



IBERSOL – SGPS, SA

Publicly Listed Company

Registered office: Praça do Bom Sucesso, 105/159, 9th floor, Porto

Share Capital Euros 42.359.577

Commercial Registry: Oporto under number 501669477

Fiscal number: 501669477

Consolidated Report & Accounts 3M 2024

(not audited)

- **Continued Operations Turnover of 98.2 million Euros**
Increase of 9.7% over 3M of 2023
- **Continued Operations EBITDA reached 17.4 million Euros**
Ebitda increased 36,9% over 3M of 2023
- **Continued Operations net profit of -0.9 million Euros**
Reduction of 1.1 million Euros compared to the same period of 2023

Consolidated Management Report

Activity

Following the sale of the Burger King operations in Portugal and Spain at the end of November 2022, the activity of all Burger King restaurants is reported as a “Discontinued Operation” with regards to financial information reporting until the conclusion of the sale of one restaurant, which is expected to be completed at the beginning of 2025, after 8 units have been sold during this fiscal year.

Despite the slowdown in household consumption, leading to a more dynamic competitive environment in the restaurant sector, turnover grew 9.7%, also driven by the opening of new restaurants.

As a result, turnover from “Continued Operations” reached 98.2 million Euros in the first three months of 2024, compared to 89.6 million Euros in the same period of the previous year, during which non-recurring services and sales of goods related to the transfer of Burger King restaurants sold at the end 2022 were provided.

Turnover (euro million)	3M 2024	3M 2023	Var. 24/23
Sales of Restaurants	96,2	86,8	10,9%
Sales of Merchandise	2,1	4,0	-47,9%
Services Rendered	0,9	1,4	-36,6%
Turnover	99,1	92,1	7,6%
Discontinued Operations	-0,9	-2,5	-64,4%
Continued Operations Turnover	98,2	89,6	9,7%

Two key factors significantly contributed to this performance, minimising the impact of restrained consumption in the restaurant market during this period, with a 6% like for like growth in restaurant sales:

- positive calendar effect resulting from Easter occurring in the first quarter (unlike in 2023) and 2024 being a leap year;
- increase in passenger traffic throughout the first quarter, which benefited restaurants located in airport concessions, especially those located in southern Spain with growth of over 20%.

In addition, the increase in the number of restaurants resulting from the openings that took place in 2023 and early 2024 - namely those concessioned at airports in Spain despite operating in provisional formats until their conversion to definitive ones - also contributed to this overall performance, with the concessions recording a growth of 28.5%.

During the quarter, three units in the Lanzarote concession were converted into definitive formats, with the opening of a Pizza Hut, a KFC and a Wok, meeting the sales expectations presented for the tender.

SALES IN RESTAURANTS (euro million)	3M 2024 Continued Operations	3M 2023 Continued Operations	Var. 24/23 Continued Operations
Restaurants	24,4	24,1	1,2%
Counters	36,4	33,2	9,4%
Concessions&Catering	34,5	26,9	28,5%
Total Sales	95,3	84,2	13,1%

Restaurants with higher average revenues have been less resilient in periods of consumption slowdown, with a growth of just 1.2% compared to the same period of 2023.

Counter segment of continued operations maintained its good performance, registering a sharp growth of 9.4% compared to the same period of 2023, to which the impact of the expansion, namely of the KFC and Taco Bell brands, which occurred at the end of 2023 and in this quarter contributed.

During the first quarter, two franchised Pans restaurants and two equity restaurants in Portugal were definitively closed. Also within the scope of the sale process of Burger King restaurants operated in concessions, the sale of 15 points of sale (8 Burger King restaurants and 7 cafeterias under the operating contracts for these spaces) was completed in January, with the group temporarily operating only one Burger King restaurant located at Madeira Airport.

In addition to the opening of the definitive restaurants at Lanzarote Airport, a Pans franchise was converted into equity restaurant in Spain, two new Taco Bell restaurants in Portugal, and the opening of a KFC restaurant in Angola was carried out.

At the end of the quarter, the total number of restaurants was 490 (433 equity and 57 franchises), as shown below:

Nº of Restaurants	31.12.2023	Openings Q1	Disposals 2024	Closures 2024	31.03.2024
PORTUGAL	314	2	15	2	299
Equity Restaurants	313	2	15	2	298
Pizza Hut	108				108
Pans	41				41
Burger King	9		8		1
KFC	65				65
Quiosques	8				8
Taco Bell	21	2			23
Cafeterias	25		5		20
Catering	9				9
Concessões	23		2	1	20
Outros (Milit + Ribs + Pasta Caffé)	4			1	3
Franchise Restaurants	1				1
SPAIN	177	4	0	2	179
Equity Restaurants	120	4	0	0	124
Pizza Móvil	12				12
Pizza Hut	3				3
Pans	30	1			31
Ribs	12				12
FrescoCo	1				1
KFC	6				6
Concessions - Other Brans	54	1			55
Concessions - Pret A Manger	2				2
Concessions - KFC	0	1			1
Concessions - Pizza Hut	0	1			1
Franchise Restaurants	57	0	0	2	55
Pizza Móvil	4				4
Pans	34			2	32
Ribs	14				14
FrescoCo	2				2
SantaMaria	3				3
ANGOLA	10	1	0	0	11
KFC	9	1			10
Pizza Hut	1				1
Other Locations - Franchise	1	0	0	0	1
Pans	1				1
Total Equity Restaurants	443	7	15	2	433
Total Franchise Restaurants	59	0	0	2	57
TOTAL	502	7	15	4	490

Consolidated Financial Performance

Despite the 9.7% growth in turnover in the first quarter, the impact of the new concession contracts at airports in Spain, which will operate on a limited basis in provisional formats until the conversion process is completed, significantly contributed to the reduction in operating income to 1 million Euros in the first quarter of 2024, compared to 2 million Euros in the same period of 2023, largely due to lower sales volume and staff costs.

(million euros)	3M 2024		3M 2023		var. 24 vs 23
Turnover	98,2		89,6		9,7%
Cost of sales	23,4	23,9%	22,4	25,0%	4,5%
gross margin %	76,1%		75,0%		1.1 p.p.
External supplies and services	25,6	26,1%	26,8	29,9%	-4,5%
Personnel costs	32,6	33,2%	28,8	32,1%	13,3%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	16,3	16,6%	10,7	11,9%	53,2%
Other income/operating costs	-0,8	-0,8%	-1,1	-1,2%	-32,5%
Operating Income	1,0	1,1%	2,0	2,3%	-48,9%
margin	1,1%		2,3%		-1.2 p.p.
Ebitda	17,4	17,7%	12,7	14,2%	36,9%
margin	17,7%		14,2%		+3,5 p.p.

Gross margin was 76.1% of turnover, 1.1 p.p. higher than in the first quarter of 2023.

Eliminating in the first quarter of 2023 the effect of the supply of raw materials during the transition process of Burger King restaurants, the gross margin for the first quarter of 2024 would be 0.3p.p higher than the same period in 2023.

The increase in wage costs and the beginning of operations at the new concessions with lower productivity in provisional restaurants led to an increase in staff costs of 13.3%, with the weight of this cost representing now 33.2% of turnover (3M23: 32.1%).

External Supplies and services costs reduced 4.5%, representing 26.1% of turnover, which represents a reduction of 3.8 p.p. compared to the same period of 2023. This reduction results from the application of IFRS16 to the concession contracts of Alicante, Malaga and Gran Canaria which reached the passenger traffic levels of 2019 and were not relevant for the application of the standard in 2023.

Other operating income and costs in the total amount of 0.8 million Euros, represent a reduction of 0.3 million Euros compared to the same period of 2023, a difference resulting from contractual penalties.

Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA in the first quarter amounted to 16.3 million Euros, which compares with 10.7 million Euros of the same period of 2023, of which 11.5 million correspond to amortization of right of use.

Therefore EBITDA in the first quarter amounted to 17.4 million Euros, an increase of 37% compared to the same period of 2023, which represents an increase in the EBITDA margin to 17.7% of turnover, which compares with 14.2% in the same period in 2023.

For comparative purposes, eliminating the impact of IFRS16 on EBITDA of continuing operations (the application of which was suspended in concession contracts with AENA prior to 2020 until the recovery of 2019 passenger traffic), the EBITDA margin

without IFRS16 would be 5.9% in the first quarter of 2024, which represents a reduction of 0.8p.p. compared to the same period in 2023, largely reflecting the impact of the start of operations in the new concessions, mostly operating in provisional formats until the conversion to definitive formats and concepts is completed.

(million euros)	3M 2024		3M 2023		var. 24 vs 23	3M 2024 w/ ifrs16		3M 2023 w/ ifrs16		var. w/ ifrs16 24 vs 23
Turnover	98,2		89,6		9,7%	98,2		89,6		9,7%
External supplies and services	25,6	26,1%	26,8	29,9%	-4,5%	37,2	37,9%	33,5	37,4%	11,1%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	16,3	16,6%	10,7	11,9%	53,2%	5,7	5,8%	5,2	5,8%	9,3%
Ebitda	17,4	17,7%	12,7	14,2%	36,9%	5,8	5,9%	6,0	6,7%	-4,1%
margin					+3,5 p.p.					-0,8 p.p.

The Financial Results in the first three months of the year were negative by 2.5million Euros, 0.7 million Euros higher compared to the first quarter of 2023.

(million euros)	3M 2024		3M 2023		var. 24 vs 23
Financial Results	-2,5	-2,6%	-1,8	-2,0%	39,1%
Financial expenses and losses	-3,8	-3,9%	-2,4	-2,7%	56,6%
Financial income and gains	1,4	1,4%	0,5	0,6%	167,9%
Gains (losses) in associated and joint controlled sub. - Equity method	-0,1	-0,1%	0,1	0,1%	-223,5%

Financial expenses and losses totalled 3.8 million Euros, which represents an increase of 1.4 million Euros compared to the first quarter of 2023. A part of these expenses and losses corresponds to lease interest in the amount of 3.5 million Euros (1.6 million Euros in the first quarter of 2023).

Financial income and gains registered a substantial increase of 0.9 million Euros due to the application of financial availabilities (average rate of 3%).

Financial Situation

Total Assets amounted to 681 million Euros and Equity stood at 356 million Euros, representing 52% of total assets.

CAPEX amounted to 6.0 million Euros, mainly for the opening of new restaurants and the conversion of restaurants at airports in Spain.

Current liabilities amount to 125.5 million Euros, of which 42 million correspond to liabilities for leases and 13 million Euros to current loans. Regarding to current loans, the Group has 27.5 million Euros related to commercial paper and unused contracted credit lines.

Consolidated liabilities reached 326 million Euros on March 31, 2024, which represents a reduction of 32 million Euros compared to the final result in 2023.

On March 31, 2024, Equity stood at 356 million Euros, identical to the amount at the end of 2023.

Consolidated Financial Position (million euros)	31/03/2024	31/12/2023	Var.
Total Assets	681,3	712,4	-31,1
Total Equity	355,7	354,9	0,8
Loans	21,5	28,5	-6,9
Liability for leases	227,3	229,0	-1,7
Other liabilities	76,8	100,0	-23,2
Total Equity and Liabilities	681,3	712,4	-31,1

At the end of the first quarter of 2024, net debt (including lease liabilities) was 80.7 million Euros, 13.3 million Euros higher than the amount outstanding at the end of 2023 (67.3 million Euros), of which 227 million are lease liabilities.

(million euros)	31/03/2024	31/12/2023	var.
Total loans	21,5	28,5	-6,9
Cash and bank deposits	-167,1	-188,5	-21,5
Other current and non-current liabilities	-1,1	-1,6	-0,5
Net Bank Debt	-146,6	-161,7	-15,1
Liability for leases	227,3	229,0	-1,7
Net Debt	80,7	67,3	13,3
Equity	355,7	354,9	0,8
Gearing (Net Debt/Net Debt + Equity)	18%	16%	

Turnover	Sales + Services Rendered
Sales	Sales of Restaurants + Sales of Merchandise
Sales of Restaurants	Sales of directly operated restaurants
Sales of Merchandise	Sales of goods to third parties and franchisees
Gross Margin	Turnover - Cost of Sales
EBIT Margin	EBIT / Turnover
EBITDA Margin	EBITDA / Turnover
EBIT (Earnings before Interest and Taxes)	Operational 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
EBITDA without IFRS16	EBITDA excluding the application of IFRS16 to lease contracts
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

Outlook

Recent forecasts from the Banks of Portugal and Spain for 2024 point to growth of 1.2 per cent and 1.6 per cent respectively, with a slowdown in inflation compared to the last two years and consequently an expected reduction in interest rates over the course of this year.

The instability in the Middle East and the ongoing conflict in Ukraine, which is jeopardising the climate of security in Europe, could worsen consumer confidence. However, given the most recent indicators, particularly airport traffic, the markets most exposed to tourism in southern Europe will continue to show greater resilience, which will help to minimise the natural slowdown in consumption.

Throughout 2024 we estimate to complete the process of converting the newly concessioned restaurants at Lanzarote, Madrid, Tenerife and Malaga airports into their definitive formats and concepts.

In terms of expansion of our operations, we will continue with the expansion plans for the Pizza Hut, KFC, Taco Bell and Pret A Manger brands.

Subsequent Events

On 19 April, the sellers were informed of the purchase of 54% of the company's share capital for 12.1 million Euros. Following the seller's approval and the fulfilment of other precedent conditions, the deal could be concluded by the end of the first half of 2024.

The acquisition assumes an enterprise value of 27.9 million Euros. The company operates 34 KFC restaurants and generated an EBITDA (excluding IFRS16) of around 4 million Euros.

Porto, 28th May 2024

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Maria do Carmo Guedes Antunes de Oliveira

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Interim Condensed Consolidated Financial Statements

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

31 March 2024

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Condensed Statement of Interim Consolidated Income and Other Comprehensive Income

For the three-months periods ending 31 March 2024 and 2023

		For the three months period ended 31 March	
	Notes	2024	2023
Sales	4.1.	97 384 933	88 234 485
Rendered services	4.1.	860 840	1 356 823
Cost of sales		-23 438 410	-22 430 840
External supplies and services		-25 603 076	-26 820 761
Payroll costs		-32 580 235	-28 757 891
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	6.5.	-16 339 925	-10 668 035
Other operating gains (losses)	4.3.	751 531	1 113 113
Operating Income		1 035 658	2 026 894
Financial expenses and losses	7.6.	-3 794 915	-2 424 010
Financial income and gains	7.6.	1 388 453	518 276
Gains (losses) in associated and joint controlled sub. - Equity method		-114 685	92 894
Profit before tax from continuing operations		-1 485 489	214 054
Income tax	8.1.1.	619 757	-12 057
Net profit from continuing operations		-865 732	201 997
Discontinued operation			
Profit (loss) from discontinued operations, net of tax	6.6.	2 631 019	222 836
TOTAL COMPREHENSIVE INCOME		1 765 287	424 833
Another integral result			
Net exchange differences		209 356	-167 617
CONSOLIDATED COMPREHENSIVE INCOME		1 974 643	257 216
Consolidated net profit attributable to:			
Shareholders of parent company			
Continued operations		-870 337	212 555
Discontinued operations		2 631 019	222 836
Non-controlling interests			
Continuing operations		4 605	-10 558
Discontinued Operations		0	0
		1 765 287	424 833
Consolidated comprehensive income attributable to:			
Shareholders of parent company			
Continued operations		-660 981	44 938
Discontinued operations		2 631 019	222 836
Non-controlling interests			
Continuing operations		4 605	-10 558
Discontinued Operations		0	0
		1 974 643	257 216
Earnings per share:	7.1.4.		
Basic			
Continuing Operations		-0,02	0,01
Discontinued Operations		0,06	0,01
Diluted			
Continued operations		-0,02	0,01
Discontinued Operations		0,06	0,01

Porto, 28th May 2024

The Board of Directors,

Condensed Statement of Interim Consolidated Financial Position

At 31 March 2024 and 31 December 2023

ASSETS	Notes	31/03/2024	31/12/2023
Non-current			
Goodwill	6.1.	54 391 775	54 391 775
Intangible Assets	6.2.	26 510 338	26 504 932
Property, plant and equipment	6.3.	131 652 971	130 710 349
Assets under rights of use	6.4.	211 350 819	218 816 592
Investment property	6.7.	12 764 608	12 839 749
Investments in Associates and Joint Ventures	1.2.	6 209 313	6 323 998
Debt instruments at amortised cost	7.4.	498 434	585 250
Non-current Receivables	5.1.	9 303 446	9 149 041
Deferred Tax Assets	8.2.1.	13 760 129	12 236 647
Total non-current assets		466 441 833	471 558 333
Current Assets			
Inventories		12 323 351	13 185 289
Income tax recoverable	8.1.2.	3 080 657	3 550 462
Debt instruments at amortised cost	7.4.	566 948	995 489
Current receivables	5.1.	30 747 667	28 678 238
Cash and bank deposits	7.5.	167 076 516	188 538 842
Total current assets		213 795 139	234 948 320
Group of assets classified as held for sale	6.6.	846 898	5 876 692
Total Assets		681 083 870	712 383 344
EQUITY			
Share capital			
Share capital	7.1.1.	42 359 577	42 359 577
Own shares	7.1.2.	-4 467 477	-3 244 008
Share premium		29 900 789	29 900 789
Currency translation reserve		-21 285 317	-21 494 673
Legal reserve		4 236 428	4 236 428
Retained earnings and other reserves		303 134 529	287 597 084
Net profit for the year		1 760 682	15 537 446
Equity attributable to shareholders of Ibersol		355 639 211	354 892 643
Non-controlling Interests	8.1.4.	36 051	31 446
Total Equity		355 675 262	354 924 089
LIABILITIES			
Non-current liabilities			
Borrowings	7.2.	8 859 706	12 663 527
Lease liabilities	7.3.	185 609 599	188 846 002
Deferred tax liabilities	8.2.2.	2 655 808	2 769 902
Other provisions	9.1.	2 541 507	2 542 118
Non-current payables	5.2.	3 704	3 704
Total non-current liabilities		199 670 324	206 825 253
Current Liabilities			
Borrowings	7.2.	12 689 120	15 790 517
Lease liabilities	7.3.	41 665 990	40 161 966
Current payables	5.2.	70 856 446	92 691 914
Income tax payable	8.1.2.	313 729	156 520
Total current liabilities		125 525 285	148 800 917
Liabilities directly associated with the group of assets classified as held for sale	6.6.	212 999	1 833 086
Total Liabilities		325 408 608	357 459 256
Total Equity and Liabilities		681 083 870	712 383 344

Porto, 28th May 2024

The Board of Directors,

Condensed Statement of Interim Consolidated Cash Flows

For the three-months periods ending 31 March 2024 and 2023

	Note	2024	2023
Cash Flows from Operating Activities			
Receipts from clients		99 695 799	101 760 819
Payments to suppliers		-60 620 834	-63 264 299
Staff payments		-30 914 717	-28 139 107
Flows generated by operations		8 160 248	10 357 413
Payments/receipt of income tax		-343 431	8 480
Other paym./receipts related with operating activities		-5 266 909	-9 864 468
Flows from operating activities (1)		2 549 908	501 425
Cash Flows from Investment Activities			
Receipts from:			
Disposal of discontinued operations net of cash and cash equivalents		6 104 452	-
Financial investments		3 975	20 213
Tangible fixed assets			10 830
Interest received		1 494 484	594 579
Other financial assets		574 813	168 260
Payments for:			
Financial investments		1 334	-108 342
Other financial assets		-	-
Tangible fixed assets		-10 615 320	-9 562 710
Intangible assets		-827 636	-1 382 819
Flows from investment activities (2)		-3 263 898	-10 259 989
Cash flows from financing activities			
Receipts from:			
Loans obtained	7.2.	-	3 000 000
Payments for:			
Loans obtained	7.2.	-6 818 809	-7 856 833
Rental debt	7.3.	-8 855 805	-5 671 765
Interest from loans and similar costs		-397 538	-833 542
Interest from lease contracts	7.3	-3 452 715	-1 584 207
Acquisition of own shares		-1 223 469	-
Flows from financing activities (3)		-20 748 336	-12 946 347
Change in cash & cash equivalents (4)=(1)+(2)+(3)		-21 462 326	-22 704 911
Cash & cash equivalents at the start of the period		188 538 842	237 132 629
Cash & cash equivalents at end of the period	7.5.	167 076 516	214 427 718

Porto, 28th May 2024

The Board of Directors,

Condensed Statement of Interim Consolidated Changes in Equity

For the three-months periods ending 31 March 2024 and 2023

Attributable to equity holders											
	Note	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 2023		46 000 000	-11 410 227	29 900 789	1 976 081	-10 088 451	167 521 938	159 875 149	383 775 279	-81 719	383 693 560
Changes for the period:											
Application of the 2022 consolidated result:											
Transfer to reserves and retained earnings							159 875 149	-159 875 149	-		-
Conversion reserves - Angola						-167 617			-167 617		-167 617
Purchase of own shares	7.1.2.								-		-
Other changes in non-controlling interests							-358 212		-358 212	232 775	-125 437
Consolidated net profit for the three months period ending 31 March 2023								435 391	435 391	-10 558	424 833
Total changes for the period		-	-	-	-	-167 617	159 516 937	-159 439 758	-90 438	222 217	131 779
Consolidated net profit								435 391	435 391	-10 558	424 833
Consolidated comprehensive income									267 774	-10 558	257 216
Transactions with equity holders in the period											
Appropriation of consolidated net profit for 2022									-		-
Dividends distributed									-		-
Balance on 31 March 2023		46 000 000	-11 410 227	29 900 789	1 976 081	-10 256 068	327 038 875	435 391	383 684 841	140 498	383 825 339
Balance as at 1 January 2024		42 359 577	-3 244 008	29 900 789	4 236 428	-21 494 673	287 597 084	15 537 446	354 892 642	31 446	354 924 088
Changes in the period:											
Application of the 2023 consolidated result:											
Transfer to reserves and retained earnings							15 537 446	-15 537 446	-		-
Purchase of own shares	7.1.2.								-		-
Conversion reserves - Angola			-1 223 469						-1 223 469		-1 223 469
Consolidated net profit for the three months period ending 31 March 2024								1 760 682	1 760 682	4 605	1 765 287
Total changes for the period		-	-1 223 469	-	-	209 356	15 537 446	-13 776 764	746 569	4 605	751 174
Consolidated net profit								1 760 682	1 760 682	4 605	1 765 287
Consolidated comprehensive income									537 213	4 605	541 818
Transactions with equity holders in the period											
Appropriation of consolidated net profit for 2023									-		-
Dividends distributed									-		-
Balance on 31 March 2024		42 359 577	-4 467 477	29 900 789	4 236 428	-21 285 317	303 134 530	1 760 682	355 639 211	36 051	355 675 262

Porto, 28th May 2024

The Board of Directors,

Notes to the condensed consolidated interim 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 490 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Ribs, FrescoCo, SantaMaría, Kentucky Fried Chicken, Pans Café, Pizza Móvil, Miit, Taco Bell, Sol, Silva Carvalho Catering and Palace Catering, Goto Café and others. The group has 433 units which it operates and 57 units under a franchise contract. Of this universe, 299 are based in Portugal, of which 298 are owned and 1 franchised, and 179 are based in Spain, spread over 124 own establishments and 55 franchisees, and 11 in Angola and 1 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, n.º 105 a 159, 9º, Porto, Portugal

Legal Nature: Public Limited Company

Share Capital: €42,359,577

N.I.P.C.: 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 March 2024 and 31 December 2023, 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	
		mar/24	Dec/23
<u>Subsidiary companies</u>			
Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%
Ibersol Restauração, S.A.	Porto	100%	100%
Ibersande Restauração, S.A.	Porto	100%	100%
Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%
Iberaki Restauração, S.A.	Porto	100%	100%
Restmon Portugal, Lda	Porto	61%	61%
Vidisco, S.L.	Vigo - Espanha	100%	100%
Inverpeninsular, S.L.	Vigo - Espanha	100%	100%
Firmoven Restauração, S.A.	Porto	100%	100%
IBR - Sociedade Imobiliária, S.A.	Porto	100%	100%
Anatir SGPS, S.A.	Porto	100%	100%
Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%
José Silva Carvalho Catering, S.A.	Porto	100%	100%
Iberusa Central de Compras para Restauração ACE	Porto	100%	100%
Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%
SEC - Eventos e Catering, S.A.	Porto	100%	100%
IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%
HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%
Ibergourmet Produtos Alimentares (ex-Gravos 2012, S	Porto	100%	100%
Lusinver Restauracion, S.A.	Vigo - Espanha	100%	100%
The Eat Out Group S.L.U.	Barcelona - Espanha	100%	100%
Pansfood, S.A.U.	Barcelona - Espanha	100%	100%
Foodstation, S.L.U	Barcelona - Espanha	100%	100%
Dehesa de Santa Maria Franquicias, S.L.	Barcelona - Espanha	100%	100%
Volrest Aldaia, S.L	Vigo - Espanha	100%	100%
Volrest Alcala, S.L	Vigo - Espanha	100%	100%
Volrest Alfafar, S.L.	Vigo - Espanha	100%	100%
Volrest Rivas, S.L.	Vigo - Espanha	100%	100%
Voesmu Restauracion, SL	Vigo - Espanha	100%	100%
Food Orchestrator, S.A.	Braga	84%	84%
Eat Tasty, S.L.	Madrid	84%	84%
Iberespana Central de Compras, A.I.E.	Vigo - Espanha	100%	100%
Belsai Restauração, S.A.	Porto	-	100%

The Ibersol group does not have any branches.

1.2. Ibersol Group's joint ventures and associates

For the periods ended 31 March 2024 and 31 December 2023, 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	
		mar/24	Dec/23
<u>Associated companies</u>			
Ziaicos - Serviços e gestão, Lda	Porto	40%	40%
Medfood Invest S.L.	Alicante - Espanha	40%	40%
<u>Companies controlled jointly</u>			
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 three months period ended 31 March 2024 there were no acquisitions of subsidiaries.

In the year ended 31 December 2023 the associated Medfood was acquired, by subscription of 40% of its share capital.

Disposals

In 31 January 2024, the Group sold subsidiary Belsai Restauração, S.A.

In the year ended 31 December 2023, there were no disposals of companies.

Other changes in the consolidation perimeter

Incorporation of subsidiaries

On 1 November 2023, a subsidiary, Belsai Restauração, S.A., was created to operate 6 of the group's service areas and 4 concessions. The assets resulted from the spin-off of the companies Iberusa and Maestro

2. Basis of preparation of the financial information

Introduction

Burger King Restaurant Purchase Agreement

Following the sale of Burger King's operations in Portugal and Spain at the end of November 2022, the Burger King restaurants are reported as "Discontinued Operations" in terms of reporting financial information until the sale of all the restaurants is completed. During the first quarter of this year, the sale of the Burger King restaurants was partially completed, leaving only one restaurant to be sold at the beginning of next year.

2.1. Bases of presentation

2.1.1. Approval of the financial statements

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issue on 28 May 2024.

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 condensed consolidated interim financial statements have been prepared in accordance with International Standard 34 - Interim Financial Reporting, and therefore do not include all the information required by the annual financial statements, and should be read in conjunction with the company's financial statements for the period ending 31 December 2023.

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

The Group's Consolidated Financial Statements have been prepared in accordance with the same accounting principles and policies adopted by the Group in the preparation of the annual financial statements, except for the adoption of new standards, amendments and interpretations with mandatory application from 1 January 2024, and essentially including an explanation of the events and changes relevant to an understanding of the variations in the Group's financial position and performance since the date of the annual report. Accordingly, the accounting policies and part of the notes contained in the 2023 financial statements have been omitted, either because they have not changed or because they are not materially relevant to understanding these interim financial statements.

2.1.3. Measurement basis

The condensed consolidated interim financial statements have been prepared on the assumption of continuity of operations, under the principle of historical cost 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 condensed consolidated interim financial statements are comparable in all material respects with the prior year.

2.1.5. Presentation currency and transactions in foreign currency

2.1.5.1. Presentation currency

The Financial Statements of each of the Group's entities are prepared using the currency of the economic environment in which the entity operates ("functional currency"). The consolidated Financial Statements are presented in Euros, which is the Ibersol Group's functional and presentation currency.

The foreign currency exchange rates used to convert transactions and balances expressed in Kwanzas at 31 March 2024 and 31 December 2023 were respectively:

mar/24

Euro exchange rates (x foreign currency per 1 Euro)	Rate on 31 March 2024	Average interest rate March 2024
 Kw anza de Angola (AOA)	900,901	901,713

Dec/23

Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2023	Average interest rate year 2023
 Kw anza de Angola (AOA)	931,099	746,269

2.2. New standards, amendment and interpretation

Standards	Change	Date of application
Interpretations, amendments and revisions endorsed by the European Union that have mandatory application for the first time in the financial year beginning on 1 January 2024		
Amendments to IAS 1 - Presentation of financial statements - Classification of current and non-current liabilities	<p>This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights an entity has to defer their payment at the end of each reporting period.</p> <p>The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as non-compliance with a covenant (when non-current liabilities are subject to future ratios, companies must disclose information that allows users to understand the risk that these liabilities may be repaid within 12 months of the balance sheet date).</p> <p>However, if the right to defer settlement for at least twelve months is subject to the fulfilment of certain conditions after the balance sheet date, these criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current.</p> <p>This amendment also includes a new definition of "settlement" of a liability and is of retrospective application.</p>	1 January 2024
Amendments to IFRS 16 - Leases - Lease liabilities in a sale and leaseback transaction	<p>This amendment to IFRS 16 introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" in accordance with the principles of IFRS 15, with greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate. On initial recognition, the seller - lessee includes variable lease payments when measuring a lease liability arising from a sale and leaseback transaction.</p> <p>When subsequently measuring lease liabilities, seller-lessees should determine "lease payments" and "revised lease payments" in such a way that they do not recognise gains/(losses) in respect of the right of use they retain. A seller-lessee may adopt different approaches that fulfil the new subsequent measurement requirements.</p> <p>This amendment is retrospective.</p>	1 January 2024

Standards	Change	Date of application
Interpretations, amendments and revisions, with mandatory application in the financial year and in future financial years, have not been endorsed by the European Union, at the date of approval of these financial statements.		
Amendment to IAS 7 and IFRS 7 - Disclosures: Supplier financing arrangements	<p>These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, aim to clarify the characteristics of a supplier financing arrangement and introduce additional disclosure requirements when such arrangements exist.</p> <p>The disclosure requirements are intended to help users of financial statements understand the effects of supplier financing arrangements on the entity's liabilities, cash flows and exposure to liquidity risk. The changes come into effect for the period beginning on or after 1 January 2024.</p> <p>The new requirements complement those already included in IFRS and include disclosures about:</p> <ul style="list-style-type: none"> - Terms and conditions of supplier financing arrangements; - The amounts of the liabilities that are the subject of such agreements, for which part of them the suppliers have already received payments from the financiers and under which heading these liabilities are presented in the balance sheet; - Maturity date ranges; and - Information on liquidity risk. <p>Early adoption is permitted, but must be disclosed.</p>	1 January 2024
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	This amendment aims to clarify how to assess the exchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for a long period.	1 January 2025

	<p>The amendment specifies that a currency should be considered exchangeable when an entity is able to obtain the other currency within a period that allows for normal administrative management, and through an exchange or market mechanism in which an exchange operation creates enforceable rights and obligations.</p> <p>If a currency cannot be exchanged for another currency, an entity must estimate the exchange rate at the measurement date of the transaction. The objective is to determine the exchange rate that would be applicable on the measurement date for a similar transaction between market participants.</p> <p>The amendments also state that an entity can use an observable exchange rate without making any adjustment. The amendments come into force for the period beginning on or after 1 January 2025. According to the changes, companies will have to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements.</p> <p>These disclosures could include:</p> <ul style="list-style-type: none"> - The nature and financial impacts of the currency not being convertible; - The spot exchange rate used; - The estimation process; and - The risks to the company because the currency is not convertible; <p>Early adoption is permitted, but the requirements must be disclosed.</p>	
IFRS 18 - Presentation and Disclosure of Financial Statements	<p>This standard will replace IAS 1 Presentation of Financial Statements and aims to improve comparability and increase transparency.</p> <p>The main new concepts introduced by IFRS 18 relate to:</p> <ul style="list-style-type: none"> - the structure of the income statement; - disclosures required in the financial statements for certain performance indicators that are reported outside an entity's financial statements (i.e. performance indicators defined by management); and - aggregation and disaggregation principles that apply to financial statements and notes in general. <p>This standard will be applicable for reporting periods beginning on or after 1 January 2027 and related comparative information.</p>	1 January 2027

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 2024 did not result in significant impacts on the consolidated financial statements.

The adoption of the new standards and interpretations already endorsed by the European Union is not expected to have a material impact on the Group's consolidated financial statements.

3. Operational Risk Management

3.1. Risks of the global context

The Ibersol Group pays special attention to the global geopolitical context, namely the war in Ukraine and the conflict in Gaza and adjoining territories, whose effects on the global economy (shortages of goods and energy, logistical disruptions, rising inflation) and on society have been significant and may yet worsen, making the entire global context more complex in the medium and long term, with changes to global food supply chains, which have consequences for operations and business profitability.

3.2. Risks of development and franchise agreements

In previous years, the Group signed development contracts with Taco Bell and KFC (for Portugal and Spain). During 2022 a new development contract was signed with the Pret a Manger brand.

These development contracts guarantee the right and obligation to open new restaurants (in exceptional circumstances, such as the pandemic crisis, readjustments to the development programs were agreed upon). In case of non-fulfillment of the opening plans foreseen in these contracts the franchisors may terminate the respective development contracts.

In addition, the development agreements provide for requirements and conditions to be met prior to the sale of the controlling interest of the subsidiary that operates the agreement, the issuance of capital instruments and/or change of control in those subsidiaries, as well as the sale of the business or restaurants owned by said subsidiaries, which include, among others: the prior agreement of the franchisors, information obligations and several transfer procedures, possible payment of charges or fees, as well as the right of first refusal in favor of the franchisors. The franchise contracts in relation to some international brands foresee the possibility of termination in case of change of control of Ibersol SGPS, S.A. without the franchisor's prior agreement.

In the restaurants where it operates with international brands, the group enters into long-term franchise contracts: 10 years in the case of Pizza Hut, Taco Bell and KFC and up to 12 years in the case of Prêt A Manger, renewable for another 10 years at the franchisee's option, as long as certain obligations are met.

It has been the practice for these contracts to be renewed upon expiration. However, nothing obliges franchisors to do so, so there may be the risk of non-renewal.

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

3.3. Quality and food safety risks

Ibersol Group's quality department is responsible for identifying and ensuring control of food quality and safety risks. Thus, various prevention and control measures are implemented for different areas of the Group's business. In this context, some measures stand out, such as: ensuring the implemented Traceability System and the control of the Production Process in the units, through the HACCP (Hazard Analysis & Critical Control Points) System.

3.4. Price Risk

Significant changes in commodity prices are largely reflected in the selling prices of products and monitored by the market. However, when commodity price increases are much higher than general inflation, these changes are gradually impacted in selling prices, and in the short term there may be a degradation of the gross margin.

3.5. 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 in the Portuguese and Spanish markets.

Climate change

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

Extreme events

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

Use of natural resources

The Ibersol Group depends on the use of natural and energy resources for its operation, but it 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 more efficient use of these resources. In addition, the Ibersol Group respects standards and good practices in 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.

4. Operational Performance

4.1. Revenue

The revenue from contracts with customers is presented as follows:

	2024	2023
Catering sales	96 199 076	76 030 523
Restaurant sales	89 674 231	66 829 995
Event catering sales	4 364 884	3 380 109
Concession catering sales	2 159 961	5 820 419
Merchandise sales to franchisees	2 080 963	14 715 432
Total sales	98 280 039	90 745 955
Services Rendered	860 840	1 356 823
Franchise royalties	473 921	480 236
Rents from investment properties	168 901	158 400
Other	218 018	718 187
Turnover Continuing Operations	99 140 879	92 102 778
Turnover Discontinued Operations	895 106	2 511 470
Turnover	98 245 773	89 591 308

In 31 March 2024 restaurant sales through Aggregator platforms amount to €10.8 million.

4.2. Segment reporting

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

SEGMENT		
Restaurantes	Counters	Concessions, Travel and Catering
Brands		
Pizza Hut Pasta Caffè Pizza Móvil FresCo Ribs Sta Maria	KFC Taco Bell Miit Pans & Co. Pans Café	SOL (AS) Concessões Catering Lojas Conveniência Travel Pret a Manger

DETAILED INFORMATION REGARDING OPERATING SEGMENTS

	Restaurants		Counters		Concessions, Travel and Catering		Others, eliminations and adjustments		Total Group	
	mar/24	mar/23	mar/24	mar/23	mar/24	mar/23	mar/24	mar/23	mar/24	mar/23
Turnover	25 716 908	25 438 259	37 393 381	34 278 754	34 699 283	27 024 551	436 201	2 849 744	98 245 773	89 591 308
Operating profit minus amortisation, deprec. and impairment losses	4 107 207	3 300 458	5 992 397	6 347 556	7 256 288	2 738 392	19 691	308 524	17 375 583	12 694 929
Amortisation, depreciation and impairment losses	-3 009 784	-2 800 242	-5 083 745	-4 831 635	-7 452 262	-2 732 131	-794 134	-304 027	-16 339 925	-10 668 035
Operating profit	1 097 423	500 216	908 651	1 515 920	-195 973	6 260	-774 443	4 498	1 035 658	2 026 894
Financial profit (loss)									-2 406 462	-1 905 734
Other non-operating gains (losses)									-114 685	92 894
Income tax for the period									619 757	-12 057
Consolidated net profit									-865 732	201 997

	mar/24	Dec/23	mar/24	Dec/23	mar/24	Dec/23	mar/24	Dec/23	mar/24	Dec/23
Total allocated assets	93 407 611	93 930 218	176 131 302	180 202 936	202 614 386	205 551 943	11 136 881	13 268 083	483 290 180	492 953 180
Total allocated liabilities	52 594 473	52 618 654	77 005 827	85 070 978	170 140 308	187 186 759	1 149 637	1 202 399	300 890 245	326 078 790

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	mar/24		Dec/23	
	Assets	Liabilities	Assets	Liabilities
Deferred Taxes	13 760 129	2 655 808	12 236 647	2 769 902
Income tax	3 080 657	313 729	3 550 462	156 520
Net Financing	167 076 516	21 548 826	188 538 842	28 454 044
BK sale receivable amount	6 303 122	-	6 803 122	-
Non-current accounts receivable	392 380	-	396 355	-
Investments in associates and joint ventures	6 209 313	-	6 323 998	-
Debt instruments at amortised cost	1 065 382	-	1 580 739	-
Total	197 887 499	24 518 363	219 430 165	31 380 466

	mar/24		Dec/23	
	Assets	Liabilities	Assets	Liabilities
Allocated by segment	483 196 370	300 890 245	492 953 179	326 078 790
Not allocated	197 887 499	24 518 363	219 430 165	31 380 466
Total Balance	681 083 870	325 408 608	712 383 344	357 459 256

INFORMATION BY GEOGRAPHY

As at 31 March 2024 the breakdown of revenues and non-current assets by geography is as follows:

31 March 2024	Portugal	Angola	Espanha	Grupo
Turnover	55 597 799	3 223 343	39 424 631	98 245 773
Tangible and intangible fixed assets	118 486 137	5 744 687	33 932 486	158 163 310
Right-of-Use Assets	50 826 521	428 231	160 096 067	211 350 819
Investment property	12 764 608	-	-	12 764 608
Goodwill	6 604 503	130 714	47 656 558	54 391 775
Deferred tax assets	-	-	13 760 129	13 760 129
Investments in assoc. and joint ventures	6 209 313	-	-	6 209 313
Non-current accounts receivable	392 380	-	8 911 066	9 303 446
Debt instruments at amortised cost	-	498 434	-	498 434
Total non-current assets	195 283 462	6 802 066	264 356 306	466 441 834

4.3. Operating income and expenses

4.3.1. Other operating income/(expenses)

Other expenses and other operating income breakdown in 31 March 2024 and 31 December 2023 is presented as follows:

	2024	2023
Other operating expenses		
Direct/indirect taxes not affecting the operating activity	210 053	176 566
Losses on tangible fixed assets	58 787	-
Exchange differences	6 623	49 013
Stock losses	31 303	-
Membership fees, donations and gifts and inventory samples	55 039	59 307
Impairment adjustments (of receivables)	36 300	30 447
Other operating expenses	421 124	51 830
	819 229	367 163
Other operating income		
Operating subsidies	69 992	5 223
Supplementary income	1 314 842	1 350 089
Exchange differences	31 602	22 241
Gains on tangible fixed assets	75 076	-
Impairment (reversal) of accounts receivable	-	6 000
Investment subsidies	-	4 194
Other operating income	79 248	92 529
	1 570 760	1 480 276
Other operating income / (expenses)	751 531	1 113 113

In March 2024, a contractual penalty of 328,621 euros was paid, recognised under other operating expenses.

5. Working Capital

5.1. Accounts receivable

The Group's main activity is the operation of restaurants of various own brands and franchises, and the preferred mode of payment of its sales is cash, debit card or other type of card, for example, meal card. With the emergence of sales platforms for home delivery, sales collected through the intermediary are gaining expression. The largest volume of credit results from delivery activity through Aggregators, catering sales, although the model of payment in advance is implemented for most customers, as well as the supply of goods and debit of royalties to franchisees.

For the periods ended 31 March 2024 and 31 December 2023, the accounts receivable item breaks down as follows:

	Note	mar/24	Dec/23
Non-current accounts receivable			
Non-current financial assets		392 380	396 355
Other accounts receivable	5.1.1.	9 011 698	8 853 318
Accumulated impairment losses		-100 632	-100 632
		9 303 446	9 149 041
Current accounts receivable			
Clients		8 234 108	7 855 070
State and other public entities		5 385 645	4 422 999
Other debtors	5.1.2	7 327 184	5 605 985
BK sale receivable amount		6 303 122	6 803 122
Advances to suppliers c/a		259 729	258 510
Advances to suppliers of fixed assets		369 407	64 940
Accrued income		3 797 949	4 664 530
Expenses to be recognised		1 981 796	1 877 649
Accumulated impairment losses		-2 911 273	-2 874 567
		30 747 667	28 678 238
Total Accounts receivable		40 051 113	37 827 279

BK sale receivable amount

Of the estimated amount to be received from the sale of Burger King (BK), 6,300,000 euros relate to the earn-out estimated value of the fulfillment of the extension program of some contracts, to be concluded in 2024, and therefore presented as 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 5,294,533 euros at 31 March 2024 (4,355,486 euros in 31 December 2023).

5.1.1. 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 31 March 2024 total 6,093,610 euros (6,433,518 euros in 31 December 2023).

5.1.2. Other debtors

On 31 March 2024 and 31 December 2023 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:

	mar/24	Dec/23
Meal card/Aggregators	2 936 116	1 521 156
Deposits and guarantees	299 702	292 448
Marketing and rappel	810 892	936 347
Suppliers and other debtors balance	1 973 300	1 427 403
Advances	415 609	484 643
Staff expenses	179 984	251 886
Credit sales	700 964	632 431
Continente card	10 616	59 672
Total	7 327 184	5 605 985

Meal card/Aggregators

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.

Marketing and rappel

The Marketing and rappel item corresponds to amounts debited to Suppliers at the end of the year.

Suppliers and other debtors balance

Balances with suppliers correspond to debits made in December and are collected on the date of payment in the following month.

5.2. Accounts payable

In the periods ended 31 March 2024 and 31 December 2023, the accounts payable item breaks down as follows:

	Note	mar/24	Dec/23
Non-current payables			
Non-current payables		3 704	3 704
		3 704	3 704
Current payables			
Suppliers	5.2.1.	40 792 770	54 886 999
Accrued expenses	5.2.2.	18 128 144	25 136 233
Other creditors		5 627 697	3 895 458
State and other public entities		5 986 420	8 284 037
Income to be recognised		321 415	489 187
		70 856 446	92 691 914
Total accounts payable		70 860 150	92 695 618

State and other public entities

The balance of the item State and other public entities results, essentially, from VAT payable (2,440,104 euros) and Social Security (2,739,785 euros).

5.2.1. Suppliers

The breakdown of suppliers on 31 March 2024 and 31 December 2023, is as follows:

	mar/24	Dec/23
Suppliers - Incoming invoices	29 793 841	37 706 796
Suppliers - Invoices being received and checked	7 319 548	8 342 563
Suppliers of fixed assets - current account	3 679 381	8 837 640
Total accounts payable to suppliers	40 792 770	54 886 999

5.2.2. Accrued expenses

As at 31 March 2024 and 31 December 2023 the breakdown of accrued expenses, is as follows:

	mar/24	Dec/23
Insurance payable	156 613	147 885
Accrued payroll	10 333 272	8 830 884
Rents and leases	1 891 258	10 217 772
External services rendered	5 448 267	5 779 889
Others	298 734	159 803
Total accrued expenses	18 128 144	25 136 233

Accrued expenses - rents and leases essentially include the amount relating to the adjustment of minimum rents to be paid to AENA in relation to the contract at Barcelona airport in Spain which, as a result of Law 13/2021, is dependent on the annual passenger traffic in 2024 exceeding that of 2019.

6. Investments

6.1. Goodwill

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

	mar/24	Dec/23
Restaurants	7 147 721	7 147 721
Counters	12 558 945	12 558 945
Concessions and Catering	34 505 388	34 505 388
Others	179 721	179 721
Total	54 391 775	54 391 775

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

	mar/24	Dec/23
Restaurants	7 147 721	7 147 721
Ribs	5 175 479	5 175 479
Pizza Hut	1 972 242	1 972 242
Counters	12 558 945	12 558 945
Pans & C.º	11 850 160	11 850 160
KFC	708 785	708 785
Concessions and Catering	34 505 388	34 505 388
Concessions & travel (ES)	30 630 919	30 630 919
Concessions & travel (PT)	850 104	850 104
Catering	3 024 365	3 024 365
Others	179 721	179 721
Total	54 391 775	54 391 775

Changes in goodwill

In the periods ended 31 March 2024 and 31 December 2023, there were no changes in goodwill, as follows:

	Restaurants	Counters	Concessions and Catering	Others	Total
01 January 2023	7 147 721	12 558 945	34 505 388	179 721	54 391 775
Valor ativo	17 757 288	12 558 945	38 847 684	179 721	69 343 638
Imparidade acumulada	-10 609 567	-	-4 342 296	-	-14 951 863
31 December 2023	7 147 721	12 558 945	34 505 388	179 721	54 391 775
Valor ativo	17 757 288	12 558 945	38 847 684	179 721	69 343 638
Imparidade acumulada	-10 609 567	-	-4 342 296	-	-14 951 863
31 March 2024	7 147 721	12 558 945	34 505 388	179 721	54 391 775

6.2. Intangible assets

The group's main operating rights refer to the franchise rights paid to international brands when opening restaurants operating under the brand: 10 years in the case of Pizza Hut, Taco Bell and KFC, and 12 years in the case of Pret a Manger.

As at 31 March 2024, 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 three-month period ending 31 March 2024 and the year ending 31 December 2023, 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 2023	15 216 667	8 827 817	1 654 333	1 163 972	26 862 783
Currency translation	-	-154 978	-	-51 719	-206 697
Additions	-	2 999 265	438 662	148 672	3 586 599
Decreases	-	-28 321	-451 663	-3 800	-483 784
Transfers	-	477 017	8 948	-457 017	28 948
Amortization for the year	-1 100 000	-1 984 310	-198 606	-	-3 282 916
31 December 2023	14 116 667	10 136 490	1 451 674	800 108	26 504 933
Cost	22 000 000	43 042 919	10 888 280	800 108	76 731 307
Accumulated amortization	-7 883 333	-28 595 489	-9 404 310	-	-45 883 132
Accumulated Impairment	-	-4 310 940	-32 296	-	-4 343 236
31 December 2023	14 116 667	10 136 490	1 451 674	800 108	26 504 933
Currency translation	-	722	-	2 369	3 091
Additions	-	248 259	397 313	182 064	827 636
Decreases	-	-7 702	-	-	-7 702
Transfers	-	5 287	-	-5 287	-
Amortization for the year	-275 000	-500 480	-42 141	-	-817 621
31 March 2024	13 841 667	9 882 576	1 806 846	979 254	26 510 338
Cost	22 000 000	43 292 093	11 160 039	979 254	77 431 386
Accumulated amortization	-8 158 333	-29 098 577	-9 320 897	-	-46 577 807
Accumulated Impairment	-	-4 310 940	-32 296	-	-4 343 236
31 March 2024	13 841 667	9 882 576	1 806 846	979 254	26 510 338

The addition in Industrial Property corresponds mostly to the improvement of programs and software and to renewal licenses and new franchise contracts.

Intangible assets in progress mostly relate to territorial rights to open units, which are paid in advance to the brands at the time when joint agreements are signed between Ibersol and the franchisors to open units.

6.3. Property, plant and equipment

Changes in property, plant and equipment

During the three-month period ending 31 March 2024 and the year ending 31 December 2023, 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 2023	14 581 536	90 463 145	19 209 331	4 879 846	1 406 440	130 540 302
Currency translation	-3 893 267	-4 581 579	-1 136 294	80 482	-12 880	-9 543 538
Additions	0	15 205 233	8 290 421	1 637 692	4 239 987	29 373 332
Decreases	0	-5 433	-177 759	-19 646	-8 442	-211 280
Transfers	-3 484 496	-345 487	216 142	46 584	-732 470	-4 299 726
Depreciation for the year	-46 963	-8 662 341	-4 661 124	-1 233 048	-	-14 603 476
Impairment for the year	-	-431 484	-	-	-	-431 484
Transfer discontinued operations	-	-99 308	-11 052	-3 423	-	-113 783
31 December 2023	7 156 810	91 542 747	21 729 665	5 388 487	4 892 635	130 710 349
Cost	7 330 374	203 913 457	105 374 464	22 703 194	4 892 635	344 214 124
Accumulated depreciation	-164 564	-100 125 389	-83 213 373	-17 297 133	-	-200 800 459
Accumulated Impairment	-9 000	-12 245 321	-431 427	-17 574	-	-12 703 322
31 December 2023	7 156 810	91 542 747	21 729 665	5 388 487	4 892 635	130 710 349
Currency translation	17 407	-5 469	-10 115	-3 754	33 514	31 583
Additions	-	1 391 789	536 374	173 721	3 050 710	5 152 594
Decreases	-	55 060	33 305	-222	-379 134	-290 991
Transfers	-	-4 105	6 366	4 513	-10 879	-4 105
Depreciation for the year	-4 278	-2 277 139	-1 363 613	-301 429	-	-3 946 459
31 March 2024	7 169 939	90 702 884	20 931 982	5 261 315	7 586 846	131 652 971
Cost	7 351 500	204 006 485	105 731 271	22 770 261	7 586 846	347 446 363
Accumulated depreciation	-172 561	-101 484 064	-84 367 863	-17 491 372	-	-203 515 860
Accumulated Impairment	-9 000	-11 819 537	-431 427	-17 574	-	-12 277 538
31 March 2024	7 169 939	90 702 884	20 931 981	5 261 315	7 586 846	131 652 971

In 2024, the investment of 5.1 million euros refers to 2 Taco Bell, 1 Pans and the new Airports of Spain concessions. The investment in 2023 of around 29.3 million euros essentially relates to the opening of 10 KFCs, 5 Taco Bell, 3 Pizza Huts, 1 Pans and the new concessions for the Airports of Spain, Madrid, Malaga, Lanzarote and Tenerife (note 7.3).

The currency translation amount is the result of the strong devaluation of the kwanza in 2023.

The value of tangible assets in progress on 31 December 2023, in the amount of €4.9 million euros, refers to investments incurred for future openings.

The value of the transfers essentially refers to assets transferred to investment properties (note 6.7), relating to restaurants operated by Burger King.

Under the expansion and development contracts with the brands, the Group undertook to invest in tangible and intangible fixed assets associated with new store openings and refurbishments. Of the 10 openings under the KFC development contract for Portugal, one unit was moved to the 2024 opening plan, not putting into question the continuity of the expansion plan.

6.4. Right of use assets

Changes in right of use assets

During the three-month period ending 31 March 2024 and the year ending 31 December 2023, 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 2023	82 014 090	4 692 812	3 012 457	208 323	89 927 682
Currency translation	-226 834	-	-	-	-226 834
Increases	164 625 819	-	-	-	164 625 819
Decreases	-2 849 831	-8 107	-1 601	-	-2 859 539
Transfers	-	-395 402	-3 891	-	-399 293
Depreciation for the year	-30 001 337	-1 206 021	-668 353	-41 518	-31 917 229
Transfers from discontinued operations	-334 012	-	-	-	-334 012
31 December 2023	213 227 895	3 083 282	2 338 612	166 805	218 816 592
Cost	288 266 987	14 006 560	6 139 751	345 668	308 758 966
Accumulated depreciation	-75 039 092	-10 923 279	-3 801 138	-178 863	-89 942 372
Accumulated Impairment	-	-	-	-	-
31 December 2023	213 227 895	3 083 281	2 338 613	166 805	218 816 592
Currency translation	15 016	-	-	-	15 016
Increases	4 038 229	-	-	-	4 038 229
Decreases	-	-	-13 814	-4 570	-18 384
Transfers	-	-	-	-	-
Depreciation for the year	-11 074 929	-264 101	-151 528	-10 075	-11 500 633
31 March 2024	206 206 212	2 819 180	2 173 271	152 160	211 350 819
Cost	290 158 907	13 649 051	6 110 281	335 918	310 254 156
Accumulated depreciation	-83 952 695	-10 829 871	-3 937 010	-183 758	-98 903 334
Accumulated Impairment	-	-	-	-	-
31 March 2024	206 206 212	2 819 180	2 173 271	152 160	211 350 819

In 2023 the value of the increases corresponds mainly to the new lease contracts for Madrid Airport, Lanzarote, Tenerife and two new restaurants in Malaga, totaling 95 million euros, for which the bincremental rate updated to current market conditions was used, and the reactivation of the contracts for Gran Canaria, Malaga and Alicante, totaling 36 million euros. In addition, the effect of the remeasurement of contracts due to rent updates by the Consumer Price Index and other changes in the expected lease payments also contributed.

In airport leasing contracts in Spain, Ibersol is exposed to variable rents calculated as a percentage of sales, if this value exceeds the minimum rents provided for in the leasing contracts.

6.5. Depreciation, amortization and impairment losses on non-financial assets

Expenses with depreciation, amortization and impairment losses on non-financial assets in 31 March 2024 and 2023 were as follows:

Nature	Note	mar/24			mar/23		
		Depreciation and amortisation	Impairment losses	Total	Depreciation and amortisation	Impairment losses	Total
Goodwill	6.1.	-	-	-	-	-	-
Intangible assets	6.2.	-817 621	-	-817 621	-776 561	-	-776 561
Property, plant and equipment	6.3.	-3 946 697	-	-3 946 697	-4 022 737	-	-4 022 737
Right-of-use assets	6.4.	-11 500 633	-	-11 500 633	-5 872 389	-	-5 872 389
Investment property	6.7.	-75 141	-	-75 141	-	-	-
Currency translation		167	-	167	3 652	-	3 652
Total		-16 339 925	-	-16 339 925	-10 668 035	-	-10 668 035

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

The assumptions used to analyse the impairment of property, plant and equipment, intangible assets, rights of use and goodwill in the preparation of the financial statements as at 31 December 2023 remain valid, with no changes to the underlying facts and circumstances. No relevant indications were identified that would indicate the need to carry out new impairment tests in the first three months of 2024.

6.6. Discontinued operations and non-current assets held for sale

At 31 March 2024 and 2023, the impact of the discontinued operations on the Consolidated Statement of Income and Other Comprehensive Income is as follows:

Income from discontinued operations	mar/24	mar/23
Sales and services rendered	895 106	2 511 470
Cost of sales	-285 214	-853 416
External supplies and services	-265 447	-697 587
Personnel costs	-272 980	-751 214
Amortisation, depreciation and impairment losses of AFT, Rights of Use, Goodwill and IA	-	-
Other operating revenues / (costs)	3 455	13 583
Operating profit	74 920	222 836
Financial expenses	-3 214	-
Financial income	-	-
Profit before tax	71 706	222 836
Income tax	-13 286	-
Net profit	58 420	222 836
Gain from sale	2 572 599	-
	2 631 019	222 836

In March 2024, the amount of the capital gain from the sale relates to the sale of non-current assets held for sale and 500,000 euros relating to the revision of the estimate of the Extension Earn-out to be received from the negotiation of lease contracts as a result of negotiations already finalised and in progress, from 6,800,000 euros to 6,300,000 euros.

The calculation of the capital gain arising from the sale of non-current assets held for sale is detailed as follows:

Calculation of capital gains	31/01/2024
Tangible Fixed Assets	2 985 333
Goodwill	-
Right of Use	1 771 878
Intangible Assets	284 403
Inventories	147 493
Other receivables	478 722
Cash and bank deposits	334 935
Lease liabilities	-1 574 965
Financing obtained	-
Other accounts payable	-1 348 766
Deferred tax liabilities	-47 180
Total Net Assets and Liabilities deconsolidated	3 031 853
Selling Price	6 104 452
Operating Expenses	-
Selling price deducted of cost to sell	6 104 452
Capital gain on sale	3 072 599
Profit (loss) on Consolidated Income Statement	3 072 599

At 31 March 2024, the impact of discontinued operations on the Consolidated Statement of Cash is as follows:

Cash flows from discontinued operations	mar/24
Cash Flows from Operating Activities	74 920
Cash flows from investing activities - Disposal of assets and liabilities classified as held for sale	6 104 452
Cash Flows from Investing Activities - Others	-
Cash Flows from Financing Activities	-
Cash and cash equivalents from discontinued operations	6 179 372

At 31 March 2024, the cash flow of disposal of discontinued operations is presented as follows:

Cash flow of discontinued operations sale	mar/24
Cash received	6 104 452
Cash and cash equivalents disposed of	-
Disposal of discontinued operations net of cash	6 104 452

At 31 March 2024 and 31 December 2023, the group of assets and liabilities classified as held for sale, concerning 1 and 9 restaurants, respectively, in concessions whose contracts and respective assets are expected to be sold at a later date, are as follows:

Group of assets and liabilities classified as held for sale	mar/24	2023
Tangible Fixed Assets	516 781	3 485 989
Intangible Assets	64 837	353 546
Right of use	265 279	2 037 157
Group of assets classified as held for sale	846 898	5 876 692
Lease liabilities	-212 999	-1 833 086
Group of assets classified as held for sale	-212 999	-1 833 086
Net value of assets and liabilities classified as held for sale	633 899	4 043 606

6.7. Investment Property

Investment properties relate to real estate assets where 9 Burger King restaurants operate. These assets were leased to Burger King Portugal, with rents of 168,901 euros on 31 March 2024 (638,684 euros on 31 December 2023).

Movements in investment properties

During the three-month period ending 31 March 2024 and the year ending 31 December 2023, the movement in the value of the investment property, as well as in the respective amortizations, was as follows:

	Investment Property
01 January 2023	8 470 400
Increases	-
Decreases	-
Transfers	4 669 911
Depreciation for the year	-300 562
31 December 2023	12 839 749
Cost	13 425 032
Accumulated depreciation	-585 284
Accumulated Impairment	-
31 December 2023	12 839 749
Increases	-
Decreases	-
Transfers	-
Depreciation for the year	-75 141
31 March 2024	12 764 608
Cost	13 425 032
Accumulated depreciation	-660 425
Accumulated Impairment	-
31 March 2024	12 764 608

Transfers relate to transfers of property, plant and equipment assets.

Based on the terms of negotiation for the sale of Burger King, the Group estimates that the fair value of these assets amounts to approximately 13.5 million euros.

7. Financing

7.1. Equity

7.1.1. Share capital

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

On 31 March 2024, Ibersol's share capital was fully subscribed and paid up, and was represented by 42,359,577 registered shares with a nominal value of 1 euro each.

7.1.2. Own shares

Under the terms of the resolution approved at the General Meeting of 26 May 2023, Ibersol SGPS, SA reduced its capital in 2023 from 46,000,000 euros to 42,359,577 euros, by cancelling 3,640,423 own shares acquired for 11,410,227 euros.

Under the buy-back program approved at the same General Meeting, 662,071 own shares were acquired until 31 March 2024, at an average price of €6.75 and representing 1.56% of the share capital.

On 31 March 2024, the company held 662,071 own shares acquired for 4,467,477 euros.

7.1.3. Earnings per share

At 31 March 2024 and 2023, basic and diluted earnings per share were calculated as follows:

	2024	2023
Profit attributable to equity holders		
Continuing operations	-870 337	212 555
Discontinued operations	2 631 019	222 836
Number of shares issued at the beginning of the year	46 000 000	46 000 000
Number of shares issued at the end of the year	42 359 577	46 000 000
Weighted average number of ordinary shares issued (i)	42 359 577	46 000 000
Weighted average number of treasury shares (ii)	580 194	3 640 423
Weighted average number of shares outstanding (i-ii)	41 779 383	42 359 577
Basic earnings per share (euros per share)		
Continued operations	-0,02	0,01
Discontinued operations	0,06	0,01
Diluted earnings per share (€ per share)		
Continued operations	-0,02	0,01
Discontinued operations	0,06	0,01
Number of treasury shares at the end of the period	662 071	3 640 423

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

7.2. Bank Debt

At 31 March 2024 and 31 December 2023 current and non-current borrowings had the following detail:

	mar/24	Dec/23
Non-current		
Bank loans	5 359 706	7 863 527
Commercial paper	3 500 000	4 800 000
	8 859 706	12 663 527
Current		
Bank overdrafts	-	-
Bank loans	5 589 120	4 110 369
Commercial paper	7 100 000	11 680 148
	12 689 120	15 790 517
Total borrowings	21 548 826	28 454 044

For Commercial Paper Programs (CPP), 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 31 March 2024 for CPP and borrowings was on average around 3.1% (3.35% on 31 December 2023). Borrowings indexed at variable rates are indexed to Euribor.

As at 31 March 2024, the Group had 27.5 million euros in commercial paper not issued and credit lines contracted but not used.

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 March 2024

Changes in bank debt

Movements in the three-month period ending 31 March 2024 and the year 2023 under current and non-current loans, except for finance leases and bank overdrafts, are presented as follows:

	mar/24	Dec/23
1 January	28 454 043	70 081 886
<u>Variations with impact in cash flows:</u>		
Proceeds from borrowings obtained	-	-
Financial debt repayments	-6 818 809	-42 445 598
<u>Variations without impact on cash flows:</u>		
Financing set-up costs	16 639	847 413
Capitalised interest and other	-103 047	-29 658
	21 548 826	28 454 043

7.3. Lease liabilities

At 31 March 2024, the company has commitments to third parties arising from lease contracts, namely real estate contracts. On 31 March 2024 and 31 December 2023, current and non-current leases were as follows:

	mar/24			Dec/23		
	Current	Non-current	Total	Current	Non-current	Total
Leases	41 665 990	185 609 599	227 275 589	40 161 966	188 846 002	229 007 968
TOTAL	41 665 990	185 609 599	227 275 589	40 161 966	188 846 002	229 007 968

Changes in lease liabilities

Movements in the three-month period ending 31 March 2024 and the year 2023 in lease liabilities are presented as follows:

	mar/24	Dec/23
1 January	229 007 968	90 873 709
Variations with impact in cash flows:		
Lease payments	-12 308 520	-32 805 337
Variations with no impact in cash flows:		
Leases associated with disposed operations	-	-384 620
Interest for the period from updating lease liabilities	3 452 715	10 113 570
Lease increases	4 038 229	164 625 819
Contracts terminations / shop closings	-	-2 849 832
Financial leasing	2 903 323	-
Others	181 872	-565 340
	227 275 589	229 007 968

Lease payments include 8,855,805 euros (22,691,767 euros in 2023) of principal and 3,452,715 euros (10,113,570 euros in 2023) of interest.

The increases in 2023 relate mainly to the new lease contracts for Madrid, Lanzarote, Tenerife and Malaga airports and the reactivation of the Gran Canaria and Alicante contracts, as follows:

	2023
Gran Canaria Airport	6 288 690
Alicante Airport	13 531 616
Malaga Airport	15 932 669
Lanzarote Airport (new contract)	25 812 472
Madrid Airport (new contract)	66 191 104
Málaga Airport (new contract)	2 548 914
Tenerife Airport (new contract)	9 742 702
Others	24 577 651
	164 625 819

Three financial leasing contracts were signed in 2024 for investments in progress at Barcelona, Lanzarote and Tenerife Airports, with capital payments set to begin in January 2025.

7.4. Treasury bonds

Ibersol Angola operates with a large component of imports that generate liabilities in foreign currency. In order to reduce the exchange rate risk and face Kwanza variations, the company adopted the policy of holding assets indexed to the USD in an amount, at least, of the same order of magnitude as the liabilities.

In addition to holding USD-indexed Treasury Bonds, the company acquired non-adjustable Treasury Bonds (denominated in AKZ) for the financial application of surpluses.

The amount of financial assets refers to investments in Treasury Bonds of the Angolan State. The separation by maturity is as follows:

	mar/24			Dec/23		
	Current	Non current	Total	Current	Non current	Total
Angolan Treasury Bonds	639 192	579 456	1 218 648	1 067 733	666 272	1 734 005
Accumulated impairment losses	-72 244	-81 022	-153 266	-72 244	-81 022	-153 266
TOTAL	566 948	498 434	1 065 382	995 489	585 250	1 580 739

As there has been no significant increase in credit risk since the initial recognition of Treasury Bonds, expected losses within a period of 12 months were considered.

The indices used for Probability of Default and Loss Given Default of Angolan Treasury Bonds are in accordance with Moodys and S&P publications, the probability of default considered was 7.9% and the loss given default considered to be 59%.

7.5. Cash and bank deposits

At 31 March 2024 and 31 December 2023, the breakdown of cash and cash equivalents was as follows:

	mar/24	Dec/23
Cash	482 422	572 210
Bank deposits	166 594 094	187 966 632
Cash and bank deposits in the balance sheet	167 076 516	188 538 842
Cash and cash equivalents on the cash flow statement	167 076 516	188 538 842

7.6. Financial activity result

Financial expenses and losses in March 2024 and 2023 are presented as follows:

Financial expenses	2024	2023
Interest from lease liabilities (IFRS16)	3 452 715	1 584 207
Interest expenses with financing	168 752	592 540
Other financial expenses	173 448	247 263
	3 794 915	2 424 010

Income and financial gains in March 2024 and 2023 are presented as follows:

Financial income and gains	2024	2023
Interest income	1 382 980	502 044
Other financial income	5 473	16 232
	1 388 453	518 276

8. Income tax

8.1. Current income tax

8.1.1. Current tax recognized in the income statements

Income tax recognised in the three-month period ended 31 March 2024 and 2023 is detailed as follows:

	mar/24	mar/23
Current tax	952 660	964 130
Deferred tax	-1 572 416	-952 073
	-619 757	12 057

On 31 March 2024, the effective tax rate is 42%.

8.1.2. Current tax recognized in the statement of financial position

8.1.2.1. Income tax recoverable

At 31 March 2024, the amount of tax on income to be recovered totals EUR 3,080,657 (EUR 3,550,462 in 31 December 2023), as follows:

	mar/24	Dec/23
Portugal	3 054 533	3 509 896
Spain	23 974	38 416
Others	2 150	2 150
	3 080 657	3 550 462

8.1.2.2. Income tax payable

At 31 March 2024 and 31 December 2023, the amount of tax payable breaks down as follows:

	mar/24	Dec/23
Angola	304 929	147 259
Others	8 800	9 261
	313 729	156 520

8.2. Deferred taxes

8.2.1. Deferred tax assets

At 31 March 2024 and 31 December 2023 the detail of deferred tax assets, according to the jurisdiction, is as follows:

	mar/24	Dec/23
Deferred tax assets	Spain	Spain
Tax losses carried forward	11 356 199	10 615 878
Deductible and taxable temporary differences (IFRS16)	2 800 821	1 938 048
Taxable temporary differences	-	-
Homogenization of property, plant and equipment and intangible assets	-1 289 293	-1 209 681
Other temporary differences	892 402	892 402
	13 760 129	12 236 647

Deductible and taxable 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. The breakdown between deductible and taxable differences is as follows:

	mar/24	Dec/23
	Spain	Spain
Deductible temporary differences (IFRS16)	-39 933 734	-41 971 913
Taxable temporary differences (IFRS16)	42 734 554	43 909 961
	2 800 820	1 938 047

Homogenization of tangible fixed assets and intangible assets

Deferred taxes corresponding to the difference between the net value of fixed assets considered in the individual financial statements of the subsidiaries and the net value they contribute in the consolidated.

Tax losses carried forward

In the analysis of the recoverability of deferred tax assets, the Group took into consideration the best estimates of future taxable income projections and the existence of taxable temporary differences against which tax losses, tax credits and deductible temporary differences can be used.

Business plans were prepared which, considering the Spanish taxation rules and the specificities of the group of companies, formed the basis for the recoverability assessment. The business plans were approved by management and are based on projections from external entities, such as Eurocontrol in the case of traffic, as well as being consistent with the business plans that served as the basis for the impairment analyses of the Group's assets.

8.2.2. Deferred tax liabilities

The detail of deferred tax liabilities at 31 March 2024 and 31 December 2023, according to the jurisdiction and temporary differences that generated them, is as follows:

Deferred tax liabilities	mar/24			Dec/23		
	Portugal	Angola	TOTAL	Portugal	Angola	TOTAL
Tax losses carried forward	-	-	-	-60 007	-	-60 007
Homogenization of property, plant and equipment and intangible assets and Hyperinflationary Economies (IAS29)	4 848 327	416 846	5 265 173	5 071 322	460 099	5 531 421
Deductible temporary differences (IFRS16)	-	-28 223	-28 223	-	-27 478	-27 478
Other temporary differences	-2 542 826	-38 317	-2 581 143	-2 635 717	-38 317	-2 674 034
	2 305 501	350 306	2 655 808	2 375 598	394 304	2 769 902

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

Other temporary differences amount, essentially, refers to unused tax benefits. At 31 December 2023, there are 88,200 euros of tax benefits associated with the capital increase and 2,502,080 euros of undeducted tax benefits to be used in subsequent years: 1,039,155 euros of RFAI for 2022, 788,515 euros of RFAI for 2023, 223,488 euros of CFEI II (89,303 euros deductible up to 2025 and 134,185 euros up to and including 2026) and 450,922 euros of IFR (deductible up to and including 2027). It should be noted that RFAI credits have a reporting period of 10 tax periods, a period which was suspended during the 2020 tax period and during the following tax period, under Law no. 21/2021, of April 21.

9. Other Provisions and Contingencies

9.1. Other provisions

At 31 December 2023 and 31 March 2024, the detail of other provisions is as follows:

	Dec/23	Increases	Decreases	mar/24
Onerous contracts	1 560 000	-	-	1 560 000
Compensation	-	-	-	-
Others	982 118	-	-611	981 507
Other Provisions	2 542 118	-	-611	2 541 507

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, which remains at 31.03.2024.

9.2. Contingent assets and liabilities

The Group has contingent liabilities related to its business (relating to licensing, advertising fees, hygiene and food safety and employees), and Ibersol's success rate in these processes is historically high. It is not estimated that these contingent liabilities will represent any relevant liabilities for Ibersol.

A lawsuit was filed against a subsidiary of the Eat Out Group in Spain for alleged breach of non-competition agreements in the amount of approximately 11.7 million euros. The Board of Directors, supported by the position of the lawyers that are following the process, considers that this situation represents a contingent liability. In addition, it should be noted that the lawsuit concerns facts that occurred before the acquisition of this subsidiary by the Ibersol Group, and is therefore covered by the clauses of responsibility and guarantees provided for in the agreement for the purchase and sale of shares of the Eat Out Group, with a right of return. There is already a decision in favor of Ibersol, and we are awaiting a definitive outcome.

The agreement for the sale of the Burger King operation includes indemnity clauses in the event of the verification of certain conditions attributable to the sold entities and on events prior to the sale date (30 November 2022). The Board of Directors does not expect any liability arising from these same commitment clauses, so no liabilities or contingent liabilities have been recognized in the consolidated statement of financial position.

Commitments not included in the consolidated statement of financial position include bank guarantees given to third parties and contractual commitments for the acquisition of tangible fixed assets.

9.3. Guarantees

At 31 March 2024 and 31 December 2023, 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:

	mar/24	Dec/23
Bank Guarantees	39 039 028	36 986 807

At 31 March 2024 the bank guarantees are detailed, by type of coverage, were as follows:

Concessions and rents	Other supply contracts	Fiscal and legal proceedings	Other	Other legal claims
33 648 502	20 683	197 112	5 152 000	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 25,519,000 euros with AENA Airports.

In other guarantees, and following the sale of the Burger King units, the Group provided a bank guarantee of 6.4 M to BK Portugal, S.A., to cover the asset relating to existing receivables at IberKing and unused at the date of the transaction, regarding CFEI II and RFAI, for a period of 5 years with decreasing annual values.

10. Transactions with related parties

The balances and transactions with related parties in 31 March 2024 and 31 December 2023 can be presented as follows:

	mar/24				Year 2023			
	Parent entitie	Jointly controlled entitie	Associated entitie	Other Entities	Parent entitie	Jointly controlled entitie	Associated entitie	Other Entities
Supply of services	284 325	767 666	-	-	1 078 008	3 987 555	-	-
Rental income from lease contracts	-	-	-	47 254	-	-	-	185 681
Accounts payable	-	862 185	-	-	-	1 271 190	-	-
Other current assets	-	-	-	-	-	-	-	-
Financial investments	-	-	300 000	-	-	-	300 000	-

The parent company of Ibersol SGPS S.A. is ATPS - SGPS, SA, which directly holds 21,452,754 shares.

António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira each hold 3.314 shares of Ibersol SGPS, S.A.. 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. °, 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 March 2024, to about 657,428 euros (682,432 euros on 31 December 2023).

11. Subsequent Events

Exercise of the right to purchase the entire share capital of Medfood

Exercise of the right to purchase the entire share capital of Medfood

On 19 April, the proposal to acquire 54% of the share capital of this company for 12.1 million euros was presented to the other shareholders.

Having obtained the seller's approval for the price, the completion of the operation is dependent on agreement on the other terms and conditions, which is expected to be reached by the end of the first half of 2024.

The acquisition assumes an increase in the value of the company's assets of 27.9 million euros. The company operates 34 KFC restaurants, generating an EBITDA (excluding IFRS16) of around 4 million euros.