

MANAGEMENT REPORT AND ACCOUNTS

1st SEMESTER 2024



ESTORIL-SOL, SGPS, S.A.

Fully paid up share capital: 59.968.420 Euros

Headquartered at: Av. Dr. Stanley Ho, Edifício do Casino Estoril, 2765-190 Estoril - Cascais

Tax id number: 500 101 221

Estoril-Sol, S.G.P.S., S.A.



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BOARD OF THE ANNUAL GENERAL MEETING

Chairman	- Pedro Canastra de Azevedo Maia
Deputy Chairman	- Tiago Antunes da Cunha Ferreira de Lemos
Secretary	- Marta Horta e Costa Leitão Pinto Barbosa

REMUNERATION COMMITTEE

- Pansy Catilina Chiu King Ho
- Jorge Armindo de Carvalho Teixeira
- Daisy Chiu Fung Ho

BOARD OF DIRECTORS

Chairman	- Pansy Catilina Chiu King Ho
Deputy-Chairman	- Mário Alberto Neves Assis Ferreira
Members	- António José de Melo Vieira Coelho
	- Calvin Ka Wing Chann
	- Daisy Chiu Fung Ho
	- Jorge Armindo de Carvalho Teixeira
	- Maisy Chiu Ha Ho
	- Miguel António Dias Urbano de Magalhães Queiroz
	- Vasco Esteves Fraga

AUDIT BOARD

Chairman	- Manuel Maria Reis Boto
Deputy-Chairmen	- Lisete Sofia Pinto Cardoso
	- Paulo Ferreira Alves

COMPANY SECRETARY

Secretary:	- Carlos Alberto Francisco Farinha
Alternate:	- Artur Alexandre Conde de Magalhães Mateus

STATUTORY AUDITOR

- Deloitte & Associados, SROC, S.A. - Represented by Carlos Alberto Ferreira da Cruz



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Ínterim Management Report

1st Semester 2024

1. THE COMPANY

Estoril Sol, S.A. was incorporated on 25 June 1958 and its company object is “the operation of the gambling concession, on an exclusive basis, in the Estoril permanent area, including other related trade and industries”.

On 18 March 2002, ESTORIL-SOL, S.A, modified its legal status to “Holding Company, SGPS”, Public Corporation, thereby no longer directly conducting any business activities, and such business is now to be conducted by various associated undertakings which have been incorporated for this purpose.

The Company held indirectly through subsidiaries interests in the tourism sector, in particular, in gaming activities at casinos. The Company owns the Game Concessions of Estoril (Casino do Estoril and Casino Lisboa) and Póvoa de Varzim (Casino da Póvoa). The Company has been present since 2016 through one of its subsidiaries in the online gambling business, holding two licenses, one license for online casino games and another for online sports betting.

During the semester, we monitored the day-to-day management of the subsidiary companies regularly and in detail, paying particular attention to the execution of the new concession contract for the permanent gaming area of Estoril, which incorporates Casino Estoril and Casino Lisboa.

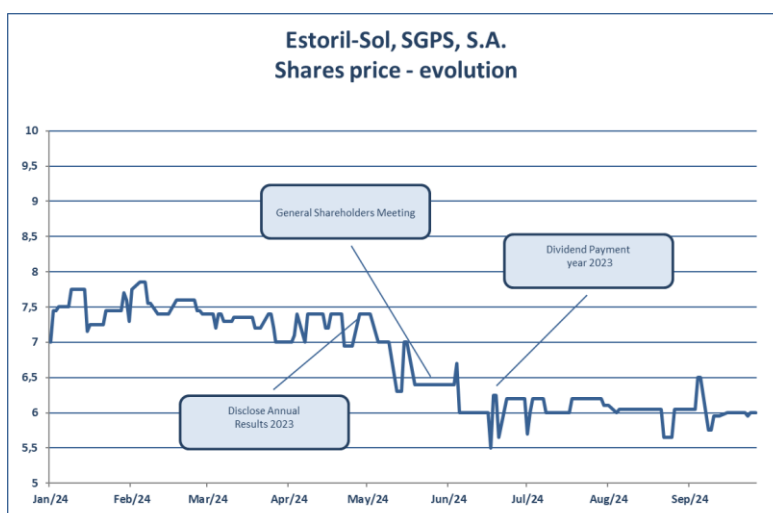
2. SHARE CAPITAL, SHARES AND DIVIDENDS

At 30th June 2024, the share capital of ESTORIL-SOL, S.G.P.S., S.A. was 59.628.420 Euros, represented by 11.993.684 shares with a nominal unit value of 5 (five).

At the time this report was prepared, ESTORIL SOL, SGPS, S.A. held 62.565 treasury shares, with no trading taking place during the financial year.

During the current year, the Company, did not sold or acquired own shares.

The Company's shares are listed on the Lisbon Stock Exchange since February 14, 1986. (Euronext Lisbon: ISIN PTES00AM0000).



The 2023 Annual Report and Accounts was approved at the General Shareholders' Meeting on May 27th, 2024, and the payment of a dividend related to the 2023 financial year in the amount of 0.1676 Euros per share was approved.

The price and trading volume of Estoril-Sol, SGPS, SA securities, on the dates of reporting to the market during the first semester of 2024 were according table below:

Date for disclosing Estoril-Sol, SGPS, S.A. , information						
Disclosure	Date	Qtyd	Price (Euros)			
			Open	High	Low	Close
Annual results for 2023	30/04/2024	1000	7,40	7,40	7,40	7,40
Annual Shareholders Meeting	27/05/2024	0	6,40	-	-	6,40
Dividend Payment - Year 2023	20/06/2024	0	6,25	-	-	6,25

As at June 30th, 2024 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics to the right.



3. ESTORIL-SOL GROUP



4. GAME REVENUES

- TERRITORIAL CASINO GAME REVENUES (without the effect of bonus given)

GROSS GAME REVENUES (excluding b3nus given)

1st Semester 2024 /2023 / 2019 (pre-pandemic)

Estoril Sol

2019	94 M€		
2023	79,2 M€	Δ 2023	Δ 2019
2024	73,6 M€	-7%	-22%

Casino P3voa

2019	22 M€		
2023	18 M€	Δ 2023	Δ 2019
2024	17,6 M€	-2%	-20%

Casino Estoril

2019	29,9 M€		
2023	28,3 M€	Δ 2023	Δ 2019
2024	22,6 M€	-20%	-24%

Casino Lisboa

2019	42 M€		
2023	32,9 M€	Δ 2023	Δ 2019
2024	33,4 M€	2%	-20%



Portugal

2019	150,5 M€		
2023	130,9 M€	Δ 2023	Δ 2019
2024	125 M€	-5%	-17%

	2019	2023	2024	Δ 2023	Δ 2019
Algarve	15,4 M€	15,7 M€	14,5 M€	-8%	-6%
Espinho	23,5 M€	19,2 M€	19,3 M€	1%	-18%
Figueira	7,5 M€	5,7 M€	5,8 M€	2%	-23%
Chaves	3,4 M€	3,4 M€	4 M€	18%	18%
Madeira	4,6 M€	3,9 M€	4,2 M€	8%	-9%
Tr3ia	2 M€	3,7 M€	3,8 M€	3%	90%

*information no available for Casino Ponta Delgada - Azores

Comment:

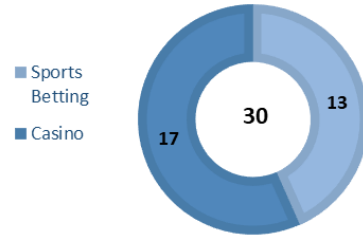
The vast majority of Gaming Concessions have not yet recovered to the revenue levels reached in 2019, the period before the Covid-19 Pandemic.

- ONLINE GAME (excluding the effect of the game bonus given)

As of June 30, 2024, 17 entities were authorized to engage in online gambling and betting activities in Portugal. Taken as a whole, those entities hold 30 licenses, 17 licenses for sports betting and 13 licenses for online casino.

ONLINE LICENSES

17 Players ; 30 Licenses

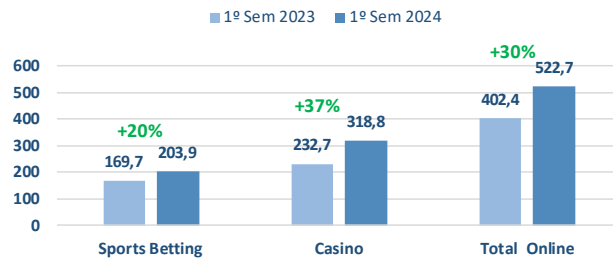


With reference to June 30th, 2024, Estoril Sol Digital holds the following licenses:

- online casino games license (license no. 3) issued by SRIJ (Portuguese Gaming Industry Regulator), valid until July 24th, 2025 after renewal for an additional period of 3 years, and renewable for periods of three years;
- online sports betting license (license n°8) issued by SRIJ (Portuguese Gaming Industry Regulator), valid until August 3rd, 2026 after renewal for an additional period of 3 years, and renewable for periods of three years.

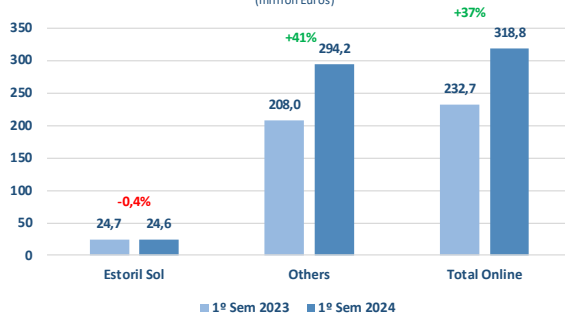
Online Gross Game Revenues

(million Euros)



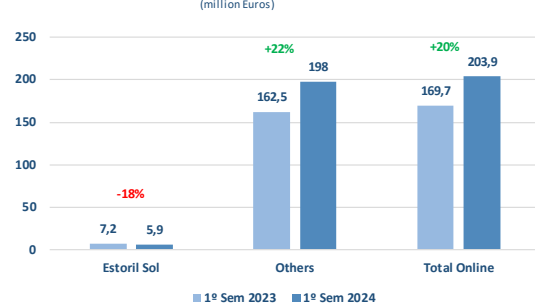
Game Revenues - Casino

(million Euros)



Game Revenues - Sports Betting

(million Euros)

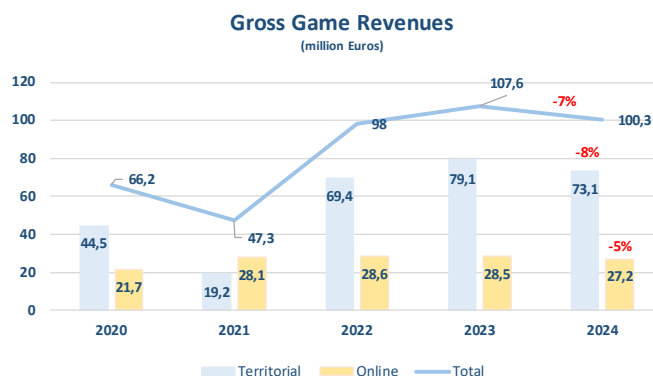


5. ESTORIL-SOL FINANCIAL ANALYSIS – 1ST SEMESTER SUMMARY

♣ Gross Game Revenues (deducted from bonus given)

In the first half of 2024, the Estoril Sol Group's total gaming revenues (territorial and online gaming) amounted to 100.3 million Euros, having registered an overall decrease of 7%. Territorial game revenues amounted to 73.1 million euros, a drop of 8%, mainly penalized by the performance of Casino Estoril.

The Estoril Sol Group's online gaming revenues fell 5% compared to the same period of the previous year, having been heavily penalized by the weak performance recorded in the sports betting segment.



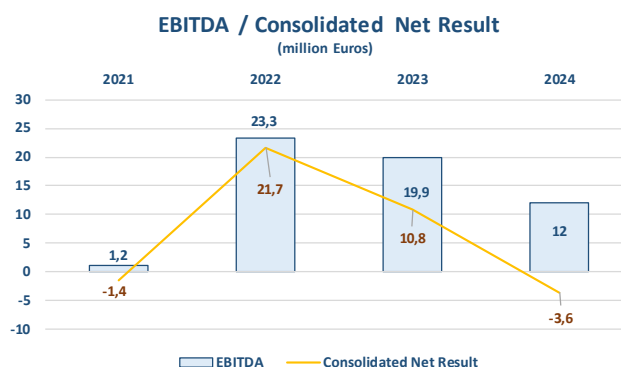
	jun/19	jun/23	jun/24	Δ 24/23	Δ 23/19
Estoril	29,8	28,2	22,5	-20%	-24%
Lisboa	41,9	32,9	33	0%	-21%
Póvoa	22	18	17,6	-2%	-20%
Sub-Total Territorial	93,7	79,1	73,1	-8%	-22%
Casino and Poker	12,9	22,4	22,6	1%	75%
Sports Betting	5,3	6,1	4,6	-25%	-13%
Sub-Total Online	18,2	28,5	27,2	-5%	49%
Estoril Sol	111,9	107,6	100,3	-7%	-10%

million Euros

◆ Group Consolidated Results

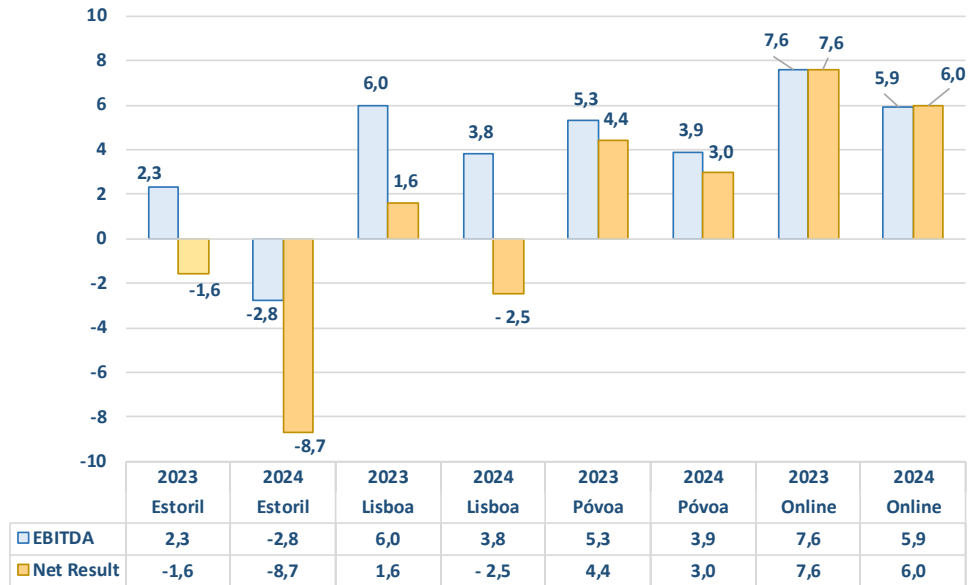
As of June 30, 2024, the Group presents negative Consolidated Net Results in the amount of 3.6 million Euros, which compares with gains of 10.8 million Euros in the same period of the previous year.

Compared to the first half of 2023, all Estoril Sol Group casinos worsened their results in 2024, and Casino do Estoril and Casino de Lisboa recorded losses in the first half of 2024 (see table on next page).



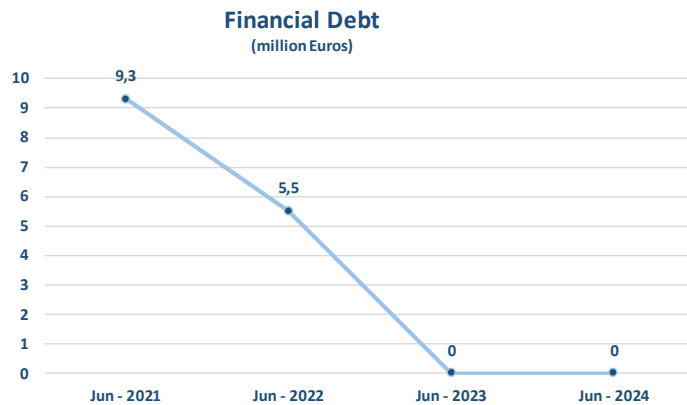
♥ Performance by Segment/Casino

EBITDA / Net Result
(million Euros)



♠ Financial Debt

The good results achieved by the Group in 2022 and by Casino da Póvoa in 2023, allowed the full settlement of the Group's banking liabilities. The Group's banking liabilities, which were cyclical, arose from activity limitations that occurred during 2020 and 2021 resulting from the adoption of measures to control the Covid-19 pandemic. The Group's credit liabilities were mainly parked in the Casino da Póvoa operation.



6. FINANCIAL ANALYSIS – CONSOLIDATED ACCOUNTS

	Jun - 2024	Jun - 2023	Var %
Gross Game Revenues (deducted from bonus and other adjustments)	100 248 552	107 623 709	-7%
Game Taxes	(47 626 668)	(47 705 209)	0%
Net Game Revenues	52 621 884	59 918 500	-12%
Other Revenue (F&B / Entertainment)	6 055 838	4 580 333	32%
Operating Costs	(49 020 179)	(44 521 398)	10%
EBITDA	9 657 543	19 977 435	-52%
Amortization and Depreciation	(8 428 857)	(9 140 219)	-8%
Financial costs	(4 848 622)	(53 545)	8955%
Corporate Income Tax (IRC)	-	(210)	
Consolidated Net Result	(3 619 936)	10 783 460	-134%
Equity holders of the Parent Company	(6 594 392)	6 979 512	-194%
Non-controlling interests	2 974 456	3 803 948	-22%
	(3 619 936)	10 783 460	
Result per basic share	-0,55	0,58	

7. SUBSEQUENT EVENTS

Between the 30th of June 2024 and the date of this report, no relevant facts occurred that could materially affect the financial position and the future results of Estoril-Sol, SGPS,S.A. and the other Companies of the Group.

8. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) n^o1 of article 246 of Portuguese Securities Code, we hereby inform you that to the best of our knowledge:

- The information contained in the interim management report is a faithful statement of the evolution of the business, of the performance and of the position of Estoril-Sol, SGPS, S.A., and the companies included within the consolidation perimeter, and contains a description of the main risks and uncertainties which they face;
- The information contained in the consolidated financial statements, as well as their annexes, was produced in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial situation and the results of Estoril-Sol, SGPS, S.A. and the companies included in the consolidation perimeter.

Estoril, 27th September, 2024

The Board of Directors:

- Chairwoman: Pansy Catilina Chiu King Ho

- Vice-Chairman: Mário Alberto Neves Assis Ferreira

- Directors: António José de Melo Vieira Coelho

Calvin Ka Wing Chann

Daisy Chiu Fung Ho

Jorge Armindo de Carvalho Teixeira

Maisy Chiu Ha Ho

Miguel António Dias Urbano de Magalhães Queiroz

Vasco Esteves Fraga

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Information regarding the securities issued by ESTORIL-SOL, SGPS, S.A., and by companies with which the Company is in controlling or group relationship, which are owned by the members of the Corporate Offices of the Company on 30th June 2024.

	Nr shares 31.12.23	Date	Value (€/share)	Nr shares purchased	Nr shares sold	Nr shares 30.06.24
Board of Directors						
Pansy Catilina Chiu King Ho	0	-	-	-	-	0
Mário Alberto Neves Assis Ferreira	601	-	-	-	-	601
Maisy Chiu Ha Ho	0	-	-	-	-	0
Daisy Chiu Fung Ho	0	-	-	-	-	0
António José de Melo Vieira Coelho	0	-	-	-	-	0
Vasco Esteves Fraga	608	-	-	-	-	608
Jorge Armindo de Carvalho Teixeira	0	-	-	-	-	0
Calvin Ka Wing Chann	1 000	-	-	-	-	1 000
Miguel António Dias Urbano de Magalhães Queiroz	0	-	-	-	-	0
Audit Board						
Manuel Maria Reis Boto	0	-	-	-	-	0
Paulo Ferreira Alves	0	-	-	-	-	0
Lisete Sofia Pinto Cardoso	0	-	-	-	-	0
Statutory Auditor						
Carlos Alberto Ferreira da Cruz	0	-	-	-	-	0

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FINANSOL, SOCIEDADE DE CONTROLO, SGPS, S.A.

On 30th June 2024, ESTORIL SOL, SGPS, S.A. held 62.565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, SGPS, S.A., on 30 June 2024, held 6.930.604 shares of ESTORIL-SOL, SGPS, S.A., it was a direct holder of 57,79% of the share capital and 58,09% of the voting rights.

The members of the Board of Directors and of the Advisory Board of the Companies which are controlled by or grouped under ESTORIL-SOL, held 2,209 shares of ESTORIL-SOL, SGPS, S.A., corresponding to 0,02% of the share capital and voting rights.

Therefore, in overall terms, the direct and indirect stake of FINANSOL in the capital of ESTORIL-SOL is 57,81%, and 58,11% to the voting rights.

SOCIEDADE FIGUEIRA PRAIA, S.A.

On 30th June 2024, ESTORIL-SOL, SGPS, S.A. held 62.565 treasury shares, and, as SOCIEDADE FIGUEIRA PRAIA, S.A. held 3.917.793 shares, this company was a direct holder of 32,67% of the share capital and 32,84% of the voting rights of ESTORIL SOL, SGPS, S.A..



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CONSOLIDATED FINANCIAL STATEMENTS
AND
NOTES TO THE ACCOUNTS

ESTORIL SOL, SGPS, S.A.

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION ON JUNE 30th, 2024 And DECEMBER 31st, 2023

(Amounts in Euros)

ASSETS	Notes	Jun - 24	Dec - 23
NON-CURRENT ASSETS:			
Tangible fixed assets			
Reversible to the State		8 392 563	4 546 659
Not reversible to the State		47 846 532	47 261 892
Tax deductions on investments		<u>(1 527 827)</u>	<u>(1 909 886)</u>
Total non-current assets		54 711 268	49 898 665
Intangible assets		182 733 654	189 709 064
Right-of-use assets		516 839	516 839
Investment properties		157 161	159 937
Other non current assets		<u>125 987</u>	<u>126 719</u>
		<u>238 244 909</u>	<u>240 411 224</u>
CURRENT ASSETS:			
Inventories		9 698 394	9 695 001
Accounts receivable - trade		1 406 238	297 838
Current tax assets		-	6 028
Other current assets		1 399 186	2 007 002
Cash and cash equivalents	9	<u>69 075 191</u>	<u>92 202 900</u>
Total current assets		<u>81 579 009</u>	<u>104 208 769</u>
Total assets		<u>319 823 918</u>	<u>344 619 993</u>
EQUITY and LIABILITIES			
EQUITY:			
Capital		59 968 420	59 968 420
Treasury shares		(708 306)	(708 306)
Share issue premiums		960 009	960 009
Legal Reserves		11 372 425	11 072 425
Other Reserves and Retained earnings		53 507 644	50 153 816
Consolidated net profit		<u>(6 594 392)</u>	<u>5 653 829</u>
Equity attributable to the holders of the Parent Company		118 505 800	127 100 193
Equity attributable to non-controlling interests	11	<u>4 293 920</u>	<u>5 319 463</u>
Total equity		<u>122 799 720</u>	<u>132 419 656</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Lease liabilities		289 143	289 143
Provisions		2 503 200	2 745 200
Other non-current liabilities	12	<u>143 983 321</u>	<u>155 205 722</u>
Total non-current liabilities		<u>146 775 664</u>	<u>158 240 065</u>
CURRENT LIABILITIES:			
Lease liabilities		227 821	227 821
Current tax liabilities		-	86 850
Other current liabilities	12	<u>50 020 713</u>	<u>53 645 601</u>
Total current liabilities		<u>50 248 534</u>	<u>53 960 272</u>
Total liabilities		<u>197 024 198</u>	<u>212 200 337</u>
Total equity and liabilities		<u>319 823 918</u>	<u>344 619 993</u>

The notes form an integral part of these financial statements

ESTORIL-SOL, SGPS, S.A.
CONSOLIDATED INCOME STATEMENT
OF THE PERIODS ENDED ON 30th JUNE, 2024 AND 2023

(Amounts in Euros)

	Notes	Jun - 2024	Jun - 2023
REVENUE:			
Gaming revenues	5	100 248 552	107 623 709
Gaming taxes	5	<u>(47 626 668)</u>	<u>(47 705 209)</u>
		52 621 884	59 918 500
Other operating revenue	5	<u>6 055 838</u>	<u>4 580 333</u>
		<u>58 677 722</u>	<u>64 498 833</u>
OPERATING EXPENSES:			
Cost of sales		(1 065 437)	(1 033 044)
Supplies and external services	6	(26 836 405)	(25 510 917)
Wages and salaries	7	(20 201 518)	(17 078 179)
Depreciation and amortization		(8 566 993)	(9 140 219)
Provisions (increases) / reversals)		138 136	-
Other operating expenses		<u>(916 819)</u>	<u>(929 258)</u>
Total operating expenses		<u>(57 449 036)</u>	<u>(53 691 617)</u>
Income before financial results and taxes		<u>1 228 686</u>	<u>10 807 216</u>
FINANCIAL (LOSSES) AND GAINS:			
Financial losses	8	(5 098 337)	(103 814)
Financial gains	8	<u>249 715</u>	<u>50 268</u>
		<u>(4 848 622)</u>	<u>(53 546)</u>
Income before taxes		<u>(3 619 936)</u>	<u>10 753 670</u>
Income taxes		-	(210)
Consolidated net income		<u><u>(3 619 936)</u></u>	<u><u>10 753 460</u></u>
Attributable to:			
Equity holders of the Parent Company	14	(6 594 392)	6 979 512
Non-controlling interests		<u>2 974 456</u>	<u>3 803 948</u>
		<u><u>(3 619 936)</u></u>	<u><u>10 753 460</u></u>
Net result per share			
Basic and diluted		<u><u>(0,55)</u></u>	<u><u>0,58</u></u>

The notes form an integral part of these financial statements

Net Result by Operation	Jun - 2024	Jun - 2023
Casino Estoril	(8 665 864)	(1 564 908)
Casino Lisboa	<u>(2 529 474)</u>	<u>1 616 822</u>
Sub-Total Estoril-Sol (III)	<u>(11 195 338)</u>	<u>51 914</u>
Casino Póvoa	3 081 545	4 352 313
Casino Online	5 948 912	7 607 896
Other Segments	<u>(1 455 055)</u>	<u>(1 228 663)</u>
Consolidated Net Income	<u><u>(3 619 936)</u></u>	<u><u>10 783 460</u></u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

ESTORIL-SOL_SGPS_S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30th JUNE 2024 AND 2023

(Amounts in Euros)

	Share Capital	Treasury Shares	Issue Premiums	Legal Reserve	Other Reserves and Retained Earnings	Consolidated net result of the year	Total	Non-controlling interests (Note 11)	Total Equity
Balance at 01 st January 2023	59 968 420	(708 306)	960 009	9 429 425	18 941 845	32 848 885	121 440 278	13 098 713	134 538 991
Application of the consolidated net profit of the year ended 31 st December 2022	-	-	-	1 643 000	31 205 885	(32 848 885)	-	-	-
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(10 000 000)	(10 000 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th June 2023	-	-	-	-	-	6 979 512	6 979 512	3 803 948	10 783 460
Balance at 30 th June 2023	59 968 420	(708 306)	960 009	11 072 425	50 147 730	6 979 512	128 419 790	6 902 661	135 322 451
Balance at 01 st January 2024	59 968 420	(708 306)	960 009	11 072 425	50 153 816	5 653 829	127 100 193	5 319 463	132 419 656
Application of the consolidated net profit of the year ended 31 st December 2023	-	-	-	300 000	5 353 829	(5 653 829)	-	-	-
Dividend payment - year 2023	-	-	-	-	(2 000 000)	-	(2 000 000)	-	(2 000 000)
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(4 000 000)	(4 000 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th June 2024	-	-	-	-	-	(6 594 392)	(6 594 392)	2 974 456	(3 619 936)
Balance at 30 th June 2024	59 968 420	(708 306)	960 009	11 372 425	53 507 645	(6 594 392)	118 505 800	4 293 920	122 799 720

ESTORIL-SOL, SGPS,S.A.

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIODS ENDED 30th JUNE 2024 AND 2023

(Amounts in Euros)

	<u>Notes</u>	<u>Jun - 2024</u>	<u>Jun - 2023</u>
<u>OPERATING ACTIVITIES:</u>			
Receipts from clients		103 893 857	110 394 479
Payments to suppliers		(25 929 611)	(28 322 461)
Payments to staff		(17 873 216)	(15 356 035)
Cash flow generated by operations		60 091 030	66 715 983
Payment of income tax		(49 831)	(52 397)
Payment of Special Gaming tax		(52 827 573)	(38 756 697)
Other payments relating to the operating activity		(2 456 645)	(8 910 991)
Cash flow from operating activities (1)		<u>4 756 981</u>	<u>18 995 899</u>
<u>INVESTING ACTIVITIES:</u>			
Receipts from:			
Interest and similar income		125 854	50 268
		<u>125 854</u>	<u>50 268</u>
Payments in respect of:			
Tangible fixed assets		(5 824 332)	(1 419 464)
Intangible assets		(15 903 693)	(40 902 328)
		<u>(21 728 025)</u>	<u>(42 321 792)</u>
Cash flow from investment activities (2)		<u>(21 602 171)</u>	<u>(42 271 523)</u>
<u>FINANCING ACTIVITIES:</u>			
Receipts from:			
Bank loans obtained		-	64 513
		<u>-</u>	<u>64 513</u>
Payments in respect of:			
Bank loans repaid		-	(64 513)
Interest and similar costs		(133 815)	(116 699)
Dividends		(6 000 000)	(10 000 000)
Amortization of lease liabilities		(148 704)	(159 796)
		<u>(6 282 519)</u>	<u>(10 341 008)</u>
Cash flow from financing activities (3)		<u>(6 282 519)</u>	<u>(10 276 495)</u>
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(23 127 709)	(33 552 119)
Cash and cash equivalents at the start of the period	9	92 202 900	112 712 620
Cash and cash equivalents at the end of the period	9	69 075 191	79 160 501

The notes form an integral part of these financial statements



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1. INTRODUCTION

Estoril-Sol, SGPS, S.A., (“Company”) is a public limited-liability company, which resulted from a change, on 18 March 2002, to the legal status of Estoril-Sol, S.A. which was constituted on 25 June 1958 and has its registered office in Av. Dr. Stanley Ho, Casino Estoril building. The company has its shares listed on a regulated market - the Euronext.

The main business sector in which the Group operates consists of the operation of physical casinos for games of chance, an activity regulated by Turismo de Portugal through the Gaming Regulation and Inspection Service, under the concession contracts of Póvoa game concession (until 2025), which includes the exploration of the Póvoa de Varzim Casino, and the Estoril game concession (until 2037), which includes the Casino do Estoril and the Casino de Lisboa. In addition, in 2016 one of the subsidiaries began its activity of exploring online games through the ESC Online site and started subsequently the activity related to sports betting, under the assigned licenses, valid for 3 years and renewable.

In the context of the concession contracts referred above, tangible fixed assets reversible to the state that will be delivered to the State at the end of the concession are recognized in the financial statements. These assets correspond essentially to gambling equipment and assets assigned to the buildings of the Póvoa de Varzim and Estoril Casinos. The building related to Casino de Lisboa will continue to be owned by the Group after the end of the concession and as such is not considered as reversible. Reversible assets are deducted of investment tax deductions, which correspond to the portion subsidized by the State for the investment made by the Group engaged in the gambling activity.

In addition, the Group also operates in the real estate sector, currently holding a number of properties in the portfolio.

2. MAIN ACCOUNTING POLICIES

2.1. Bases of presentation

The attached financial statements were prepared on the assumption of the continuity of operations, based on the books and accounting records of the companies included in the consolidation (Note 4), adjusted to comply with the provisions of the IAS 34 as adopted in the European Union and should be read together with the consolidated financial statements for the year ended 31st December 2023.

The interim financial information now disclose was not subjected to an external audit or limited review.

3. JUDGMENTS OF VALUE, CRITICAL ASSUMPTIONS AND MAIN SOURCES OF UNCERTAINTY ASSOCIATED TO ESTIMATES

During the period ended on 30th June 2024, there were no changes in accounting policies in relation to those used in the preparation and presentation of the financial statements of the year ended on 31st December 2023, nor were any material errors recognised relating to previous periods.

4. COMPANIES INCLUDED IN THE CONSOLIDATION AND ASSOCIATE COMPANIES

4.1 Companies included in the consolidation

The companies included in the consolidation, their registered offices, the method of consolidation adopted and the proportion of the capital effectively held on 30th June 2024 and 31st December 2023 are the following:

Name	Head office	Method of Consolidation	Effective percentage of the capital held	
			Jun-24	Dec-23
Estoril-Sol, S.G.P.S., S.A.	Estoril	Integral	Holding. Co.	Holding. Co.
Estoril-Sol (III) - Turismo, Animação e Jogo, S.A.	Estoril	Integral	100	100
Varzim Sol - Turismo, Jogo e Animação, S.A.	Póvoa de Varzim	Integral	100	100
Estoril-Sol V - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
DTH - Desenvolvimento Turístico e Hoteleiro, S.A.	Estoril	Integral	100	100
Estoril-Sol Imobiliária, S.A.	Estoril	Integral	100	100
Estoril-Sol - Investimentos Hoteleiros, S.A.	Estoril	Integral	100	100
Estoril Sol e Mar - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
Estoril-Sol Digital, Online Gaming Products and Services, S.A. (a)	Estoril	Integral	50	50
Estoril-Sol Internacional, S.A. (b)	Estoril	Integral	100	100
Estoril-Sol Capital Digital, S.A. (c)	Estoril	Integral	100	100

5. OPERATING INCOME BY NATURE

The consolidated operating income, in the periods ended on 30th June 2024 and 2023, is detailed as follows:

Nature	June - 2024					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
Gaming revenues:						
- Slot Machines	14 782 328	24 547 127	39 329 455	15 230 737	23 042 675	77 602 867
- Table based gaming and Poker	7 886 557	8 725 607	16 612 164	2 326 467	1 887 910	20 826 541
- Sports betting	-	-	-	-	5 932 779	5 932 779
- Bonuses and other fair value adjustments	(205 374)	(240 395)	(445 769)	(3 036)	(3 664 830)	(4 113 635)
	<u>22 463 511</u>	<u>33 032 339</u>	<u>55 495 850</u>	<u>17 554 168</u>	<u>27 198 534</u>	<u>100 248 552</u>
Gaming taxes:						
- Game Taxes	<u>(12 141 332)</u>	<u>(17 968 631)</u>	<u>(30 109 963)</u>	<u>(7 028 305)</u>	<u>(10 488 400)</u>	<u>(47 626 668)</u>
Other operating revenues:						
- F&B and Entertainment	2 777 273	593 592	3 370 865	302 960	-	3 673 825
- Tax deductions - Entertainment	676 724	1 001 522	1 678 246	175 572	-	1 853 818
- Supplementary income	11 904	21 041	32 945	2 722	-	35 667
- Other	16 904	59 880	76 784	415 744	-	492 528
	<u>3 482 805</u>	<u>1 676 035</u>	<u>5 158 840</u>	<u>896 998</u>	<u>-</u>	<u>6 055 838</u>
	<u>13 804 984</u>	<u>16 739 743</u>	<u>30 544 727</u>	<u>11 422 861</u>	<u>16 710 134</u>	<u>58 677 722</u>

Nature	June - 2023					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
Gaming revenues:						
- Slot Machines	14 950 659	25 054 989	40 005 648	15 415 512	22 967 938	78 389 099
- Table based gaming and Poker	13 353 113	7 815 397	21 168 510	2 627 547	1 968 915	25 764 972
- Sports betting	-	-	-	-	7 234 873	7 234 873
- Bonuses and other fair value adjustments	(69 837)	(64 543)	(134 380)	(20 651)	(3 610 203)	(3 765 234)
	<u>28 233 935</u>	<u>32 805 843</u>	<u>61 039 778</u>	<u>18 022 408</u>	<u>28 561 523</u>	<u>107 623 709</u>
Gaming taxes:						
- Special Gaming Tax (current)	(14 540 935)	(16 885 203)	(31 426 138)	(6 016 016)	(10 263 055)	(47 705 209)
Other operating revenues:						
- F&B and Entertainment	2 409 176	306 952	2 716 128	244 582	-	2 960 710
- Tax deductions - Entertainment	702 962	802 540	1 505 503	-	-	1 505 503
- Supplementary income	67 338	20 657	87 995	2 182	-	90 178
- Other	17 138	5 857	22 995	378	570	23 943
	<u>3 196 614</u>	<u>1 136 007</u>	<u>4 332 621</u>	<u>247 142</u>	<u>570</u>	<u>4 580 333</u>
	<u>16 889 614</u>	<u>17 056 647</u>	<u>33 946 261</u>	<u>12 253 534</u>	<u>18 299 038</u>	<u>64 498 833</u>

Income from the segments comes from transactions with external customers. There are no transactions between segments. The accounting policies of each segment are the same as those of the Group.

6. SUPPLIES AND EXTERNAL SERVICES

In the periods ended on 30th June 2024 and 2023, "Supplies and external services" were as follows:

	Jun - 2024	Jun - 2023
Advertising	6 286 191	5 640 890
Fees	3 139 993	3 593 449
Gifts to customers	2 975 977	3 171 491
Subcontracts	2 469 571	2 283 035
Conservation and repairs	1 714 731	1 480 583
Specialized work	1 680 764	1 224 525
Cleaning and laundry	1 597 986	1 503 015
Financial services (comissions)	1 506 716	1 494 807
Energy and other fluids	1 273 352	1 457 099
Royalties	1 233 190	1 158 183
Surveillance and security	1 114 818	1 021 066
Rents	673 015	487 453
Communication	291 577	261 946
Insurance	264 512	242 515
Travel and hotels	145 701	161 634
Other	468 311	329 227
	<u>26 836 405</u>	<u>25 510 917</u>

7. STAFF COSTS

In the periods ended on 30th June 2024 and 2023, staff costs were as follows:

	Jun- 2024	Jun - 2023
Remuneration of governing bodies	1 420 652	1 186 277
Remuneration of staff	13 621 739	11 981 732
Indemnities	675 724	1 486
Charges on remuneration	3 380 301	2 975 443
Insurance	115 475	108 968
Social charges	737 804	686 013
Other	249 822	138 260
	<u>20 201 518</u>	<u>17 078 179</u>

8. FINANCIAL LOSSES AND FINANCIAL GAINS

Financial costs and income for the periods ended on 30th June 2024 and 2023 is detailed as follows:

Financial Costs	Jun - 2024	Jun - 2023
Amortized cost/effective interest on financial liabilities:		
Game Concession Contract (a)	(4 977 600)	
Interest borne:		
Financing from banks (a)	70	(67 655)
Finance and operating leasing	(120 807)	(36 159)
	<u>(5 098 337)</u>	<u>(103 814)</u>
Financial Income	Jun - 2024	Jun - 2023
Interests from bank deposits	212 576	20 389
Exchange gains	10 086	6 785
Other	27 053	23 095
	<u>249 715</u>	<u>50 268</u>
Net financial costs	<u>(4 848 621)</u>	<u>(53 546)</u>

(a) The Group has recognized in its financial position financial liabilities related to financial guarantees/disbursements assumed with the award of the new gaming area concession contract of Estoril which amount to 160.183.322 Euros in June 2024 (Note 12). The Group records financial liabilities, current and non-current, initially at fair value, and subsequently measured at amortized cost, minus any interest calculated and recognized in accordance with the effective interest rate method. The concession contract provides for the annual updating of the nominal value of financial liabilities based on the consumer price index, annual disbursements and a maturity 15 years (2037).

9. CASH AND CASH EQUIVALENTS

On 30th June 2024 and 31st December 2023, this caption was broken down as follows:

	Jun- 2024	Dec - 2023
Cash	7 631 409	8 127 666
Bank Deposits:		
- Immediately available bank deposits	54 443 782	57 075 234
- Long term deposits (a)	7 000 000	27 000 000
Cash and bank deposits	69 075 191	92 202 900
Bank overdrafts	-	-
Cash and cash equivalents	69 075 191	92 202 900

(a) Relating to bank deposits that may be immediately mobilized with risk of loss of interest.

10. OTHER RESERVES AND RETAINED EARNINGS

This caption relates to income generated in prior years not attributed to Company shareholders and includes reserves made unavailable as a result of the acquisition of treasury shares amounting to 708,306 Euros. This caption also includes the accumulated impacts of the actuarial update of post-employment benefits.

At the General Shareholders' Meetings held on May 27th, 2024, the application of the results for the year 2023 was approved as follows:

	2023
Legal reserve	300 000
Other reserves and retained earnings	500 000
Other variations	2 853 829
Dividends (a)	2 000 000
	5 653 829

(a) corresponds to a dividend per share in the amount of 0,1676 Euros

11. NON-CONTROLLING INTERESTS

On 30th June 2024 and 31st December 2023, the caption "Non-controlling interests" was broken down as follows:

	Jun - 2024				Dec - 2023			
	Opening balance	Profit / (Loss) of the period	Dividend distribution	Closing balance	Opening balance	Profit / (Loss) of the period	Dividend distribution	Closing balance
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	5 319 463	2 974 457	(4 000 000)	4 293 920	13 098 713	7 720 750	(15 500 000)	5 319 463

12. OTHER CURRENT AND NON-CURRENT LIABILITIES

On 30th June 2024 and 31st December 2023, this caption was broken down as follows:

	Jun - 2024	Dec - 2023
Other accounts payable - non-current		
Estoril Gaming Zone - Concession Contract (a)	143 983 322	-
	143 983 322	-
Other accounts payable - current		
Current suppliers	10 646 359	7 782 848
Suppliers of investments	358 172	244 187
State and Public Sector		
Estoril Gaming Zone - Concession Contract (a)	16 200 000	15 818 833
Game Taxes	9 667 114	17 525 385
Social Security contribuitons	831 791	823 217
Other in favour of the State	1 091 087	860 978
Clients advance payments (b)	2 923 725	3 078 283
Charges with holidays payable	5 213 351	4 879 229
Responsibilities for accumulated gaming premiums (c)	2 282 184	2 219 165
Other	806 930	413 476
	50 020 713	53 645 601

- a) The Group has recognized in its financial position financial liabilities related to financial commitments incurred with the award of the new concession contract for the permanent gaming area of Estoril, Casino Estoril and Casino Lisboa, which amount to 160.183.322 Euros in June 2024 (143.983.322 non-current Euros and 16.200.000 current Euros). The Group records financial liabilities initially at fair value, subsequently being measured at amortized cost, discounted from any interest calculated and recognized in accordance with the effective interest rate method. The contract of concession provides for the annual updating of the nominal value of financial liabilities based on the evolution of the consumer index price, annual disbursements and a maturity of 15 years (2037).
- b) Customer advance payments respect to the online business, and correspond to the balance available for play or withdrawal at 23:59 from June 30th, 2024 (includes game credits that can be withdrawn immediately and other credits, such as bonuses, not available for immediate withdrawal);
- c) This caption relates to liabilities for accrued gambling bonuses, resulting from the accrued bonuses announced in the various casinos operated by the Group.

13. CONTINGENT LIABILITIES AND ASSETS, GUARANTEES AND COMMITMENTS

Contingent assets

On March 2nd, 2022, the arbitration agreement concerning legal actions in the Administrative and Tax Courts was formalized, in which gaming concessionaires brought an action against the State in order to restore the economic and financial balance of concessions contracts. The parties agreed that, for the period of the concession contracts after December 31st, 2019 and with reference to the consequences and impacts arising from the pandemic caused by the Covid-19 disease, the aforementioned facts do not, in any way, include the issues to be addressed by the arbitral tribunal.

As part of an arbitration process between Varzim Sol - Turismo, Jogo e Animação, SA, its subsidiary company and the Portuguese State, with the aim of restoring the economic and financial balance of the concession contract for exclusive exploitation of games of fortune and chance in the permanent gaming area of Póvoa de Varzim, the arbitrators who make up the Arbitration Court installed at the Commercial Arbitration Center of the Lisbon Commercial Association unanimously handed down an arbitration decision, not final and appealable, which condemned the Portuguese State to pay Varzim Sol - Turismo, Jogo e Animação, SA of compensation, in order to mitigate the losses suffered in its operations resulting from the 2011 economic crisis, corresponding to the return of the value of the differences between the annual consideration and the minimum annual consideration paid in 2012 (€2.936.068), 2013 (€5.650.625) and 2014 (€5.595.594), updated at the date of the decision. The Portuguese State filed an appeal against the arbitration decision given by the Arbitration Court located at the Commercial Arbitration Center of the Lisbon Commercial Association. Although the Group is confident in the merits of its claim, it awaits the further terms of the process.

Guarantees provided

On 30th June 2024 and 31st December 2023 the guarantees provided by the Group were as follows:

	Jun - 2024	Dec - 2023
Obligations related with financial counterparts of Territorial Gaming Concessions and Online Gaming Licenses	31 320 416	31 320 416
Tax lawsuits in hand / litigation	1 077 917	1 077 917
Current suppliers	32 250	32 250
	<u>32 430 583</u>	<u>32 430 583</u>

14. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the periods ended on 30th June 2024 and 2023 was determined as follows:

	Jun - 2023	Jun - 2022
<u>Results:</u>		
Net profit of the Equity holders of the Parent Company	<u>(6 594 392)</u>	<u>6 979 512</u>
<u>Number of shares:</u>		
Average weighted number of shares in circulation (Note 24)	<u>11 931 119</u>	<u>11 931 119</u>
Result per basic share, basic and diluted	<u>(0,55)</u>	<u>0,58</u>

Due to the fact that there are no situations that cause dilution, the net result per diluted share is the same as the net result per basic share.

15. NOTE ADDED FOR TRANSLATION

The accompanying consolidated financial statements are a translation of consolidated financial statements originally issued in Portuguese, in accordance with IFRS. In the event of discrepancies, the Portuguese version prevails.