for restaurants and support facilities, the lease contract for Menorca Airport, which at the end of year reached the traffic of 2019 and thus began to contemplate the payment of guaranteed minimum rents and also the effect of remeasurement of contracts by rent updates by the Consumer Price Index and other changes in expected lease payments (for example in cases of revaluation of the lease term).

The value of the decreases refers essentially to the effect of the sale of Burger King, in the amount of 65,725,852 euros, as per note 6.7.

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

Expenses with depreciation, amortization and impairment losses on non-financial assets in 2022 and 2021 were as follows:

		2022				2021		
Nature	**Note**	**Depreciation and amortisation**	**Impairment reversal**	**Impairment losses**	**Total**	**Depreciation and amortisation**	**Impairment losses**	**Total**
Goodwill	**6.1.**	-	-	-	-	-	-1 476 821	-1 476 821
Intangible assets	**6.2.**	-2 932 291	17 339	-	-2 914 952	-2 719 850	-651 454	-3 371 304
Property, plant and equipment	**6.3.**	-14 785 248	992 976	-2 410 175	-16 202 447	-13 338 508	-4 210 240	-17 548 748
Right-of-use assets	**6.4.**	-19 777 815	-	-	-19 777 815	-41 928 918	-	-41 928 918
Currency translation		-166 618	-	-	-166 618	131 590	-	131 590
Total		**-37 661 972**	**1 010 315**	**-2 410 175**	**-39 061 832**	**-57 855 686**	**-6 338 515**	**-64 194 201**

Judgments and estimates

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

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

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

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

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

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

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

Methods and assumptions used

To determine the recoverable amount of goodwill and the Group's main assets, the value in use was considered based on the 5-year and perpetuity business projections. The methods and main assumptions used in preparing the Group's impairment tests were as follows:

	WACC 2022	Growth Perpetuity	WACC 2021	Growth Perpetuity
Portugal - Quick Service	7,2%	2,0%	6,7%	2,0%
Portugal - Restaurants and Catering	7,7%	2,0%	7,3%	2,0%
Portugal - Travel	7,7%	2,0%	7,8%	2,0%
Spain - Quick Service	6,7%	2,0%	6,4%	2,0%
Spain - Restaurants	7,2%	2,0%	6,9%	2,0%
Spain - Travel	7,2%	2,0%	7,5%	2,0%
Angola - Quick Service	20,6%	2,0%	15,7%	2,0%

The discount rates presented were calculated based on the WACC (Weighted Average Cost of Capital) methodology, considering the risk-free interest rate, sector risk and varying country and segment risks. In the case of the Travel segment, in 2022 the resolution of the dispute with AENA, the dynamics of growth resumed by the operators of the spaces and the expected improvement in the evolution of traffic led to the perception of a lower risk associated with this segment.

Impairment tests did not result in impairment losses, which meets Management expectations, which effectively point to no permanent losses in its businesses, given the pace of business recovery in this post-pandemic period.

6.5.1. Goodwill impairment

Impairment test results

As at 31 December 2022, the tests carried out based on the pace of the post-pandemic recovery and Management's expectations did not result in impairment losses on Goodwill.

Unit	Segment	Recoverable value (value in use)	Assets value	Impairment loss
Vidisco	Restaurants	7 116 287	9 132 746	2 016 459
Dec/18		**7 116 287**	**9 132 746**	**2 016 459**
Vidisco	Restaurants	3 116 746	7 116 746	4 000 000
Dec/19		**3 116 746**	**7 116 746**	**4 000 000**
EatOut	Concessions and Travel	30 630 919	34 973 215	4 342 296
Vidisco	Restaurants	-	3 116 287	3 116 287
Dec/20		**30 630 919**	**38 089 502**	**7 458 583**
FresCo	Restaurants	-	1 476 821	1 476 821
Dec/21		**-**	**1 476 821**	**1 476 821**
Total as at Dec/22		**40 863 952**	**55 815 815**	**14 951 863**

Sensitivity analysis

The assumptions used are sensitive to changes in macroeconomic indicators and the business assumptions used by management. Considering the uncertainties regarding the recovery value of goodwill due to the fact that they are based on the best information available at the time, changes in assumptions could result in impacts in determining the level of impairment and, consequently, in results.

From the sensitivity analysis carried out, a reduction in the growth rate of up to 1% and an increase in the WACC of up to 2% did not change the conclusion in terms of the recoverability of the goodwill value.

6.5.2. Impairment of property, plant and equipment, intangible assets and rights of use

Results of impairment tests

The tests carried out on the Ibersol Group's CGUs with impairment signs resulted in the need to record impairment in the amount of €2,410,175 in 2022 (€4,861,694 in 2021). Restaurants greater difficulties in the short-term recovery of pre-covid transactions indicated impairment losses of the respective assets.

On the other hand, once the dispute with AENA over the value of the minimum rents for the current contracts has been overcome, the traffic evolution in 2022 higher than expected and the positive revision of Eurocontrol's traffic estimates, the impairment tests carried out indicate the total reversal of the impairment constituted in 2021 for the Malaga Airport assets (around 1 million euros), maintaining, however, the impairment estimate recognized in 2021 for the Gran Canaria unit).

The detail of the impairment changes is presented as follows:

Year 2022

Unit	Segment	Recoverable value (value in use)	Assets value	Impairment loss on AFT	Impairment loss on IA	Reversal of impairment in PPE and AI	TOTAL
Malaga Airport (ES)	Concessions and Travel	-	-	-	-	-1 010 315	-1 010 315
Ribs (2 units)	Restaurants	19 298	643 293	623 995	-	-	623 995
KFC (1 unit)	Counters	14 372	368 236	353 864	-	-	353 864
Pizza Hut (3 units)	Restaurants	84 662	306 845	222 183	-	-	222 183
Pans & C.ª (5 units)	Counters	-	1 210 133	1 210 133	-	-	1 210 133
TOTAL		**118 332**	**2 528 507**	**2 410 175**	**-**	**-1 010 315**	**1 399 860**

Year 2021

Unit	Segment	Recoverable value (value in use)	Assets value	Impairment loss on PPE	Impairment loss on IA	TOTAL
Airport Gran Canaria (ES)	Concessions & Travel	-	1 116 441	1 092 082	24 359	1 116 441
Airport Malaga (ES)	Concessions & Travel	333 355	1 346 916	996 222	17 339	1 013 561
Service Areas (5 units)	Concessions & Travel	1 549 914	2 809 884	650 214	609 756	1 259 970
KFC (1 unit)	Counters	-	616 438	616 438	-	616 438
Burger King (1 plant)	Counters	520 662	778 705	258 043	-	258 043
Pans & C.ª (1 plant)	Counters	-	518 577	518 577	-	518 577
FresCo (1 unit)	Restaurants	-	23 228	23 228	-	23 228
Warehouse (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**

Sensitivity Analysis

In 2022, the analysis of the sensitivity to the discount rate for the CGUs that present impairment in the year, is presented as follows:

Discount rate	Impairment	Variation in impairment - increase/(decrease)
-1,00%	2 408 358	-1 817
-0,50%	2 406 137	-4 038
WACC rate applied	2 410 175	-
0,50%	2 421 969	11 794
1,00%	2 411 684	1 509

In 2021, the analysis of the sensitivity to the discount rate for the CGUs that present impairment in the year, is presented as follows:

Discount rate	Impairment	Variation in impairment - 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 2022, the analysis of the sensitivity to the growth rate in perpetuity is presented as follows:

Perpetuity growth rate	Impairment	Variation in impairment - increase/(decrease)
1% less than the base	2 413 835	3 660
0.5% less than the base	2 453 699	43 524
base 2% more	2 410 175	
0.5% more than the base	2 401 406	-8 769
1% more than the base	2 406 075	-4 100

In 2022, the analysis of the sensitivity to the growth rate in perpetuity is presented as follows:

Perpetuity growth rate	Impairment	Variation in impairment - increase/(decrease)
1% less than the base	5 052 578	190 884
0.5% less than the base	4 950 161	88 467
base 2% more	4 861 694	
0.5% more than the base	4 843 933	-17 761
1% more than the base	4 786 125	-75 569

The impairment determined in the CGUs identified above was allocated to the corresponding tangible and intangible assets. Although the CGUs include other assets (RoU), taking into account the materiality of the impairment and the lower weight of other assets in each CGU, the allocation of the impairment would not result in material differences in the presentation of financial statements.

6.6. Financial investments

Accounting policies

Investments in associated companies are recorded in accordance with the equity method of accounting and are included in the consolidated statement of financial position in the caption "Investments in associated companies".

Investments in associates are subject to impairment tests whenever there are indications of impairment. An impairment loss is recognized in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. To perform impairment tests, each investment is analyzed separately. Impairment losses on financial investments in associates are reversible.

In the periods ended 31 December 2022 and 2021, investments in associates and joint ventures were broken down as follows:

	Dec/22	Dec/21
UQ Consult - Serviços de Apoio à Gestão, S.A.	2 737 357	2 636 662
Ziaicos - Serviços e gestão, Lda	347 564	303 656
Others	3 000	-
	3 087 921	**2 940 318**
Accumulated impairment losses	-	-
Total	**3 087 921**	**2 940 318**

UQ Consult financial investment includes goodwill of about 2.1 million euros.

The main indicators of the companies entering by the equity method are:

	Currency	Assets	Equity Capital	Turnover	Net Profit	% Group
UQ Consult - Serviços de Apoio à Gestão, S.	EUR	5 010 939	1 136 748	4 741 641	201 389	50%
Ziaicos - Serviços e gestão, Lda	EUR	868 909	868 909	-	-231	40%

The proportion of equity and net income attributable to the group is as follows:

		Dec/22		Dec/21	
	%	Equity Capital	Net Profit	Equity Capital	Net Profit
UQ Consult – Serv. de Apoio à Gestão, S.	50%	568 374	100 695	467 680	-59 303
Ziaicos - Serviços e gestão, Lda	40%	347 564	-92	347 656	-40
		915 938	**100 602**	**815 336**	**-59 343**

UQ Consult, SA financial investment was tested for impairment and it was concluded that the recoverable amount, considering its value in use, exceeds the book value.

	Dec/22
Goodwill	2 168 982
Other net assets	568 374
Total	**2 737 356**
Recoverable value	**2 926 646**

With the used discount rate of 7.2%, it was concluded that there was no impairment of this participation.

6.7. Discontinued operations and non-current assets held for sale

Accounting policies

Included in this category are assets or a group of assets whose respective value is realizable through a sale or distribution transaction, or, jointly, as a group in a single transaction, and the liabilities directly associated with these assets that are transferred in the same transaction. . Assets and liabilities in this situation are measured at the lower of their book value and fair value less costs to sell.

For this situation to occur, it is necessary that the sale is very likely (it is expected that it will take

place within a period of less than 12 months), and that the asset is available for sale or immediate distribution under current conditions, in addition to that the Group committed to its sale or distribution.
The amortization of assets under these conditions ceases from the moment they are classified as held for sale or distribution and are presented as current in the separate lines of assets, liabilities and equity.

A discontinued operating unit is a component (operating units and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity) of an entity that has either been disposed of or is classified as held for sale or distribution, It is:
(i) represents a separate major line of business or geographic area of operations;
(ii) is an integral part of a single coordinated plan to divest a separate major line of business or geographic area of operations; or
(iii) is a subsidiary acquired exclusively with a view to resale.

Earnings from discontinued operations are presented as a single amount in the income statement, comprising the after-tax profit or loss of the discontinued operations, plus the after-tax gain or loss recognized in the measurement at fair value less costs to sell or on the disposal of assets or group(s) for disposal that constitute the discontinued operating unit.

Balances between continuing operations and discontinued operations are eliminated in the consolidation process. Transactions between continuing operations and discontinued operations are eliminated to the extent that they represent operations that will no longer be carried out by the Group.

Judgments and estimates

The determination of the final sale price of the purchase and sale agreement for Burger King restaurants, as detailed in the introductory note presented in note 2 of this Notes, which follows the definition in the purchase and sale agreement entered into, includes components dependent on estimates and future events/happenings, which require the Board of Directors to exercise judgment.

For the purposes of calculating the capital gain from the sale of the Burger King business, the Board of Directors had to estimate the final value of the Net Debt, the Extension Earn-Out and any liabilities covered by Reps & warranties under the purchase and sale agreement of actions. Within the scope of this assessment, the Board of Directors took into account the best information available at the time of preparation of the financial statements, having also used prospective information, namely with regard to the expectation of renewal of lease contracts for some of the restaurants involved in the transaction.

As at 31 December 2022 and 2021, the impact of the discontinued operations on the Consolidated Statement of Income and Other Comprehensive Income is as follows:

Income from discontinued operations	**2022**	**2021**
Sales and services rendered	177 069 082	153 334 168
Cost of sales	-55 231 375	-45 498 088
External supplies and services	-44 887 297	-37 936 039
Personnel costs	-50 245 485	-42 755 321
Amortisation, depreciation and impairment losses of AFT, Rights of Use, Goodwill and IA	-12 198 086	-19 456 527
Other operating revenues / (costs)	2 388 352	2 872 706
Operating profit	16 895 191	10 560 899
Financial expenses	-4 535 032	-4 264 164
Financial income	-	11 713
Profit before tax	12 360 159	6 308 448
Income tax	-409 316	-179 663
Net profit	**11 950 843**	**6 128 785**

As at 31 December 2022, the calculation of the capital gain from discontinued operations is presented as follows:

Calculation of capital gains	30.11.2022
Tangible Fixed Assets	88 941 949
Goodwill	24 641 046
Right of Use	65 725 852
Intangible Assets	9 386 910
Deferred Tax Assets	6 628 333
Inventories	3 080 188
Other receivables	4 445 599
Cash and bank deposits	15 450 223
Lease liabilities	-67 281 693
Financing obtained (NC)	-16 676 137
Other accounts payable	-24 861 916
Total Net Assets and Liabilities deconsolidated	**109 480 353**
Selling Price	242 247 237
Operating Expenses	-1 539 268
Selling price deducted of cost to sell	**240 707 969**
Capital gain on sale	**131 227 616**
Profit (loss) on Consolidated Income Statement	**143 178 459**

As at 31 December 2022 and 2021, the impact of discontinued operations on the Consolidated Statement of Cash Flows is as follows:

Cash flows from discontinued operations	2022
Cash Flows from Operating Activities	38 119 401
Cash flows from investing activities - Disposal of discontinued operations net of cash	193 822 251
Cash Flows from Investing Activities - Others	-14 701 355
Cash Flows from Financing Activities	-18 478 016
Cash and cash equivalents from discontinued operations	**198 762 281**

As at 31 December 2022, the cash flow of disposal of discontinued operations is presented as follows:

Cash flow of discontinued operations sale	2022
Cash received	209 272 474
Cash and cash equivalents disposed of	-15 450 223
Disposal of discontinued operations net of cash	**193 822 251**

As at 31 December 2022, the group of assets and liabilities classified as held for sale are as follows:

Group of assets and liabilities classified as held for sale

Tangible Fixed Assets	3 372 206
Intangible Assets	353 546
Right of use	1 703 145
Group of assets classified as held for sale	**5 428 897**
Lease liabilities	-1 880 146
Group of assets classified as held for sale	**-1 880 146**
Net value of assets and liabilities classified as held for sale	**3 548 751**

The non-current assets held for sale and respective associated liabilities are related to the carve-ins referred to in the introductory note of point 2 of these Notes.

In the Consolidated Statement of Financial Position, in current accounts receivable (note 5.2.), there is an amount of €32,974,762.50, of which €25,974,762.50 relates to 10% of the estimated price, as referred to in the introductory note of point 2 of the annex, and €7,000,000 to the earn-out to be received for the fulfillment of the program to extend some of the contracts of the Burger King units in accordance with the terms provided for in the SPA.

6.8. Investment Property

Accounting policies

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

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

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

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

Based on the terms of negotiation for the sale of Burger King, the Group estimates that the fair value of these assets amounts to approximately 8.5 million euros.

7. Financial Risk Management

Group's activities are exposed to a variety of financial risk factors: market risk (including currency risk, fair value risk associated with interest rate and price risk), credit risk, liquidity risk and cash flow risk associated with the interest rate. The Group has a risk management program that focuses its analysis on the financial markets, seeking to minimize the potential adverse effects of these risks on the Group's financial performance.

Financial risk management is carried out by the Finance Department, based on policies approved by Management. Treasury identifies, assesses and hedges financial risks in strict cooperation with the Group's operating units. Management provides principles for risk management as a whole and policies covering specific areas, such as currency risk, interest rate risk, credit risk and the investment of excess liquidity.

7.1. Exchange rate risk

With regard to exchange rate risk, the Group pursues a policy of natural hedging by resorting to financing in local currency. Since the Group 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.

The Group's main source of exposure comes from the investment outside the euro zone of the operation that it develops in Angola, still small in size and in a phase of weight loss in the group's activity. The imbalances in the Angolan economy give rise to significant exchange rate fluctuations in the kwanza, which means 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 2021 and 2022, the monetary policy adopted by the Angolan government allowed fluid access to the foreign currency necessary to satisfy payment commitments abroad and settle all arrears.

As at 31 December 2022 and 2021, the Group's currency exposure was as follows:

2022						
		Equivalent		Equivalent		
Financial Assets	Kwanzas	EUR	USD (*)	EUR	EUR	TOTAL (EUR)
Cash and bank deposits	2 911 123 272	5 414 689	4 746	4 436	10 268	5 429 394
Treasury bonds	1 816 883 276	3 379 403	-	-	-	3 379 403
Others	118 114 847	219 694	9 319	-	-	219 694
	4 846 121 394	9 013 786	14 065	4 436	10 268	9 028 490
Financial Liabilities						
Loans	-	-	-	-	-	-
Suppliers	340 978 118	634 219	161 702	151 149	20 203	805 571
Others	8 603 908	16 003	-	-	-	16 003
	349 582 026	650 223	161 702	151 149	20 203	821 574

2021						
		Equivalent		Equivalent		
Financial Assets	Kwanzas	EUR	USD (*)	EUR	EUR	TOTAL (EUR)
Cash and bank deposits	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 Liabilities						
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

For reference, USD/EUR exchange rate used was 0.93 and 0.89, respectively, in 2022 and 2021.

Additionally, the Angolan subsidiaries have debts to suppliers - mostly group companies - denominated in EUR which, after conversion, generate exchange rate differences in the consolidated financial statements (other operating costs). On the other hand, the same subsidiaries hold financial assets indexed to USD in an amount necessary to cover liabilities in foreign currency.

Simulating, based on the figures for 31 December 2022, an additional devaluation of the AKZ against the USD and the EUR in the order of 10% or 15%, keeping everything else constant, the impact on the Group's Equity would be 1.6 million euros and 2.5 million euros (106 thousand euros and 905 thousand euros, in 2021), respectively.

7.2. Interest rate risk

Historically, with the exception of Angola Treasury Bonds, the group has no significant interest-earning assets. Therefore, profit and cash flows from the investment activity are substantially independent of changes in the market interest rate. With regard to Angolan State Treasury Bonds, the interest is fixed, so there is no risk either.

As a result of the sale of the Burger King restaurants, on 30 November, the group on 31 December had Time Deposits with maturities of up to 3 months in the amount of 165 million euros.

Until 30 November 2022, the Group's main interest rate risk stems from liabilities, namely from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow risk associated with interest rates. Borrowings issued at fixed rates expose the Group to fair value risk associated with interest rates. With the current level of interest rates, the group's policy is, for longer-term financing, to set interest rates at around 50% of the outstanding amount.

Borrowings in the amount of 29.4 million euros were contracted at a fixed rate.

Based on simulations carried out on 31 December 2022, an increase of over 100 basis points in the interest rate, keeping everything else constant, would have a negative impact on the net income for the period of 514 thousand euros (522 thousand euros, in 2021).

7.3. Credit risk

The Group's main activity is carried out with sales paid in cash, debit or credit card (meal cards, etc.) or other type of electronic payment, so the Group does not have relevant concentrations of credit risk. In door-to-door sales through aggregators, they charge customers and transfer the money per weekly summary within a period of eight or fifteen days. With regard to customers, the risk is limited to the Catering business and sales of goods and services to franchisees, which represent just 7.3% of consolidated turnover. The Group has policies that 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, and there is no information on the rating assigned to these entities. Credit situations overdue for more than 30 days are subject to an analysis of future losses based on historical information and taking into account the commercial relationship established as well as the existing real guarantees, with adjustments being recognized for impairment losses.

The Group's available cash essentially includes deposits resulting from the cash generated by operations and the respective deposits in current accounts. Occasionally there may be funds resulting from financing awaiting application, as well as the product of a non-recurring operation such as the sale of Burger King. Excluding these amounts, the value of financial investments at 31 December 2022 is reduced, with the exception of the already mentioned OTs of the Republic of Angola in the amount of 3.1 million euros, subject to country risk.

Deposits and other financial investments are dispersed across several credit institutions, therefore there is no concentration of these financial assets.

The ratings of the main credit institutions where the Ibersol group has deposits on 31 December 2022 and 2021 are presented as follows:

Agency	Bank	Year 2022		Year 2021	
		Deposits	Rating	Deposits	Rating
Standard & Poor´s	Banco Santander (ES)	527 653	A+	426 913	A+
Standard & Poor´s	Banco Bilbao Vizcaya	5 690 613	A	761 595	A
Standard & Poor´s	CaixaBank (ES)	6 254 170	A-	4 687 565	A-
Standard & Poor´s	Bankinter	10 616 146	A-	411 450	BBB+
Standard & Poor´s	Banco BPI	38 551 274	BBB	12 020 442	BBB
Standard & Poor´s	Banco Santander Totta	49 644 318	BBB	28 945 140	BBB
Standard & Poor´s	Banco Sabadell (ES)	5 964 471	BBB-	3 949 056	BBB-
Standard & Poor´s	Millenium BCP	82 368 256	BBB-	29 746 647	BBB-
Fitch	ABANCA (ES)	77 958	BBB-	121 645	BBB-
Fitch	Banco Popular	886 924	A-	1 013 452	A-
Moody's	Caixa Geral Depósitos	2 511 274	Baa2	4 881 956	Baa2
Moody's	Banco Montepio	390 686	Ba3	316 523	B1
Moody's	Novo Banco	26 557 907	Ba3	4 757 423	B1
Moody's	BAI (Angola)	1 286 591	B3	235 998	B-
Not available (Angola)	CAIXA TOTTA (Angola)	2 987 813	n/a	612 290	n/a
Moody's	BFA (Angola)	642 603	B3	150 418	n/a
Not available (Angola)	BCP (Angola)	495 614	n/a	210 720	n/a
Not available (Angola)	BPC (Angola)	13 340	n/a	7 726	n/a
Not available (Angola)	Banco Prestigio DCP (Angola)	-	n/a	186 940	n/a
Not available (Angola)	BIC/BPN	943 542	n/a	750 695	n/a
Not available (Angola)	Others	247 470	n/a	13 400	n/a
		236 658 625		**94 207 992**	

Deposits in Angola are spread over four of the largest commercial banks in Angola – BFA, BCGA, ATL and BAI – but which do not have a rating. As at 31 December 2022, the Group has deposited Treasury Bonds with a rating of the Republic of Angola, Rating B3 (Moody`s), recorded for the amount of 3,068,858 euros, as detailed in note 8.5.

The credit quality of non-performing, non-impaired financial assets is detailed in Note 5.2.

7.4. Liquidity risk

Liquidity risk management implies maintaining a sufficient amount of cash and bank deposits, the viability of consolidating floating debt through an adequate amount of credit facilities and the ability to liquidate market positions. Management of treasury needs is based on annual planning, which is reviewed quarterly and adjusted daily. In line with the dynamics of the underlying businesses, the Group's Treasury has been managing flexibly commercial paper and negotiating lines of credit available at all times.

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

As at 31 December 2022, current liabilities amounted to 144 million euros, compared to 307 million 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 mention that current liabilities include some Commercial Paper programs, with clauses denunciation, in which reimbursement is considered on the date of denunciation, regardless of the terms for which they are contracted. On the other hand, circumstantially, the Group chooses to issue under shorter maturity contracts to the detriment of other longer maturity programs that remain unused and consequently with amounts available for coverage.

Loans in the form of commercial paper issues are classified as non-current liabilities when they have placement guarantee for a period of more than one year and it is the intention of the Group's Board of Directors to use this source of funding equally for a period of more than one year.

The Group considers that the expected operating cash flows, the commercial paper not issued and the credit lines contracted but not used, are sufficient to settle all current liabilities.

As at 31 December 2022, the group had unused Commercial Paper Programs and medium and long-term lines of 57 million euros and unused short-term treasury support lines of 10 million euros.

The following table shows financial liabilities (relevant groups) considering undiscounted contractual cash flows:

	< 1 year	de 1 a 5 years	> 5 years
Loans	23 847 026	43 699 985	2 534 874
Lease liabilities	20 760 371	44 242 499	25 870 839
Other non-current liabilities	-	43 149	-
Trade payables and accrued expenses	75 428 028	-	-
Other current liabilities	753 062	-	-
Total	120 788 487	87 985 633	28 405 713

The increased costs shown above exclude remuneration payable (note 5.3.3.).

The amount of other current liabilities excludes balances with the state and income to be recognized (note 5.3.).

7.5. Capital risk

The company seeks to maintain a level of equity appropriate to the characteristics of the main business (cash sales and supplier credit) and to ensure continuity and expansion.

The balance of the capital structure is monitored based on the financial leverage ratio (defined as: net interest-bearing debt / (net interest-bearing debt + equity)) with the aim of placing it in the 50%-75% range.

The financial leverage ratio is negative -26% on 31 December 2022 and 48% on 31 December 2021, as shown in the table below:

	Dec/ 22	Dec/ 21
Lease liabilities	90 873 709	143 068 334
Loans	70 081 886	167 032 350
Other financial assets	-3 068 858	-2 179 955
Cash and bank deposits	-237 132 629	-96 968 003
Net debt	-79 245 892	210 952 726
Shareholders' funds	383 693 560	228 663 582
Total capital	304 447 668	439 616 308
Financial leverage ratio	-26%	48%

8. Financing

8.1. Equity

8.1.1. Share capital

Accounting policies

Basic shares are classified in equity when paid.

Incremental costs directly attributable to issuing new shares or options are shown in equity as a deduction, net of taxes, from inflows.

When any Group company acquires shares in the parent company (treasury shares), the amount paid, including directly attributable costs (net of taxes), is deducted from the equity attributable to holders of equity in the parent company until the shares are cancelled, reissued or disposed of. When such shares are subsequently sold or reissued, any proceeds, after deducting directly attributable transaction costs and taxes, are reflected in the shareholders' equity of the equity holders of the company.

As at 31 December 2022 and 2021, the share capital of Ibersol was fully subscribed and paid up, represented by 46,000,000 registered shares with a nominal value of 1 euro each.

8.1.2. Own shares

As at 31 December 2022 and 2021, the share capital of Ibersol was fully subscribed and paid up, represented by 46,000,000 registered shares with a nominal value of 1 euro each. In 2022 the Group acquired 40,442 own shares from Banco BPI for €229,711.

At the end of the year the company held 3,640,423 own shares purchased for 11,410,227 euros.

8.1.3. Reserves and retained earnings

Currency conversion reserve
The currency conversion reserve corresponds to the accumulated amount related to the appropriation by the Group of exchange rate differences resulting from the translation of the financial statements of subsidiaries operating outside the Euro zone.

Legal reserve
Commercial legislation establishes that at least 5% of the annual net income must be allocated to reinforce the legal reserve until it represents at least 20% of the share capital. This reserve cannot be distributed except in the event of liquidation of the company. It may, however, be used to absorb losses, after the other reserves have been exhausted, or incorporated into the capital.

In the periods presented, the legal reserve is not constituted by its maximum limit.

Retained earnings and other reserves
This item refers to reserves constituted through the transfer of results from previous periods, the reduction of share capital and other movements.

The amount of the group's unavailable reserves amounts to 11,410,227 euros and concerns own shares held by the group.

The amounts to be distributed to shareholders are calculated based on the company's individual accounts, which show the amount of 159,236,460 euros available.

There are no limitations on Ibersol's ability to access or use the group's assets and settle liabilities, other than those that may result from the law.

8.1.4. Non-controlling interests

In the financial year ended 31 December 2022 and 2021, non-controlling interests and their movements are detailed as follows:

	%		Dec/21	Increases	Reductions	Dec/22
	Dec/22	Dec/21				
Restmon	39%	39%	-62 026	-	-1 956	-63 982
Cortsfood	-	50%	170 245	-	-170 245	-
Outros			-17 737	-		-17 737
			90 482	-	**-172 201**	**-81 719**

8.1.5. Dividends

At the Annual General Meeting of 26 May 2022, it was decided to attribute gross dividends of 0.135 euros per share, corresponding to a value of 5,724,002 euros for outstanding shares, whose payment was made on 22 June 2022.

In 2021, no dividends were distributed to shareholders.

8.1.6. Earnings per share

Accounting policies

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

Basic

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

Diluted

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

As at 31 December 2022 and 2021, basic and diluted earnings per share were calculated as follows:

	2022	2021
Profit attributable to equity holders		
Continuing operations	16 696 690	25 251 122
Discontinued operations	143 178 459	6 128 785
Number of shares issued at the beginning of the year	46 000 000	36 000 000
Number of shares issued at the end of the year	46 000 000	46 000 000
Weighted average number of ordinary shares issued (i)	46 000 000	37 205 479
Weighted average number of treasury shares (ii)	3 601 643	3 599 981
Weighted average number of shares outstanding (i-ii)	42 398 357	33 605 498
Basic earnings per share (euros per share)		
Continued operations	0,39	0,75
Discontinued operations	3,38	0
Diluted earnings per share (€ per share)		
Continued operations	0,39	0,75
Discontinued operations	3,38	0
Number of treasury shares at the end of the period	3 640 423	3 599 981

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

8.2. Bank Debt

Accounting policies

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

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

As at 31 December 2022 and 2021 current and non-current borrowings had the following detail:

	Dec/22	Dec/21
Non-current		
Bank loans	29 834 860	75 839 066
Commercial paper	16 400 000	64 600 000
	46 234 860	**140 439 066**
Current		
Bank overdrafts	-	-
Bank loans	12 274 609	13 325 470
Commercial paper	11 572 417	13 267 814
	23 847 026	**26 593 284**
Total borrowings	**70 081 886**	**167 032 350**
Average cost	**2,6%**	**1,9%**

The maturity of non-current bank borrowings and commercial paper is as follows:

	Dec/22	Dec/21
between 1 and 2 years	20 877 703	37 055 776
between 2 and 5 years	24 578 196	100 609 070
> 5 years	778 960	2 774 219
Total non current borrowings	**46 234 860**	**140 439 066**

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

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

The interest rate in force on December 31, 2022 for PPC and borrowings was on average around 2.55% (1.50% on December 31, 2021). Borrowings indexed at variable rates are indexed to Euribor.

The future cash flows (nominal value) associated with these liabilities on December 31, 2022 are detailed as follows:

	FC 2023	FC 2024	FC 2025	FC 2026	FC 2027	FC 2028	TOTAL
Borrowings	12 247 025	9 277 703	6 920 335	6 392 035	4 709 912	2 534 874	42 081 886
Commercial paper	11 600 000	11 600 000	4 800 000	-	-	-	28 000 000
Interest	2 632 237	1 977 130	953 227	346 445	137 415	25 000	6 071 454

Changes in bank debt

Movements in 2022 and 2021 under current and non-current loans, except for finance leases and bank overdrafts, are presented as follows:

	2022	2021
1 January	**167 032 350**	**165 068 581**
Variations with impact in cash flows:		
Proceeds from borrowings obtained	3 000 000	34 298 753
Financial debt repayments	-83 427 754	-32 227 604
Variations without impact on cash flows:		
Financing associated with Burger King sale operation	-16 676 137	-
Effect of changes in bank overdrafts (note 8.6.)	-	-916
Financing set-up costs	-	-344 259
Capitalised interest and other	153 428	237 793
as at 31 December	**70 081 886**	**167 032 350**

As at 31 December 2022 and 2021, total outstanding loans in the functional currency in which they were contracted break down as follows:

	Dec/22	Dec/21
EUR	70 081 885	167 631 441
AOA	-	203 333 333

As at 31 December 2022, the Group had 57 million euros in commercial paper not issued and credit lines contracted but not used.

Some of the Ibersol Group's borrowings contracts and commercial paper programs with financial institutions, corresponding to a total amount owed on 31 December 2022 of 14 million euros, include Financial Covenants (i.e. 20% 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 (frozen gaap).

In the current financing agreements in Spain, financial covenants were not established.

Additionally, there are contracts in which the respective creditors have the possibility to consider the debt overdue in the event of a change in shareholder control, however none of that debt was being used on 31 December 2022.

8.3. Derivative financial instruments

Accounting policies

Ibersol uses derivative financial instruments, such as option and swap contracts, only to cover the financial risks to which it is exposed. Ibersol does not use derivative financial instruments for speculation. Derivative financial instruments are traded by the Group, on behalf of the individual companies, by the central treasury department, in compliance with rules approved by the respective Board of Directors. Derivative financial instruments are initially recognized in the consolidated statement of financial position at their initial cost and then adjusted to their fair value. Accounting concerning to recognition, is done as follows:

Fair Value Coverage
For hedging relationships classified as fair value hedges and which are determined to belong to an effective hedge, gains or losses resulting from readjusting the hedging instrument to fair value are recognized in profit or loss together with changes in the fair value of the hedged item that are attributable to the risk covered.

Cash Flow Coverage
For hedging relationships classified as cash flow hedging and which are determined to belong to an effective hedge, gains or losses in the fair value of the hedging instrument are recognized in other comprehensive income; the ineffective part will be recognized directly in the results.

Net Investment Coverage
Currently, Ibersol does not consider carrying out exchange rate hedging on net investments in foreign operating units (subsidiaries), as it is not significantly exposed to exchange gains and losses on monetary items that in substance can be considered as a net investment in foreign operations.

Ibersol has well identified the nature of the risks involved, exhaustively and formally documents the hedging relationships, ensuring through its information systems that each hedging relationship is accompanied by a description of Ibersol's risk policy, objective and strategy for hedging , classification of the hedging relationship, description of the nature of the risk being hedged, identification of the hedging instrument and hedged item, description of the initial and future measurement of effectiveness and identification of the part of the hedging instrument, if any, that will be excluded of the evaluation of the effectiveness.

Ibersol considers derecognition in situations where the hedging instrument expires, is sold, expires or is exercised; the hedge no longer meets the criteria for hedge accounting; for cash flow hedging, the forecasted transaction ceases to be highly probable or ceases to be expected; for management reasons the company decides to cancel the coverage designation.

As at 31December 2022, the group has no derivative financial instruments.

8.4. Lease liabilities

Accounting policies

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

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

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

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

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

For the year ended December 31, 2022, 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 0.8% is estimated.

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

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

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

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

Judgments and estimates

Lease term and incremental financing rate

The Group estimates lease terms and the incremental financing rate.

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

When determining the lease term, the Group therefore makes a judgment about the relevant factors that create an economic incentive to exercise the renewal or termination (in cases where such options are of the lessee and the lessor, the Group exercises judgment about the lessor and lessee economic incentives). Among other aspects, the Group takes into account:
- the value of the non-transferable investments made in each commercial space and the estimate of the period for recovery and use of such investments;
- if the renewal/termination option takes place in a shorter or more distant time horizon (the shorter the non-cancelable period of the contract, the greater the probability that the Group will exercise the renewal option, the opposite being true in the case of contracts with long non-cancellable periods)
- conditions for contract renewal – for example with regard to the renewal period or rent conditions
- termination penalties
- location of assets and existence of viable alternatives for other commercial spaces.

In most leases, the Group is not able to readily determine the interest rate implicit in the contracts, so it considers its incremental financing rate to measure lease liabilities. The incremental financing rate is the interest rate that the Group would have to pay to obtain loans with similar terms and guarantees, to acquire an asset identical to the lease asset in a similar economic environment. In this way, the incremental financing rate reflects what the Group would have to pay, which requires an estimate when there are no observable rates available (such as, for example, in subsidiaries that do not carry out financing operations) or when they need to be adjusted to reflect the terms and conditions of the lease (for example when contracts are not in the Group's functional currency). The Group estimates the incremental funding rate using observable information (such as market interest rates) when available, making it necessary to make some specific estimates based on consultations with funding institutions such as banks and investment funds. The average incremental funding rate used by the Group to discount lease liabilities was 5.54% in Portugal and 5.11% in Spain (5.12% and 5.44%, respectively, in Portugal and Spain on 31 December 2021).

As at 31 December 2022, the company has commitments to third parties arising from lease contracts, namely real estate contracts. The decomposition of future lease rent payments, taking into account their maturity, can be analyzed as follows:

	Current	Non-current					
	FC 2023	FC 2024	FC 2025	FC 2026	FC 2027	FC 2028/39	Total non-current
Leases	20 760 371	15 425 192	11 885 854	9 828 462	7 102 991	25 870 839	**70 113 338**
Interest	4 727 409	3 799 999	3 053 269	2 433 987	1 921 322	9 689 893	**20 898 470**

Changes in lease liabilities

Changes in fiscal years 2022 and 2021 in lease liabilities are presented as follows:

	2022	2021
1 January 2022	**143 068 335**	**329 014 533**
Variations with impact in cash flows:		
Lease payments	-32 399 561	-34 031 830
Variations with no impact in cash flows:		
Leases associated with Burger King sale operation	-67 281 693	-
Interest for the period from updating lease liabilities	4 481 130	9 829 485
Interest for the period from updating lease liabilities of discontinued operations	3 601 415	3 532 166
Lease increases	42 637 420	35 106 030
Contracts terminations / shop closings	-100 360	-276 893
Writte-off Lease liabilities AENA contracts	-	-195 183 511
Reclassification to liabilities directly associated with the group of assets classified as held for sale	-1 880 146	-
Rent concessions arising from the COVID-19 pandemic	-830 996	-4 681 174
Others	-421 835	-240 474
31 December 2022	**90 873 709**	**143 068 335**

Lease payments include 24,317,016 euros (28,991,264 euros in 2021) of principal and 8,082,545 euros (5,040,566 euros in 2021) of interest.

In 2021, the debt of concession contracts at airports in Spain managed by AENA was derecognised, pursuant to the application of Ley 13/2021 (note 6.4.). This diploma determines the reduction of the annual guaranteed minimum rents of the contracts, in direct proportion to the reduction in annual passenger traffic compared to those verified in 2019, until the airport's annual passenger volume resumes the traffic of that same year, thus making it impossible for determine the future liabilities of these same contracts.

In 2022 the Group obtained discounts on rent payments in the amount of 830,995 euros (4,681,174 euros on 31 December 2021) which led to the respective decrease in lease liabilities without ex-flow of funds.

8.5. Treasury Bonds

Accounting policies

Debt instruments at amortized cost

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

• The asset is held to receive its contractual cash flows; It is

• The contractual cash flows from the asset represent payments of principal and interest only.

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

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

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

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

	Dec/22			Dec/21		
	Current	Non current	Total	Current	Non current	Total
Angolan Treasury Bonds	607 662	2 771 741	3 379 403	1 429 154	968 215	2 397 369
Accumulated impairment losses	-15 937	-294 608	-310 545	-90 363	-127 050	-217 413
TOTAL	591 725	2 477 133	3 068 858	1 338 791	841 165	2 179 956

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

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

Treasury bond changes

In 2022 and 2021 changes in treasury bonds are presented as follows:

Typology	Acquisition Date	Due Date	Amount as of 31/12/2021	Purchase of TB	TB reimbursement	Exchange rate effect	Chage in impairment losses	Amount as of 31/12/2022	Gross annual return
indexed to USD	22/01/2016	16/09/2022	946 769	-	-1 008 677	-	61 908	-	**5%**
non-readjustable	16/03/2021	29/09/2022	32 691	-	-34 972	-	2 281	-	**12%**
non-readjustable	25/05/2021	16/10/2022	281 882	-	-287 922	-	6 040	-	**16%**
non-adjustable	07/04/2021	26/10/2022	77 449	-	-97 583	-	20 134	-	**12%**
non-adjustable	05/05/2021	28/02/2023	131 173	-	-	26 544	12 640	170 356	**17%**
non-adjustable	04/10/2021	21/04/2023	155 349	-	-	31 960	15 354	202 664	**16%**
non-adjustable	25/05/2021	08/07/2023	166 699	-	-	35 258	16 748	218 705	**16%**
Total TB Current			**1 792 012**	-	-1 429 154	93 762	135 105	**591 725**	
non-readjustable	24/11/2021	31/07/2024	108 695	-	-	-	2 826	111 521	**17%**
index-linked USD	06/05/2021	31/08/2024	279 249	-	-	28 733	6 595	314 577	**7%**
non-adjustable	06/10/2022	14/03/2024	-	476 620	-	-	-41 865	434 755	**17%**
non-adjustable	06/09/2022	14/03/2024	-	379 440	-	-	-33 492	345 948	**17%**
non-readjustable	19/09/2022	31/07/2024	-	189 069	-	-	-21 398	167 671	**17%**
index-linked USD	21/09/2022	15/03/2024	-	65 434	-	24 251	-5 818	83 867	**5%**
non-adjustable	06/10/2022	11/03/2026	-	483 595	-	-	-56 286	427 310	**19%**
non-adjustable	15/12/2022	11/03/2026	-	292 950	-	-	-33 771	259 179	**19%**
non-adjustable	15/12/2022	15/03/2025	-	182 899	-	-	-21 726	161 172	**17%**
non-adjustable	15/12/2022	05/04/2025	-	194 435	-	-	-23 302	171 133	**17%**
Total TB Non-Current			**387 944**	2 264 442	-	52 984	-228 237	**2 477 133**	

8.6. Cash and bank deposits

Accounting policies

Cash and cash equivalents

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

Statement of cash flows

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

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

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

As at 31 December 2022 and 2021, the breakdown of cash and cash equivalents was as follows:

	Dec/22	Dec/21
Cash	474 011	1 029 212
Bank deposits	236 658 618	95 938 291
Cash investments	-	500
Cash and bank deposits in the balance sheet	**237 132 629**	**96 968 003**
Cash and cash equivalents on the cash flow statement	**237 132 629**	**96 968 003**

There are no significant balances of cash and cash equivalents unavailable for use by the Ibersol group. Of the total cash and cash equivalents as at 31 December 2022, 5,429,729 euros (3,137,549 euros in 2021) are deposited in Angola, with restrictions on their use outside the country, namely authorization from the BNA and access to the purchase of currency.

8.7. Financial assets and liabilities

As at 31 December 2022 and 2021, financial assets and liabilities are detailed as follows:

Financial Assets	Category	Book Value		Valuation Method
		Year 2022	Year 2021	
Other non-current assets	loans and receivables	7 355 485	7 524 331	amortised cost
Other current assets	loans and receivables	3 068 858	2 179 955	amortised cost
Non-current financial assets	other assets	501 388	978 965	amortised cost
Cash and cash equivalents	loans and receivables	237 132 629	96 968 003	amortised cost
Clients	loans and receivables	17 442 675	6 369 453	amortised cost
Other debtors	loans and receivables	6 165 750	10 895 308	amortised cost
		271 666 785	124 916 015	

Financial Liabilities	Category	Book Value		Valuation Method
		Year 2022	Year 2021	
Financing obtained	other liabilities	70 081 886	167 032 350	amortised cost
Suppliers	other liabilities	60 214 442	51 761 221	amortised cost
Accrued expenses	other liabilities	15 213 586	11 758 938	amortised cost
Other creditors	other liabilities	6 020 247	5 540 499	amortised cost
Derivative financial instruments	other liabilities	-	18 976	fair value
		151 530 161	236 111 984	

As shown in Notes 5.2. and 8.5 financial Assets (Customers and Other Debtors) and other financial assets (TO's) show impairment losses., respectively. Gains and losses on financial assets and liabilities in 2022 and 2021 were as follows:

Gains/ (Losses)

	Dec/22	Dec/21
Accounts receivable	-4 416	-390 151
Other financial assets	-93 132	-53 660
	-97 548	**-443 811**

In 2022 and 2021, interest on financial liabilities at amortized cost amounts to 2,617,824 and 2,236,096 euros, respectively.

8.8. Financial activity result

Accounting policies

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

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

Financial expenses and losses in 2022 and 2021 are presented as follows:

Financial expenses	2022	2021
Interest from lease liabilities (IFRS16)	4 481 130	9 829 485
Interest expenses with financing	2 617 824	2 236 096
Other financial expenses	2 176 612	1 293 797
	9 275 566	13 359 378

Reduction of liability interest on leases due in 2021 to include costs associated with contracts with Airports in Spain for 9 months.

Liability interest on leases (IFRS16) by geography, are presented as follows:

	2022	2021
Espanha	2 007 369	8 120 980
Portugal	2 280 120	1 551 285
Angola	193 641	157 220
	4 481 130	9 829 485

The detail of other financial expenses is presented as follows:

	2022	2021
Banking services	822 243	630 755
PPC commissions	281 448	445 024
OT's impairment (Nota 8.5.)	93 132	53 660
Other commissions	47 425	69 061
Other financial costs	932 364	95 297
	2 176 612	1 293 797

The increase in other financial expenses is essentially due to the updating of the value of the deposits in Spain referred to in Note 5.2.

Income and financial gains in 2022 and 2021 are presented as follows:

Financial income and gains	2022	2021
Interest income	1 443 289	496 268
Other financial income	166 994	165 781
	1 610 283	662 049

Interest earned essentially refers to interest on treasury bonds and term deposits in Angola.

The detail of other financial income is presented as follows:

	2022	2021
Derivatives	18 976	44 102
Other financial income	148 018	121 679
	166 994	165 781

9. Current and Deferred Taxes

9.1. Current income tax

Accounting policies

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

Uncertain tax positions
The amount of estimated assets and liabilities recorded associated with tax proceedings results from an assessment by the Group with reference to the date of the statement of financial position regarding potential differences of understanding with the Tax Administration.
With regard to the measurement of uncertain tax positions, the Group takes into account the provisions of IFRIC 23 – "Uncertainty regarding income taxes", namely in the measurement of risks and uncertainties in defining the best estimate of the expenditure required to settle the obligation, by weighing all possible controlled outcomes and associated probabilities.

9.1.1. Current tax recognized in the income statements

Income taxes recognized in the years ended 31 December 2022 and 2021 are detailed as follows:

	Dec/22	Dec/21
Current tax	2 554 479	312 384
Deferred tax	-4 696 205	3 408 986
	-2 141 726	3 721 370

The Group's pre-tax income tax differs from the theoretical amount that would result from applying the weighted average income tax rate to consolidated income as follows:

	2022	2021
Profit before tax	**14 553 008**	**35 238 181**
Tax calculated at the tax rate applicable in Portugal (22,5%)	**3 274 427**	**7 928 591**
Tax effect generated by:		
Tax losses without deferred tax	-	728 642
Recognition of deferred taxes Spain	-4 111 519	-
Tax credits/tax incentives in the year	-3 169 462	-4 368 239
State surcharge	378 156	191 864
Autonomous taxation	224 841	311 578
Rate differences and other effects	1 261 829	-1 071 066
Income tax	-2 141 727	3 721 370

As at 31 December 2022 the effective tax rate is -14% (11% in 2021).

The recognition of deferred taxes in Spain results from the upward change in the perspectives of the travel business, as per note 6.

9.1.2. Current tax recognized in the statement of financial position

9.1.2.1. Income tax recoverable

As at 31 December 31, 2022, the amount of tax on income to be recovered amounts to EUR 109,587 (EUR 110,222 in 2021), as follows:

	Dec/22	Dec/21
Spain	31 557	35 614
Portugal	78 030	-
Angola	-	70 100
Others	-	4 508
	109 587	110 222

9.1.2.2. Income tax payable

As at 31 December 2022 and 2021, the amount of tax payable breaks down as follows:

	Dec/ 22	Dec/ 21
Portugal	-	444 394
Angola	406 730	-
Others	7 135	12 006
	413 865	456 400

9.2. Deferred taxes

Accounting policies

Initial recognition and measurement

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

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

Portugal	21%
Spain	25%
Angola	25%

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

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

Judgments and estimates

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

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

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

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

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

9.2.1. Deferred tax assets

As at 31 December 2022 and 2021 the detail of deferred tax assets, according to the jurisdiction, is as follows:

	Dec/22	Dec/21		
Deferred tax assets	**Spain**	**Portugal**	**Spain**	**Total**
Tax losses carried forward	10 621 807	-	7 005 961	7 005 961
Ded. temporary differences (IFRS16)	576 596	-	744 265	744 265
Taxable temporary differences	-645 937	-33 859	-1 572 089	-1 605 947
Homogenization of property, plant and equipment and intangible assets	-1 140 379	-5 065 885	-677 689	-5 743 575
Other temporary differences	577 171	9 998 803	688 934	10 687 737
	9 989 258	4 899 059	6 189 382	11 088 442

Deductible temporary differences (IFRS 16)
Deferred taxes resulting from a temporary difference by applying IFRS16 in the Group's consolidated accounts, not applicable in the statutory accounts of the subsidiaries in Spain and Angola.

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

Other temporary differences
In 2021, the approximately 10 million euros in Portugal refer to the 6.4 million euros that were disposed of under the sale of the BK business, as mentioned above, and by the consumption of tax credits in the year

Tax losses carried forward
The detail of tax losses carried forward from Spain is presented as follows:

	prior to 2015	2016	2018	2019	2020	2021	Total
Spain	915 313	2 648 565	89 064	6 826 073	24 127 190	13 648 045	48 254 249
Total	**915 313**	**2 648 565**	**89 064**	**6 826 073**	**24 127 190**	**13 648 045**	**48 254 249**

Regarding the tax losses carried forward from Spain, with no expiration date for deduction, detailed above, the Group did not recognize deferred tax assets on tax losses carried forward generated in Spain amounting to 5,041,349 euros (corresponding to a deferred tax amount of 1,260,337 euros), as there is no reasonable assurance as to the recoverability of such tax losses carried forward.

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

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

Deferred tax assets relating to tax losses carried forward are presented as follows:

Limit year of use	unlimited	Total
Reportable tax losses		
Spain	43 212 900	43 212 900
Deferred tax assets		
Spain	10 803 225	10 803 225

9.2.2. Deferred tax liabilities

The detail of deferred tax liabilities at 31 December 2022 and 2021, according to the jurisdiction and temporary differences that generated them, is as follows:

	Dec/22			Dec/21
Deferred tax liabilities	**Portugal**	**Angola**	**TOTAL**	**Angola**
Homogenization of property, plant and equipment and intangible assets	4 543 332	-711 518	3 831 813	-450 931
Hyperinflationary Economies (IAS 29)	-	3 658 913	3 658 913	3 927 202
Deductible temporary differences (IFRS16)	-	-50 116	-50 116	-45 259
Other temporary differences	-3 059 410	-77 637	-3 137 047	-54 354
	1 483 922	2 819 641	4 303 563	3 376 657

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

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

10. Other Provisions and Contingencies

10.1. Other provisions

Accounting policies

Other provisions are recognized when, and only when, the Group has a present obligation (legal or constructive) resulting from a past event, whenever it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reasonably estimated. Other provisions are reviewed on the date of each statement of financial position and are adjusted to reflect the best estimate of its fair value at that date.

When identifying onerous contracts, the group considers whether the unavoidable costs of complying with the contract exceed the economic benefits expected under such contract. In the event of any onerous contract being identified, a provision is recognized for the difference between unavoidable costs and expected benefits of the contract.

As at 31 December, 2022 and 2021, the detail of other provisions is as follows:

	Dec/21	Increases	Decreases	Dec/22
Onerous contracts	1 560 000	-		1 560 000
Compensation	834 766	-	-834 766	-
Others	33 257	965 612	-28 000	970 869
Other Provisions	**2 428 023**	**965 612**	**-862 766**	**2 530 869**

In 2021, as a result of the application of Law 13/2021 and the losses in passenger traffic caused by the pandemic, the Ibersol group revised the business plans of the concessions in Spain, recognizing a provision for onerous contracts for the Gran Canaria airport activity in the amount of 1.6 million euros (see note 4.3.3), which remains at 31.12.2022.

In 2021, the provision amounting to 744,766 euros and 90,000 euros, corresponding to a deposit in the Juzgado in Barcelona of an equal amount (note 5.2.), was reversed in 2022 considering a court decision favorable to the group.

Provisions were also set up in 2022 in the amount of approximately 965,000 euros to meet other possible liabilities arising from litigation / claims.

10.2. Contingent assets and liabilities

Accounting policies

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

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

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

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

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

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

The process we had with AENA has transited in res judicata with a favorable decision for the group and in accordance with the positions assumed in the 2021 accounts.

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

11. Commitments not included in the consolidated statement of financial position

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

11.1. Guarantees

As of 31 December 2022 and 2021, the liabilities not reflected in the balance sheet by the companies included in the consolidation are comprised mainly of bank guarantees provided on their behalf, as follows:

	Dec/ 22	Dec/ 21
Bank Guarantees	38 674 924	24 929 721

As at 31 December 2022 the bank guarantees are detailed, by type of coverage, as follows:

Concessions and rents	Other supply contracts	Fiscal and legal proceedings	Other	Other legal claims
32 158 379	20 683	67 131	6 408 000	20 731

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

The relevant amount derives from the guarantees required by the owners of spaces under concession (ANA Airports and AENA Airports, in Spain) or leased (some malls and other locations) in concessions and rents, of which 27,387,000 euros with AENA Airports.

In other guarantees, and following the sale of the Burger King units (note 6.7), the Group provided a bank guarantee of 6.4 M to BK Portugal, S.A., to cover the asset relating to existing receivables at IberKing and unused at the date of the transaction, regarding CFEI II and RFAI, for a period of 5 years with decreasing annual values.

11.2. Other commitments

As at 31 December 2022, the Group's contractual commitments for the acquisition of property, plant and equipment are approximately 4.8 million euros (4.9 million euros at December 31, 2021).

12. Transactions with related parties

Accounting policies

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

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

The balances and transactions with related parties in 2022 and 2021 can be presented as follows:

	Year 2022				Year 2021			
	Parent entitie	Jointly controlled entitie	Associated entitie	Other Entities	Parent entitie	Jointly controlled entitie	Associated entitie	Other Entities
Fupply of services	1 000 000	4 731 672	-	-	1 000 000	4 174 391	-	-
Rental income from lease contracts	-	-	-	178 674	-	-	-	2 200 946
Accounts payable	-	1 713 701	-	-	-	1 395 331	-	-
Other current assets	-	-	-	-	-	-	-	-
Financial investments	-	-	300 000	-	-	-	300 000	-

The parent company of Ibersol SGPS S.A. is ATPS - SGPS, SA, direct and indirect holder of 26.004.023 shares.

António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira each hold 3.495 and 3314 shares of Ibersol SGPS, S.A. respectively. The voting rights attributable to ATPS are also attributable to António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira under the terms of sub-paragraph b) of no. 1 of article 20 and no. 1 of article 21, both of the Securities Code. º, both of the Portuguese Securities Code, by virtue of the fact that they hold control of the referred company, in which they participate indirectly, in equal parts, through, respectively, the companies CALUM - SERVIÇOS E GESTÃO, S.A. with Tax ID No. 513799486 and DUNBAR - SERVIÇOS E GESTÃO, S.A. with Tax ID No. 513799257, which together hold the majority of the share capital of ATPS.

The amounts shown under rents and leases relate to rents paid in the year and, as a result of IFRS16, do not correspond to the amount of rental costs reflected in the financial statements. The estimated commitments for payment of rents over the term of the respective contracts amount, on 31 December

2022, to about 813,819 euros (17.9 million euros on December 31, 2021), with the significant decrease explained essentially by the sale of the Burger King operation.

Remuneration of the members of the board

The compensation attributed to key managers corresponds to the compensation of the members of the Board of Directors and refers to:

a) ATPS -Sociedade Gestora de Participações Sociais, S.A provides group administration and management services under a service contract with the subsidiary Ibersol, Restauração, S.A. for the annual sum of 1,000,000 euros (in 2021:1,000,000 euros). The obligations of ATPS -Sociedade Gestora de Participações Sociais, S.A. include ensuring that the company's directors, António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, perform their duties without Ibersol having to incur any additional costs.

b) Remaining members in the amount of 196,036 euros (101,135 euros in 2021)

Compensation is fixed and as of 31 December 2022 there are no benefit plans and incentives or outstanding balances or other commitments.

13. Additional information required by law

In accordance with the terms of article 508 - F of the Commercial Companies Code, the following is reported:

a) In addition to the operations described in the notes above, as well as in the Management Report, there are no other operations considered relevant which are not reflected in the balance sheet or described in its notes;
b) The fees for the Statutory Auditor in 2022 were 274,800 euros, of which 239,500 euros were for statutory auditing services, and the remaining 35,300 euros for other agreed-upon procedures, limited assurance and reasonable assurance services;
c) Note 12 of this Notes to the Accounts includes the disclosures relating to related party relationships in accordance with International Accounting Standards.

14. Subsequent Events

Accounting policies

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

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

As mentioned in the introductory note, negotiations are underway with RBI for the purpose of determining the net debt to be considered in determining the final price of the transaction, and the Group does not estimate that there will be significant differences from the amounts recorded in the financial statements at 31 December 2022.

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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 2022 (showing a total of 652,641,989 euros and total equity of 383,693,560 euros, including a profit for the year attributable to shareholders of 159,875,149 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 2022 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 (130,540,302 euros), right-of-use assets (89,927,682 euros), goodwill (54,391,775 euros) and intangible assets (26,862,783 euros)

See notes 6.1, 6.2, 6.3, 6.4 e 6.5 to the consolidated financial statements.

The Risk	Our response to the identified 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.	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 assumptions used, such as inflation, evolution of passenger traffics in airports, projected economic growth and discount rates, and assessed their reasonableness and consistency, whenever 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 valuations specialists 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 in the financial statements, in accordance with the applicable accounting framework.

Measurement of right-of-use assets (89,927,682 euros) and lease liabilities (90,873,709 euros)

See notes 6.4 and 8.4 to the consolidated financial statements.

The Risk	Our response to the identified 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, so it was assessed as a key audit matter.	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 of the standard; ▪ We have tested the completeness of the lease agreements and rent concessions; ▪ We have tested a sample of new lease contracts to validate the contractual clauses that support the recognition of the respective right of use and lease liabilities; ▪ We have analysed the passenger traffic data in the airports where Group acts as a lessee in lease contracts and the respective accounting impacts according to the applicable standard, considering the applicable legislation and contractual clauses; ▪ We have assessed the estimates and judgments made by the Board of Directors for new leases and lease modifications, namely regarding lease term and discount rate;

- We have validated the movements occurred in the right-of-use assets and lease liabilities captions; and
- We have assessed the adequacy of the respective disclosures in the financial statements, in accordance with the applicable accounting framework.

Sale of Burger King operation (143,178,459 euros)

See note 6.7 to the consolidated financial statements.

The Risk

During the year ended 31 December 2022 the Group concluded the sale transaction to Restaurant Brands Iberia, S.A. of the Burger King operation in Portugal and Spain. This transaction resulted in a net gain of 131,227,616 euros and in a profit for the year from discontinued operations of 143,178,459 euros. The comparative information has been re-presented accordingly.

This transaction is a key audit matter given the materiality of the impacts on the consolidated financial statements, the complexity associated with the recording of the sale transaction and management's judgment in estimating the final transaction price.

Our response to the identified risk

Our audit procedures included amongst others, those that we describe below:

- We have obtained and analysed the supporting documentation to the transaction, namely the Share Purchase Agreement;
- We have obtained and analysed the communications between the Group and Restaurant Brands Iberia, S.A. regarding the price adjustment, as established in the Share Purchase Agreement;
- We have assessed the basis and assumptions considered by the Board of Directors in determining the transaction price, in what concerns the estimated future price adjustments. We have validated the underlying calculations of such estimate and have inquired the Group's legal advisors about the interpretation of the conditions and terms established in the Share Purchase Agreement;
- We have analysed the correct identification of the assets and liabilities disposed of in the operation, as well as the impacts of the restructuring of assets between business units (carve-ins and carve-outs), as established in the Share Purchase Agreement;
- We have assessed the existence of liabilities, if any, that should be recorded or disclosed as a result of representations and warranties given to the buyer;

- We have tested the mathematical accuracy of the net gain of the transaction and of the profit for the year from discontinued operations;
- 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 body 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, the corporate governance report and the 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 misstatement, 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 applied.

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 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, 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 to provide under 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 2022 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 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 Ibersol, SGPS, S.A. (parent company of the Group) in the shareholders general assembly held on 14 May 2018 for a first mandate from 2017 to 2020. We were reappointed as auditors of the Group in the shareholders general assembly held on 18 June 2021 for a second mandate from 2021 to 2024.
- Management as 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 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 30 April 2023.
- We declare that we have not provided any prohibited services as described in article 5 of the 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.

3 May 2023

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
Pedro Manuel Bouça de Morais Alves da Costa
(ROC no. 1466 and registered at CMVM with the no. 20161076)

Responsability 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 to which they have had access, that the information contained in the individual and consolidated financial statements of IBERSOL-SGPS, S.A., for the year 2022, 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 2023

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, the Fiscal Board prepared this report on its supervisory action carried out in the 2022 fiscal year, as well as on the Management Report and remaining consolidated and individual financial statements of the company, presented by the Board of Directors and related to the year ended on December 31, 2022, and issues the consequent opinion:

1. Supervisory Activity Report:

The Fiscal Board accompanied, within the scope of its competencies and mandate, during the 2022 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 2022 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, in a meeting convened for the purpose, the "2022 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 to the economic year. Along the exercise they provided the detailed information about the actions performed and the resulting conclusions.

The Fiscal Board also had the participation of the Board of Directors in its quarterly meetings, from whose members it received 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 did not come across any constraint during their supervision action, having monitored the system for receiving and handling reports of irregularities, including through the Internal Reporting Channel created by the company.

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.5.2, 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, relating to the 2022 financial year, presented by the Board of Directors, as well as 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 2022 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 consolidation perimeter with mention of entities not audited by KPMG, materiality, relevant audit matters, 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, in compliance to the no. 5 article 420 of the Commercial Societies Code, assessed the Corporate Governance Report and attested to its inclusion of the required elements of the 29-H article of the Portuguese Securities Market Code.

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 2022 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 2023

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 2022

Contents

Financial Statements (in Euro)

Statement of financial position

	Notes	31/12/2022	31/12/2021
ASSETS			
Non-current Asset			
Financial investments in subsidiaries	3.1 and 5	91 076 347	99 426 347
Loans granted to subsidiaries	8	171 288 996	165 348 996
Deferred tax assets	9 and 16	3 093 269	9 998 803
Total non-current assets		**265 458 612**	**274 774 147**
Current Asset			
State and other public entities	7	41 174	-
Group subsidiaries	8	7 881 830	4 211 818
Other debtors		7 092 361	12 938
Deferrals		4 490	6 882
Cash and cash equivalents	3.5 and 4	32 426 860	32 269 158
Total current assets		**47 446 716**	**36 500 796**
Total Assets		**312 905 328**	**311 274 943**
EQUITY AND LIABILITIES			
Share capital	3.6 and 7	46 000 000	46 000 000
Own shares	7	-11 410 227	-11 180 516
Share premium		29 900 788	29 900 788
Legal reserves	7	1 976 080	1 751 080
Other reserves	7	135 353 373	136 815 570
Retained earnings		35 305 425	35 305 425
Net profit for the period		45 206 934	4 486 805
Total Equity		**282 332 373**	**243 079 153**
LIABILITIES			
Non-current			
Provisions	3.10	5 257	5 257
Loans obtained	3.7 and 10.1	16 400 000	51 600 000
Derivative financial instruments	10.2	-	18 976
Total non-current liabilities		**16 405 257**	**51 624 233**
Current			
Suppliers		33 019	5 701
Income tax payable	8	-	453 820
Group subsidiaries	8	2 196 853	2 322 967
Loans obtained	3.7 and 10.1	11 572 417	13 267 814
Other current liabilities	11	365 409	521 255
Total current liabilities		**14 167 698**	**16 571 557**
Total Liabilities		**30 572 955**	**68 195 790**
Total Equity and Liabilities		**312 905 328**	**311 274 943**

Financial Statements (in Euro)

Statement of income and other comprehensive income

	Notes	2022	2021
Rendered services	3.10 and 12	900 000	720 000
External supplies and services		-149 602	-79 411
Personnel costs	13	-390 210	-324 029
Impairment of investments in subsidiaries (losses / reversals)	8.1	-	4 147
Other operating income / (costs)	3.9	-64 267	-29 513
Operating Income		**295 922**	**291 195**
Financial income/(costs)	14	2 568 281	1 309 704
Dividends	14	43 406 454	3 165
Pre-tax income		**46 270 656**	**1 604 064**
Income tax	3.6 and 15	-1 063 723	2 882 741
Net profit in the year		**45 206 934**	**4 486 805**
Other comprehensive income:		-	-
TOTAL COMPREHENSIVE INCOME		**45 206 934**	**4 486 805**
Earnings per share	19	1,31	0,13
Income per share		1,31	0,13

Financial Statements (in Euro)

Statement of changes in equity

	Notes	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	199 161 496
Changes in period									
Changes in accounting policies									0
Application of net profit					121 483	2 308 175		-2 429 657	0
Share capital increase		10 000 000		29 430 852					39 430 852
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									
		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	19								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**

Financial Statements (in Euro)

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 2022		46 000 000	-11 180 516	29 900 789	1 751 080	136 815 570	35 305 425	4 486 805	243 079 153
Changes in period									
Changes in accounting policies									0
Application of net profit					225 000	485 997		-710 997	0
Share capital increase									0
Acquisition / (disposal) of own shares			-229 711						-229 711
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
		0	**-229 711**	**0**	**225 000**	**485 997**	**0**	**-710 997**	**-229 711**
Net profit in the year								45 206 934	**45 206 934**
Total income								45 206 934	**45 206 934**
Transactions with capital owners in the period									
Capital increseases									0
Share prizes increases									0
Dividends paid	19					-1 948 195		-3 775 808	-5 724 003
Losses coverage									0
Other transactions									0
		0	**0**	**0**	**0**	**-1 948 195**	**0**	**-3 775 808**	**-5 724 003**
Balance on 31 December 2022		**46 000 000**	**-11 410 226**	**29 900 789**	**1 976 080**	**135 353 373**	**35 305 425**	**45 206 934**	**282 332 373**

Financial Statements (in Euro)

Statement of cash flows

	Notes	31st December 2022	31st December 2021
Cash Flows from Operating Activities			
Receipts from clients		900 000	720 000
Payments to supliers		42 186	2 950
Staff payments		-285 454	-270 358
Operational cash flows		**656 732**	**446 692**
Payments/receipt of income tax		637 875	-478 485
Other paym./receipts related with operating activities		-5 008 732	-127 239
Flows from Operating Activities (1)		**-4 989 875**	**797 938**
Cash Flows from Investment Activities			
Payments for:			
Tangible assets			
Intangible assests			
Financial Investments:			
Loans granted to subsidiaries	8	6 107 620	3 000 000
Other assets			
Receipts from:			
Tangible assets			
Intangible assets			
Financial investments:			
Capital contributions to subsidiaries	5.2	8 350 000	
Loans granted to subsidiaries	8	20 000	100 000
Other assets		18 976	4 147
Investment benefits			
Interest received	14	3 510 026	2 450 931
Dividends received	14	43 406 454	3 165
Flows from Investment Activities (2)		**49 197 836**	**-441 757**
Cash flows from financing activities			
Receipts from:			
Loans obtained	10		9 500 000
Capital and other equity instruments increases			39 578 472
Payments for:			
Loans obtained	10	37 000 000	16 300 000
Interest and similar costs	14	1 077 569	1 178 541
Dividends paid		5 724 003	
Acquisition of own shares		229 711	
Other financing activities		18 976	
Flows from financing activities (3)		**-44 050 259**	**31 599 931**
Change in cash & cash equivalents (1)+(2)+(3)		**157 702**	**31 956 112**
Cash & cash equivalents at the start of the period		**32 269 158**	**313 046**
Cash & cash equivalents at end of the period	3.5 and 4	**32 426 860**	**32 269 158**

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 26h April 2023. 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 assumptions took into account a slowdown in inflationary trends until 2024 converging to the 2% target and maintaining last year's impact on margins. The effects of "climate related matters" on margins, namely the substitution of plastics, and on investments were also considered.

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. Recently issued pronouncements already adopted by Ibersol in the preparation of the financial statements are the following:

a) Amendments to IFRS 3 - Reference to the Conceptual Framework

In May 2020 the IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.

The amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018.

The Amendments shall be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

b) Property, Plant and Equipment – Proceeds before Intended Use, Amendments to IAS 16 Property, Plant and Equipment

In May 2020, the IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment.

The Amendments would prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in a manner intended by management. Instead, an entity would recognise those sales proceeds in profit or loss.

The Amendments shall be applied retrospectively for annual periods beginning on or after 1 January 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 made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The objective of the Amendments is to clarify the requirements of IAS 37 on onerous contracts regarding the assessment of whether, in a contract, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.

d) Annual Improvements to IFRS Standards 2018 – 2020

On 14 May 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 containing the following amendments to IFRSs:

(i) permit an entity that is a subsidiary, associate or joint venture, who becomes a first-time adopter later than its parent and elects to apply paragraph D16(a) of IFRS 1 First-time Adoption of International Financial Reporting Standards, to measure the cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRSs;

(ii) clarify that the reference to fees in the 10 per cent test includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf;

(iii) remove the potential confusion regarding the treatment of lease incentives applying IFRS 16 Leases as was illustrated in Illustrative Example 13 accompanying IFRS 16; and

(iv) remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value applying IAS 41.

The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.

2.4.2. Ibersol decided to opt for not having an early application of the following standards endorsed by EU:

a) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, the Board has today issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements.

The key amendments to IAS 1 include: i) requiring companies to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material:
"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023 but may be applied earlier.

b) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

c) Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction

The IASB (' the Board') issued amendments to IAS 12 - 'Income Taxes', on 7 May 2021.

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

d) Amendments to IFRS 17 - Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

The International Accounting Standards Board (IASB) has issued a narrow-scope amendment to the transition requirements in IFRS 17 - Insurance Contracts, providing insurers with an option aimed at improving the usefulness of information to investors on initial application of the new Standard.

The amendment does not affect any other requirements in IFRS 17.

IFRS 17 and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences can cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time.

The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors.

IFRS 17, including this amendment, is effective for annual reporting periods starting on or after 1 January 2023.

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.

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)

IASB issued on 23 January 2020 narrow-scope amendments to IAS 1 *Presentation of Financial Statements* to clarify how to classify debt and other liabilities as current or non-current.

The amendments clarify an IAS 1 criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer the liability’s settlement at least 12 months after the reporting period.

The amendments aim to:

a. specify that an entity's right to defer settlement must exist at the end of the reporting period and have substance;
b. clarify that covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at the reporting date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information

to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date; and

c. clarify the requirements to classify the liabilities that an entity will settle, or may settle, by issuing its own equity instruments (e.g. convertible debt).

This amendment is effective for periods starting on 1 January 2024.

b) Lease liability in a sale-and-leaseback (amendments to IFRS 16 – Leases)

The IASB issued amendments to IFRS 16 - Leases in September 2022 that introduce a new accounting model for variable payments in a sale and leaseback transaction.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

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 18.

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 8.2), 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 evaluated the requirements foreseen in IFRS 9 in accordance with ECL, and no expected losses were identified, nor is there a history of relevant losses on loans to subsidiaries, therefore the eventual ECL value would always be immaterial. It is important to mention that in the analyses performed the identified gaps were relevant and do not indicate any expected loss associated to these loans.

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

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.

Financial Statements (in Euro)

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 2022, 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 2022 and 2021, the gearing ratio was as follows:

	Dec/22	Dec/21
Loans granted	-171 288 996	-165 348 996
Loans obtained	27 972 417	64 867 814
Cash and cash equivalents	-32 426 860	-32 269 158
Net indebtedness	-175 743 439	-132 750 341
Equity	282 332 373	243 079 153
Total capital	106 588 934	110 328 812
Gearing ratio	-165%	-120%

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 20.

Financial Statements (in Euro)

4 Cash and cash equivalents

As at 31 December 2022 and 2021, cash and cash equivalents were as follows:

	2022	2021
Bank deposits	32 426 860	32 269 158
Cash and cash equivalents	32 426 860	32 269 158

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 2022 and 2021 is as follows:

	2022	2021
Bank deposits	2 426 860	32 269 158
Term deposits	30 000 000	-
Other deposits	-	-
	32 426 860	32 269 158
Cash and cash equivalents (asset)	32 426 860	32 269 158
Cash equivalents (liabilities)	-	-
Cash and cash equivalents on the cash flows statement	32 426 860	32 269 158

5 Financial investments in subsidiaries

Financial investments in subsidiaries are as follows:

	2022	2021
Financial investments (5.1)	22 133 064	22 133 064
Supplementary capital contributions (5.2)	68 943 283	77 293 283
	91 076 347	99 426 347

5.1 Financial investments

The subsidiaries held by Ibersol, directly and indirectly, are stated in the balance sheet through the cost method, as follows:

Financial Statements (in Euro)

	%	2022 Acquisition value	2021 Acquisition value
Subsidiaries			
Asurebi SGPS, S.A.	10%	-	20 181 420
Ibersol Restauração, S.A. (2)	100%	21 674 406	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
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
(2) On January 1, 2022 the subsidiaries held directly and indirectly by Ibersol, Aurebi SGPS, S.A., Eggon SGPS, S.A. and Ibersol Hotelaria e Turismo, S.A., merged into Ibersol Restauração, S.A., therefore the acquisition value increased as a result of the merger.

In the period ended 31 December 2022 and 2021, 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 2021	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 2021	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 2022	847 986	242 800	158 119	20 181 420	645 000	499 448	57 020	720	22 632 512
Acquisition/sale	-	-	-	-	-	-	-	-	-
Fusion	20 826 420	-	-	-20 181 420	-645 000	-	-	-	-
Gains/losses	-	-	-	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-	-	-	-
Other movement in Equity	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-
31 December 2022	21 674 406	242 800	158 119	0	0	499 448	57 020	720	22 632 512

Financial Statements (in Euro)

As at 31 December 2022 and 2021, assets and liabilities, and gain and losses earned in 2022 and 2021, as recognised in the separate financial statements of subsidiaries are as follows:

	2022					
	Ibersol Rest., S.A.	Ibersol Madeira Rest., S.A.	Iberusa Hotelaria e Rest., S.A.	Restmon Portugal, Lda	Ibergourmet-Prod.Alimen., S.A.	Ibersol Angola, S.A.
Equity	225 069 333	5 884 273	97 676 603	-2 300 225	1 782 443	10 948 636
Equity without supplementary capital contributions	163 044 333	5 884 273	12 676 603	-2 300 225	1 782 443	10 112 754
Total income	145 168 649	2 859 364	11 101 345	-5 014	132 385	1 739 726

	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

5.2 Supplementary capital contributions

As at 31 December 2022 and 2021, balances recognised under this heading relate to subsidiaries supplementary capital contributions. Subsidiaries supplementary capital contributions are not remunerated or have no fixed maturity.

	2022				
	Iberusa	Ibersol Restauração	Ibersol Angola	Ibersol Madeira	TOTAL
Subsidiaries Supplementary capital contributions	5 870 000	62 990 000	4 783	78 500	68 943 283
Accumulated impairment losses	-	-	-	-	-
Total	5 870 000	62 990 000	4 783	78 500	68 943 283

	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

Financial Statements (in Euro)

The changes in this heading are presented as follows:

	2022	2021
Opening amount	77 293 283	77 293 283
Additions	-	-
Decreases	8 350 000	-
Closing amount	68 943 283	77 293 283

6 Income tax recoverable and payable

As at 31 December 2022 and 2021, Income tax is presented as follows:

	2022		2021	
	Debit balance	**Credit balance**	**Debit balance**	**Credit balance**
Income tax - IRC (1)	41 174	-	-	453 821
	41 174	-	-	453 821

(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:

	2022	2021
Payments on account	1 244 811	31 980
Withholding taxes	690	7
Income tax - company (Note 16)	-1 325 376	-82 183
Income tax - subsidiaries (RETGS)	1 169 752	-389 453
Tax saving (RETGS)	-1 048 703	-14 172
Total	41 174	-453 821

7 Equity

7.1. Capital

As at 31 December 2022 and 2021, fully subscribed and paid up share capital was represented by 46.000.000 shares to the bearer with a nominal value of 1 Euro each.

7.2. Own shares

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.

In year 2022 , 40.442 own shares were acquired. At the end of the period the company held 3.640.423 own shares acquired for 11.410.227 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.

Financial Statements (in Euro)

7.3. Reserves

As at December 2022 and 2021, reserves were broken down as follows:

7.4. Legal Reserves

	Legal reserves	
	2022	**2021**
1 January	1 751 080	1 629 598
Increase	225 000	121 483
Use	-	-
31 December	1 976 080	1 751 080

7.5. Other Reserves

	Own shares reserves		Other reserves	
	2022	**2021**	**2022**	**2021**
1 January	11 180 516	11 180 516	125 635 054	123 326 880
Increase (1)	229 711	-	256 287	2 308 175
Use	-	-	1 948 195	-
Transfer	-	-	-	-
31 December	11 410 227	11 180 516	123 943 146	125 635 054

(1) changes in 2022 and 2021 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 159.236.460 Euros. Own shares reserves held by Ibersol (11.410.227 Euros) are unavailable for distribution.

8 Subsidiaries loans

8.1. Non-current assets

As at 31 December 2022 and 2021, 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 2020 on the balance receivable from Restmon, considering that it is in a negative net position and has no activity.

	2022			
	Ibersol Restauração	**Restmon**	**Iberusa**	**TOTAL**
Non-current				
Loans granted				
Subsidiaries	171 208 996	1 276 000	80 000	172 564 996
Accumulated impairment losses	-	-1 276 000	-	-1 276 000
Non-current total	171 208 996	-	80 000	171 288 996

Financial Statements (in Euro)

	2021				
	Ibersol	Asurebi	Restmon	Iberusa	TOTAL
Non-current					
Loans granted	96 128 996	69 120 000	1 276 000	100 000	166 624 996
Subsidiaries					
Accumulated impairment losses	-	-	-1 276 000	-	-1 276 000
Non-current total	96 128 996	69 120 000	-	100 000	165 348 996

The changes in this heading are presented as follows:

	2022	2021
Opening amount	165 348 996	162 448 996
Additions	5 960 000	3 000 000
Decreases	-20 000	-100 000
Closing amount	171 288 996	165 348 996

8.2. Current assets and liabilities

As at 31 December 2022 and 2021, balances recognised under this heading relate to interest concerning loans granted to subsidiaries of Ibersol and subsidiaries current year income tax, as follows:

	2022		2021	
	Current asset	Current liabilities	Current asset	Current liabilities
Income tax - RETGS	925 509	2 196 853	629 716	2 322 967
Interest loans	6 956 321	-	3 582 102	-
	7 881 830	2 196 853	4 211 818	2 322 967

By applying RETGS, the shareholder Ibersol - SGPS, S.A. will perform income tax payments of its subsidiaries.

These balances are presented as follows (Note 18):

	2022		2021	
	Debit	Credit	Debit	Credit
Ibersol Restauração	-	384 840	-	47 569
Iberusa	-	237 841	-	564 308
Asurebi	-	-	-	327 089
IBR Imobiliária	184 048	-	240 879	-
Ibersol Hotelaria e Turismo	-	-	51 407	-
Eggon	-	-	-	5 904
Iber King	-	-	235 341	-
Ibersol Madeira & Açores	-	887 454	-	249 087
Sugestões & Opções	207 031	-	87 474	-
Anatir	821	-	-	562
Iberaki	128 355	-	-	22 348
Firmoven	-	308 437	-	145 878
JSCC	257 038	-	-	163 453
SEC	104 074	-	14 615	-
Ibersande	-	248 716	-	492 395
Ibergourmet	44 144	-	-	193 684
Maestro	-	129 565	-	110 690
	925 509	2 196 853	629 716	2 322 967

Financial Statements (in Euro)

Regarding interest loans, short-term balances of the subsidiaries are presented as follows:

	2022	2021
Ibersol Restauração	6 954 478	2 332 813
Iberusa	1 843	1 250
Restmon	336 473	336 473
Asurebi	0	1 248 039
	7 292 794	3 918 575
Accumulated impairment losses	-336 473	-336 473
	6 956 321	3 582 102

8.3. Other debtors

As at 31 December 2022 and 2021, the balances recognized under this caption derive, essentially, from amounts with subsidiary companies.

		2022		2021	
		Current	**Total**	**Current**	**Total**
Other debtors:					
- Other debtors		7 090 951	7 090 951	11 527	11 527
	Sub-total	7 090 951	7 090 951	11 527	11 527
Personnel		1 410	1 410	1 410	1 410
	Sub-total	1 410	1 410	1 410	1 410
Accumulated impairment losses		-	-	-	-
Other debtors		7 092 361	7 092 361	12 938	12 938

Increase results from the recognition in other debtors of the tax assigned to bersol Restauração for its book value in the amount of 6,408,000 euros, under the terms of the SPA agreement of the sale of Burger King.

9 Deferred taxes

The detail of deferred tax assets is presented as follows:

	2022	2021
Hedge instrument - SWAP	-	4 270
Reportable tax losses	3 093 269	9 994 534
Deferred tax assets	3 093 269	9 998 803

As at 31 December 2022, there are 117,600 euros of tax benefit associated with the capital increase and 2,975,669 euros of non-deductible tax benefits, to be used in subsequent years. 2,676,201 euros of RFAI for the financial year 2022 and 299,468 euros of CFEI II (165,283 euros deductible until 2025 and 134,185 euros until 2026, inclusive). It should be noted that these credits have a reporting period of 10 tax periods, a period whose counting was suspended during the 2020 tax period and during the following tax period, under Law no. 21/2021, of 21 Of april. Tax benefits decreased essentially due to the transfer of tax benefits in the amount of 6,400,000 euros at their book value to Ibersol Restauração, within the scope of the sale of the Burger King business.
The variation in tax benefits is presented as follows:

Financial Statements (in Euro)

	Reportable tax losses
Value 31/12/2021	9 994 534
Formation 2022	4 074 336
2021 tax correction	(423 786)
Sale tax credits	(6 408 005)
Use 2022	(4 143 810)
Value 31/12/2022	3 093 269

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.

10 Loans and derivative financial instruments

10.1. Loans obtained

As at 31 December 2022 and 2021, the detail of loans for the period (current and non-current) and by type of loan, is as follows:

	2022			2021		
	Current	**Non-Current**	**Total**	**Current**	**Non-Current**	**Total**
Commercial paper	11 600 000	16 400 000	28 000 000	13 400 000	51 600 000	65 000 000
	11 600 000	16 400 000	28 000 000	13 400 000	51 600 000	65 000 000
Financial fees	-27 583	-	-27 583	-132 186	-	-132 186
Total	11 572 417	16 400 000	27 972 417	13 267 814	51 600 000	64 867 814

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

The Commercial Paper Program contracts include cross default clauses. These clauses refer to breach of contract in other contracts or with tax default, which is not the case.

Some of the Ibersol Group's bank loan contracts and commercial paper programs with financial institutions, corresponding to a total amount outstanding at December 31, 2022 of 14 million euros, include Financial Covenants (i.e. 20% of the total amount of loans outstanding at that date. These 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%**

Financial Statements (in Euro)

Some contracts still have Debt/EBITDA adjusted for the effects of applying IFRS 16 (frozen gaap)

Despite the compliance with all the consolidated covenants, considering the possibility of non-compliance with some of the covenants, the Ibersol Group obtained a waiver from the Banks from the compliance with these covenants regarding the 2022 indicators.

Additionally, the total amount outstanding at December 31, 2022 on financing for which the respective creditors have the possibility to consider the debt due in the event of a change in shareholder control was 28.0 million euros.

The movements in 2022 and 2021 in current and non-current loans are as follows:

	2022	2021
1 January	**64 867 814**	**71 598 099**
Variations with impact in cash flows:		
Proceeds from borrowings obtained	-	9 500 000
Financial debt repayments	-37 000 000	-16 300 000
Variations without impact on cash flows:		
Financing set-up costs	104 603	69 715
Capitalised interest and other	-	-
31 December	**27 972 417**	**64 867 814**

The (undiscounted) future cash flows associated with the loans (commercial paper) as at 31 December 2022 are detailed as follows:

	2023	2024	2025	2026	2027
Commercial paper	11 600 000	11 600 000	4 800 000		
Interest	475 400	186 800	38 400		

In 2022, the average cost of the loans is 2.6%.

11 Other current liabilities

As at 31 December 2022 and 2021, Other current liabilities were as follows:

	2022		2021	
	Current	Total	Current	Total
Other creditors	3 233	3 233	9 106	9 106
State and other public entities	230 342	230 342	192 910	192 910
Accrued costs	131 835	131 835	319 238	319 238
Other current liabilities	365 409	365 409	521 255	521 255

12 Sales and rendered services

The amount of sales and rendered services recognised in the income statement, is detailed as follows:

	2022	2021
Rendered services - internal market	900 000	720 000
Rendered services - external market	-	-
Sub-total	900 000	720 000
Sales and rendered services	900 000	720 000

Financial Statements (in Euro)

The value of this heading is fully related to the service provision contract with Ibersol Restauração S.A. (Note 18).

13 Personnel costs

Personnel cost for the periods ended on 31 December 2022 and 2021 are broken down as follows:

	2022	2021
Salaries and wages		
Board od directors	217 706	126 494
Employees	94 287	135 753
	311 993	262 248
Social costs		
Social security contributions	69 614	56 962
Other personnel costs	8 602	4 819
Sub-total	78 217	61 781
Personnel costs	390 210	324 029

The average number of employees in 2022 was 3 (2021:3)

14 Financial costs and income

14.1. Financial income/(costs)

Net Financing cost in the periods ended 31 December 2022 and 2021 are broken down as follows:

	2022	2021
Financial costs		
Interest on bank loans	534 679	681 826
Commercial paper commissions	281 448	445 024
Others	125 619	14 377
Sub-total	941 745	1 141 227
Financial income		
Interest subsidiaries debt	3 510 026	2 450 902
Others	-	29
Sub-total	3 510 026	2 450 931
Total	2 568 281	1 309 704

14.2 Dividends

	2022	2021
Other financial income		
Dividends	43 406 454	3 165
	43 406 454	3 165

In 2022, the value of dividends received was 43.003.693 euros from Ibersol Restauração, SA, and 400.000 euros from Ibersol Madeira e Açores S.A..

15 Income tax

Tax amount recognised in the financial statements of 2022 and 2021 is as follows:

	2022	2021
Current income tax	650 376	82 777
Tax saving - RETGS (Note 8)	-	14 172
Refund/Excess Tax	-12 742	-
Income deferred tax (1)	426 089	-2 979 691
Income tax	1 063 723	-2 882 741

	2022	2021
Current tax for the year		
Tax base	572 662	77 298
Municipal surcharge	40 904	-
Municipal state surcharge	36 809	5 479
	650 376	82 777

(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:

	2022	2021
Pre-tax profit	**46 270 656**	**1 604 064**
Tax calculated at the applicable tax rate in Portugal (22,5%)	**10 410 898**	**360 914**
Non-deductible costs	-	58 509
Non-deductible income (dividends)	-9 797 331	-337 241
Special tax (independent)	36 809	-
Income tax expenses	650 376	82 183
Current income tax	650 376	82 183
Income deferred tax	426 089	-2 979 691
Income tax	1 076 465	-2 897 508
Taxa efectiva de imposto	2,33%	-180,64%

To determine the amount of tax in the financial statements the tax rate is chosen as follows:

	2022	2021
Tax base rate	21,00%	21,00%
Municipal surcharge	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 2019 to 2022 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 2022.

16 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 1.700.000 Euros.

Financial Statements (in Euro)

17 Remuneration assigned to governing bodies and the Statutory Auditor

The compensation granted to governing bodies is related to Statutory Auditor fees, as follows:

	2022	2021
Supervisory Board	27 500	27 818
General Meeting	3 170	1 667
Board of Directors (1)	187 036	101 135
	217 706	130 620

(1) In 2022 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 77.500 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 2022, in the amount of 1,000,000 Euros (1,000,000 Euros in 2021), 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.
The remaining members received the amount of € 187,036 (€ 101,135 in 2021).
Remuneration is fixed and at 31 December 2022 there are no benefit and incentive plans or outstanding balances or other commitments.

18 Related parties

As at 31 December 2022, Ibersol is controlled by ATPS, SGPS, S.A. that holds a direct participation of 47,46%.

18.1. 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.
Iberaki Restauração, S.A.
Restmon Portugal, Lda.
Vidisco, S.L.
Inverpeninsular, S.L.
Ibergourmet Produtos Alimentares, S.A.
Firmoven Restauração, S.A.
I.B.R. - Sociedade Imobiliária, S.A.
Anatir SGPS, S.A.
Sugestões e Opções – Actividades Turísticas, S.A.

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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.
Volrest Aldaia, S.L.
Volrest Alfafar, S.L.
Volrest Alcala, S.L.
Volrest Rivas, S.L.
Voesmu Restauracion, S.L.
Food Orchestrator, 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 2022 and 2021 Ibersol performed transactions with subsidiaries as follows:

Sales and rendered services

	2022	2021
Sales and rendered services		
Ibersol Restauração	900 000	720 000
	900 000	720 000

Financial income

	2022	2021
Financial income		
Asurebi	-	1 248 039
Ibersol Restauração	2 874 077	1 201 613
Iberusa	1 843	1 250
	2 875 920	2 450 902
Dividends received		
Ibersol Madeira e Açores	40 000	-
Ibersol Restauração	43 003 693	-
Eggon	-	3 165
	43 043 693	3 165

Products and services

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	2022	2021
Products and services acquisition		
Ibersol Restauração	5 578	4 749
	5 578	4 749

Debit and credit balances

In the periods ended 31 December 2022 and 2021, the balances resulting from transactions with related parties are as follows:

	2022	2021
Debit balances		
Anatir	821	-
Asurebi	-	1 248 039
Iber King	-	235 341
Iberaki	128 355	-
Ibergourmet	44 144	-
Ibersande	205 000	-
Ibersol Restauração	13 361 509	2 332 813
Iberusa	471 843	1 250
IBR	184 048	240 879
IHT	-	51 407
José Silva Carvalho Catering	257 038	-
Restmon	336 473	336 473
SEC	104 074	14 615
Sugestões	207 031	87 474
	15 300 335	4 548 291
Loans		
Supplementary capital contributions (Note5)	68 943 283	77 293 283
Subsidiaries (Note 8)	172 564 996	165 348 996
	241 508 279	242 642 279

	2022	2021
Credit balances		
Asurebi	-	327 089
Eggon	-	5 904
Ibergourmet	-	193 684
Ibersol Restauração	384 840	47 569
Firmoven	308 437	145 878
Ibersande	248 716	492 395
Iberusa	238 051	564 308
Iberaki	-	22 348
Ibersol Madeira e Açores	887 454	249 087
José Silva Carvalho Catering	-	163 453
Maestro	129 565	110 690
UQ	3 568	-
Anatir	-	562
	2 200 631	2 322 967

Financial Statements (in Euro)

19 Income per share

Income per share in the periods ended 31 December 2022 and 2021 was calculated as follows:

	Dec/22	Dec/21
Profit payable to shareholders	45 206 934	4 486 805
Number of shares issued at the beginning of the year	46 000 000	36 000 000
Number of shares issued at the end of the year	46 000 000	46 000 000
Average weighted number of ordinary shares issued (i)	38 027 397	38 027 397
Average weighted number of own shares (ii)	3 601 643	3 599 981
Weighted average number of outstanding shares (i-ii)	34 425 754	34 427 416
Basic earnings per share (€ per share)	1,31	0,13
Number of own shares at the end of the year	3 601 643	3 599 981

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

20 Subsequent events

There are no events subsequent to 31 December 2022 that may have a material impact on the financial statements presented.

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

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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 2022 (showing a total of 312,905,328 euros and total equity of 282,332,373 euros, including a profit for the year of 45,206,934 euros), and the statement of income and other comprehensive income, the 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 2022 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 (91,076,347 euros) and loans granted to subsidiaries (171,288,996 euros)

See notes 3.1 and 3.2 of the Main accounting policies, note 3.12.1 of the Main accounting estimates and Notes 5 and 8 to the financial statements

The Risk	Our response to the identified risk
As mentioned in note 3.1 of the financial statements, financial instruments are measured at acquisition cost less any impairment loss. The valuation of financial investments and loans granted to subsidiaries requires a high degree of judgment by the Board of Directors, namely regarding the assessment of the recoverable amount of the investments made when impairment triggers are identified, since several key assumptions are based on management's expectations, that are not market data. The complexity and high degree of judgment inherent to the valuation of financial investments and loans granted to subsidiaries justifies the identification as a key audit matter.	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 analised the basis of the projections made by the Board of Directors and the assumptions used, such as inflation, projected economic growth and discount rates, and assessed their reasonableness and consistency, whenever 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 valuations specialists 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 in 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 (IFRS) as adopted by the European Union;
- the preparation of the management report, the corporate governance report and the 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 regarding the corporate governance report, as well as the verification that the remunerations report was presented.

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, 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.

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 to provide under 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 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 financial statements of Ibersol, S.G.P.S., S.A. for the year ended 31 December 2022 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 obtaining an understanding of the financial reporting process, including the presentation of the annual report in a valid XHTML format.

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 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 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 as 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 30 April 2023.
- We declare that we have not provided any prohibited services as described in article 5 of the 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 audit.

3 May 2023

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
Pedro Manuel Bouça de Morais Alves da Costa
(ROC no. 1466 and registered at CMVM with the no. 20161076)

Responsability 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 to which they have had access, that the information contained in the individual and consolidated financial statements of IBERSOL-SGPS, S.A., for the year 2022, 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 2023

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, the Fiscal Board prepared this report on its supervisory action carried out in the 2022 fiscal year, as well as on the Management Report and remaining consolidated and individual financial statements of the company, presented by the Board of Directors and related to the year ended on December 31, 2022, and issues the consequent opinion:

1. Supervisory Activity Report:

The Fiscal Board accompanied, within the scope of its competencies and mandate, during the 2022 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 2022 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, in a meeting convened for the purpose, the "2022 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 to the economic year. Along the exercise they provided the detailed information about the actions performed and the resulting conclusions.

The Fiscal Board also had the participation of the Board of Directors in its quarterly meetings, from whose members it received 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 did not come across any constraint during their supervision action, having monitored the system for receiving and handling reports of irregularities, including through the Internal Reporting Channel created by the company.

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.5.2, 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, relating to the 2022 financial year, presented by the Board of Directors, as well as 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 2022 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 consolidation perimeter with mention of entities not audited by KPMG, materiality, relevant audit matters, 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, in compliance to the no. 5 article 420 of the Commercial Societies Code, assessed the Corporate Governance Report and attested to its inclusion of the required elements of the 29-H article of the Portuguese Securities Market Code.

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 2022 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 2023

The Fiscal Board

Dr. Hermínio António Paulos Afonso
(Chairman)

Doutora Maria José Martins Lourenço da Fonseca
(Member)

Dr. Carlos Alberto Alves Lourenço
(Member)