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Independent Audit Report in accordance with
International Standards on Auditing

Cirsa Enterprises Group
Consolidated Financial Statements
for the year ended
December 31, 2021

INDEPENDENT AUDIT REPORT IN ACCORDANCE WITH
INTERNATIONAL STANDARDS ON AUDITING

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the directors of Cirsa Enterprises, S.L.:

Opinion

We have audited the accompanying consolidated financial statements of Cirsa Enterprises, S.L. (the Parent) and its Subsidiaries (the Group or Cirsa Enterprises Group), which comprise the consolidated statement of financial position at December 31, 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the explanatory notes thereto, which include a summary of the significant accounting policies (together known as "the consolidated financial statements").

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at December 31, 2021, and of its financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Furthermore, we have complied with other ethical requirements in compliance with IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

As indicated in Note 1.1 to the accompanying explanatory notes, and in accordance with the exemption from issuing consolidated financial statements applicable to Cirsa Enterprises Group, as there is an ultimate group domiciled in the European Union, the Parent Company has prepared the accompanying consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU) only for the purpose of including them in said ultimate consolidated financial statements. Consequently, the accompanying consolidated financial statements have not been prepared according to legal requirements and have been audited by applying the International Standards on Auditing. This report can under no circumstances be considered an audit report in the terms established by prevailing audit regulations in Spain.

Responsibilities of the parent company's directors for the consolidated financial statements

The directors of the Parent Company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity, financial position and results of the Group, in accordance with IFRS-EU, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Parent Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the parent company.
- Conclude on the appropriateness of the parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent Company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERNST & YOUNG, S.L.
(Signature on the original in Spanish)

Joan Tubau Roca

March 21, 2022

Cirsa Enterprises Group

**Consolidated Financial Statements for the year ended December 31, 2021
prepared in accordance with International Financial Reporting Standards
as adopted by the European Union**

*(Translation of consolidated financial statements originally issued in Spanish. In the event of
discrepancy, the Spanish-language version prevails)*

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Cirsa Enterprises Group
Consolidated statement of financial position at December 31, 2021

ASSETS

(Thousands of euros)	Notes	2021	2020
Non-current assets		2,846,708	2,973,835
Goodwill	5	1,228,475	1,228,609
Other intangible assets	6	944,573	1,002,439
Property, plant and equipment	7	266,809	318,908
Right-of-use assets	19	236,774	255,590
Investments accounted for using the equity method	8	29,728	29,349
Financial assets	9	41,754	40,356
Deferred tax assets	18.4	98,595	98,584
Current assets		415,322	398,540
Inventories	11	19,357	18,361
Trade and other receivables	9	86,463	79,302
Other financial assets	9	14,616	8,388
Other current assets		14,685	9,222
Cash and cash equivalents	12	280,201	283,267
Total assets		3,262,030	3,372,375

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2021	2020
Equity		122,749	259,146
Issued capital	13.1	70,663	70,663
Share premium	13.1	626,583	626,793
Retained earnings	13.2	(458,589)	(202,158)
Currency translation differences		(62,433)	(85,585)
Profit/(loss) for the year attributable to the Parent		(150,874)	(254,639)
Non-controlling interests	13.3	97,399	104,072
Non-current liabilities		2,605,025	2,516,394
Corporate bonds	14	2,033,563	1,914,639
Bank borrowings	15	64,050	64,682
Other non-trade payables	16	32,153	36,033
Provisions	17	16,068	15,372
Finance lease liabilities	19	228,759	237,590
Deferred tax liabilities	18.4	230,432	248,078
Current liabilities		534,256	596,835
Corporate bonds	14	9,184	3,090
Bank borrowings	15	226,897	289,418
Trade payables		34,905	23,261
Other non-trade payables	16	208,046	233,146
Finance lease liabilities	19	45,522	45,877
Current income tax payable	18.2	9,702	2,043
Total equity and liabilities		3,262,030	3,372,375

Cirsa Enterprises Group
Consolidated statement of comprehensive income for the year ended December 31, 2021

(Thousands of euros)	Notes	2021	2020
CONTINUING OPERATIONS			
Income from gaming activities		1,379,497	1,055,101
Other operating income		107,531	73,303
Bingo prizes		(149,709)	(114,769)
Total operating income		1,337,319	1,013,635
Variable rent		(220,016)	(171,265)
Total operating income net of variable rent	3.1	1,117,303	842,370
Cost of sales		(45,629)	(29,659)
Employee benefits expense	20.1	(208,832)	(202,215)
Utilities and external services	20.2	(212,191)	(179,542)
Gaming taxes and other similar taxes		(319,215)	(304,902)
Charge to depreciation and amortization and impairment of assets	6, 7 & 19	(305,668)	(326,473)
Change in operating provisions		(522)	(8,614)
Finance income		1,075	1,187
Finance costs		(150,461)	(135,754)
Finance lease expenses		(14,210)	(16,163)
Change in financial provisions		58	(18)
Gains/(losses) on investments in associates	8	379	(3,538)
Exchange gains / (losses), net	20.3	(18,156)	31,395
Gains/(losses) on disposal/derecognition of non-current assets		(2,258)	(1,692)
Profit/(loss) before tax		(158,327)	(333,618)
Income tax	18.2	12,250	64,875
Net profit/(loss) for the year		(146,077)	(268,743)
Profit/(loss) for the year attributable to non-controlling interests	13.3	4,797	(14,104)
Profit/(loss) for the year attributable to the Parent		(150,874)	(254,639)

Cirsa Enterprises Group
Consolidated statement of comprehensive income for the year ended December 31, 2021

(Thousands of euros)	Notes	2021	2020
Net profit/(loss) for the year		(146,077)	(268,743)
Currency translation differences		21,587	(92,703)
Tax effect		-	-
Total other comprehensive income that will be reclassified to profit or loss in subsequent years		21,587	(92,703)
Total other comprehensive income that will not be reclassified to profit or loss in subsequent years		-	-
Total other comprehensive income for the year, net of tax		(124,490)	(361,446)
<i>Comprehensive income attributable to:</i>			
<i>Parent Company</i>		(127,721)	(343,083)
<i>Non-controlling interests</i>		3,231	(18,363)
Total other comprehensive income for the year, net of tax		(124,490)	(361,446)

Cirsa Enterprises Group
Consolidated statement of changes in equity for the year ended December 31, 2021

(Thousands of euros)	Issued capital (Note 13.1)	Share premium	Profit/(loss) for the year and Retained earnings (Note 13.2)	Currency translation differences	Non-controlling interests (Note 13.3)	Total
At January 1, 2020	70,663	635,390	(197,424)	2,859	131,194	642,682
Net profit/(loss) for the year 2020	-	-	(254,639)	-	(14,104)	(268,743)
Other comprehensive income	-	-	-	(88,444)	(4,259)	(92,703)
Total 2020 comprehensive income	-	-	(254,639)	(88,444)	(18,363)	(361,446)
Other movements:						
Dividends paid	-	-	-	-	(5,306)	(5,306)
Other movements	-	(8,597)	(4,734)	-	(3,453)	(16,784)
At December 31, 2020	70,663	626,793	(456,797)	(85,585)	104,072	259,146
Net profit/(loss) for the year 2021	-	-	(150,874)	-	4,797	(146,077)
Other comprehensive income	-	-	-	23,152	(1,566)	21,587
Total 2021 comprehensive income	-	-	(150,874)	23,152	3,231	(124,490)
Other movements:						
Dividends paid	-	-	-	-	(9,032)	(9,032)
Other movements	-	(210)	(1,792)	-	(872)	(2,875)
At December 31, 2021	70,663	626,583	(609,463)	(62,433)	97,399	122,749

Cirsa Enterprises Group
Consolidated cash flow statement for the year ended December 31, 2021

(Thousands of euros)	Notes	2021	2020
Cash flows from operating activities			
Profit/(loss) for the year before tax		(158,327)	(333,618)
Adjustments to profit/(loss) due to:			
Change in operating provisions		522	8,615
Depreciation and amortization and impairment losses on non-current assets	6, 7 & 19	305,668	326,472
Gains/(loss) on disposals/derecognition of non-current assets		2,258	1,691
Finance income (costs)		163,159	154,285
Exchange gains / (losses), net	20.3	18,156	(31,395)
Other		7,600	4,374
Change in:			
Inventories		(485)	1,002
Trade and other receivables		(9,681)	11,570
Suppliers and other accounts payable		42,939	(39,781)
Other operating assets and liabilities, net		5,849	(4,138)
Income tax paid		(10,150)	(14,804)
Net cash from operating activities		367,508	84,273
Cash flows from/(used in) investing activities			
Acquisition of property, plant, and equipment		(59,828)	(78,381)
Acquisition of intangible assets		(50,482)	(46,766)
Proceeds from other financial assets		5,000	33,980
Acquisition of investments in other companies		(21,168)	(26,912)
Payments on financial investments		(9,010)	(210)
Interest received and income from financial investments		1,075	1,186
Net cash used in investing activities		(134,413)	(117,103)
Cash flows from/(used in) financing activities			
Cash inflows in bank accounts		1,759,050	1,184,216
Cash outflows in bank accounts		(1,823,250)	(925,656)
Bond issues		615,000	-
Cancelation of bonds		(530,293)	-
Lease liability principal payments	19	(50,957)	(48,743)
Interest paid		(125,793)	(122,767)
Deferred gaming taxes		(73,120)	80,208
Dividends paid and other payments		(5,966)	(4,077)
Net cash from/(used in) financing activities		(235,329)	163,181
Net increase/(decrease) in cash and cash equivalents		(2,234)	130,351
Net effect of exchange gains/(losses) on cash		(832)	(6,753)
Cash and cash equivalents at January 1		283,267	159,669
Cash and cash equivalents at December 31	12	280,201	283,267

Cirsa Enterprises Group
Notes to the consolidated financial statements for the year ended December 31, 2021

1. GROUP INFORMATION

1.1 Group activity

Cirsa Enterprises, S.L. (hereinafter *the Company or the Parent Company*) and its subsidiaries (hereinafter *the Group or the Cirsa Group*) consist of a set of companies operating in the gaming and leisure sector, carrying out the following activities:

- the design, manufacture and marketing of slot machines that are sold to both group companies and third parties, and the development of interactive gaming mechanisms and systems.
- Operation of slot machines, bingo halls and casinos, in both Spain and abroad.
- Marketing and operation of bets in own and third-party premises, as well as operation of on-line sports betting in both Spain and abroad.

On July 3, 2018 the company Cirsa Enterprises, S.L. acquired 100% of the shares of Cirsa Gaming Corporation, S.A. from the former shareholders. Cirsa Enterprises, S.L. formerly LHMC Bidco, S.L. was incorporated on November 15, 2017.

Therefore, the new consolidatable group was born on July 3, 2018 with the inclusion of the Cirsa Gaming Corporation, S.A. subgroup and the bond-issuing company, Cirsa Finance International, S.a.r.l., which was incorporated on May 22, 2018. As indicated in section 2.1, the consolidated financial statements of the Cirsa Group will be prepared under International Financial Reporting Standards by its ultimate parent company in Luxembourg, LHMC Topco, S.a.r.l. They will be translated and filed with the Mercantile Registry in due time and form. Consequently, the Parent Company meets the criteria for exemption from preparing consolidated financial statements under article 43 of the Commercial Code.

As a result of the foregoing, the accompanying consolidated financial statements cannot be considered consolidated financial statements under Spanish GAAP, but voluntary consolidated financial statements, issued by the Board of Directors.

1.2 Going concern - COVID-19

The global pandemic declared by the World Health Organization (WHO) on March 11, 2020 has resulted in an unprecedented health crisis that has had an impact on the macroeconomic environment and business evolution. To tackle the issue, a set of measures have been adopted during 2021 and 2020 to address the economic and social impact, including restrictions on movement, among others.

As a result of the effects of this pandemic, revenues for the years 2021 and 2020 have decreased compared to 2019 due to temporary close-downs and restrictions on opening hours and capacity of bars, casinos, gaming halls, bingos, sports betting houses and manufacturing facilities as a result of the guidelines set out by the governments of the countries in which Cirsa operates. At a Group level, only operations in Morocco are closed at 2021 year end.

The Group has adopted several measures to mitigate the effects of this reduction in activity, including, among others, the following:

- Reinforcement of liquidity position:

At December 31, 2021 the Group shows negative working capital amounting to 118,934 thousand euros and, therefore, maximizing liquidity has been one of the primary objectives of the management team since the beginning of the pandemic. In order to meet this goal, a cash management plan was launched by the middle of the first quarter of 2020 to ensure maximum cash availability.

As part of this cash management plan, in March 2020 the entire RCF was drawn down (a further 175 million drawn down to the initial 25 million). Additionally, in July 2020 two new financing lines were obtained: (1) a RCF of 55 million euros maturing in December 2021, which has been cancelled during 2021, and (2) a loan of 20 million euros maturing in September 2025.

Furthermore, it should be noted that the revolving credit facility (RCF) amounting to 200 million euros, even though it has been classified in the short term, can be renewed on a recurring basis at the Group's request for maximum periods of six months until its maturity (June 2023).

Several credit lines taken out with financial institutions were renewed and increased, thus providing additional liquidity when necessary. At December 31, 2021 undrawn credit lines amount to 18,666 thousand euros (Note 15).

Lastly, in 2021 an issue of bonds amounting to 615 million euros maturing in 2027 was carried out basically aimed at the early redemption of bonds amounting to 516.5 million euros and the cancellation of the RCF amounting to 55 million.

- Cost optimization:

- Measures for reducing employee benefits expense by extending temporary reductions in working hours or workforce through furloughs (pursuant to prevailing regulations in each of the countries in which the Group operates) as activity could not continue as normal. As far as possible, extraordinary measures have been adopted in addition to those defined in each region to support companies experiencing operating restrictions. In this regard, with 95% of facilities open in the fourth quarter of 2021, employee benefits expense for the said quarter have decreased by 18% compared to the same period of 2019.
- Other fixed expenses: a comprehensive cost reduction scheme has been implemented by reviewing the terms and conditions with suppliers, cancelling contracts and/or implementing other cost reduction measures, achieving a 15% decrease in Other expenses in 4Q 2021 compared to 4Q 2019 (Note 20.2).

The Group estimates that, although further temporary shutdowns may occur in the short term in some operations, activity will gradually go back to normal. This situation, together with the most recent estimates and a robust cash position (280,201 thousand euros at December 31, 2021), does not compromise the Group's ability to continue as a going concern, and therefore the Group will be able to meet its financial obligations.

1.3 Group structure

The Parent Company, which is domiciled in Madrid, at Calle Fermina Sevillano, 5-7, is a subsidiary of its Sole Shareholder LHMC Midco, S.a.r.l., which is in turn a subsidiary of LHMC, Topco, S.a.r.l. (both domiciled in Luxembourg, at Rue Eugène Ruppert, 2-4). The fund that holds the shares of the Cirsa Enterprises Group is ultimately controlled by The Blackstone Group.

The details of the Company's subsidiaries at December 31, 2021 and 2020 are shown on the Appendix, classified into the following categories:

- **Subsidiaries:** Subsidiaries are companies controlled either directly or indirectly by the Company so that it can manage the financial and operating policies in order to obtain profit from the investment.
- **Associates:** The associates are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

(NOTA: The "Ownership percentage" column in the Appendix is obtained by multiplying the successive percentages over the ownership chain and, therefore, shows the final ownership at Company level).

1.4 Changes in the scope of consolidation

The changes in the scope of consolidation are summarized as follows:

2021

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2021	Operating income in the 2021 consolidated statement of comprehensive income
Bet on Red, S.A.	100%	Full	20,832	5,467
Haes, S.A.	100%	Full	2,023	1,354
Coin Machines, S.A.	100%	Full	10,442	917
Piscis 28 Castilla y León, S.L.	100%	Full	18,360	568

The acquisition shown in the table above has given rise to a business combination.

The information on the business combination carried out during the year is shown in Note 4.

- Winding-up of companies

In 2021, the following companies have been wound up:

(thousands of euros)	At December 31, 2020		
	% held by the Group	Consolidation method	Total Assets in the consolidated statement of financial position
Cludeen, S.L.	50%	Equity	2
Cirsa Brasil Participações, LTDA	100%	Full	-
Gimenca, S.A.	100%	Full	-
Instalaciones Recreativas Mallorca, S.A.	100%	Full	-
La Cafetería del Bingo, S.L.	50%	Full	50

- Changes in the ownership percentage

The changes in the ownership percentage during 2021 are as follows:

	Consolidation method		Percentage	
	2021	2020	At December 31, 2021	At December 31, 2020
Cat Games, S.L.	Full	Full	60%	50%
Bingos Benidorm, S.A.	Full	Full	100%	50%
Bingos Andaluces, S.A.	Full	Full	100%	50%
Sala Valencia, S.A.	Full	Full	100%	50%
Radiamon, S.L.	Full	Full	51%	50%
Badamatic, S.A.	Full	Full	51%	50%
Sportium Apuestas Colombia, SAS	Full	Full	50%	100%

- Other changes in equity

During 2021 the following changes in the scope due to mergers between group companies have occurred, without them affecting consolidated figures.

Acquired Group company	Acquiring Group company
Barnaplay, S.A.	Miky, S.L.
Bingo Amico, S.R.L.	A.O.G., S.R.L.
Servicios Especializados del Juego, SA de CV	Promociones e Inversiones de Guerrero, S.A.
Administradores de Personal en Entretenimiento, SA de CV	Promociones e Inversiones de Guerrero, S.A.
Bingos Electrónicos de Panamá, S.A.	Gaming and Services de Panamá, S.A.
Recreativos Martos, S.L.S.U.	Global Game Machine Corporation, S.A.
Servicios y Distribución de Recreativos, S.A.	Global Game Machine Corporation, S.A.
Recreativos Ergosa, S.L.U.	Global Game Machine Corporation, S.A.
Automáticos Essan, S.A.U.	Global Game Machine Corporation, S.A.
Global TC Corp., S.A.U.	Gaming and Services de Panamá, S.A.
Gimar Jocs, S.L.	Miky, S.L.
MCA Automatics, S.L.	Global Game Machine Corporation, S.A.
Recreativos Sortia, S.L.U.	Global Game Machine Corporation, S.A.
First Game, S.L.U.	Uniplay, S.A.
Redeye Games, S.L.U.	Uniplay, S.A.

Additionally, several changes to the corporate names of group companies have been made.

2020

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2020	Operating income in the 2020 consolidated statement of comprehensive income
Playspace, S.L.	100%	Full	16,322	484

The acquisition shown in the table above has given rise to a business combination.

The information on the business combination carried out during the year is shown in Note 4.

- Incorporation of companies

(Thousands of euros)	% voting rights	Consolidation method
Inversiones Pañanitas S.A.	70%	Full
Inversiones Pacanoas S.A.	70%	Full
Inversiones Vertiago S.A.	70%	Full

- Sale of companies resulting in loss of control

During the current year, the following companies have been sold resulting in a loss of control and/or significant influence on their businesses:

	Ownership % at prior year end	Consolidation method at prior year end	Ownership % after the sale	Consolidation method after the sale
Juegos San José, S.A.	47.5%	Full	-	-

- Winding-up of companies

In 2020, the following companies have been wound up:

(thousands of euros)	At December 31, 2019		
	% held by the Group	Consolidation method	Total Assets in the consolidated statement of financial position
Bumex Land, S.L.	100%	Full	756
Hosteleria 1000, S.L.	100%	Full	423

- Changes in the ownership percentage

The changes in the ownership percentage during 2020 are as follows:

	Consolidation method		Percentage	
	2020	2019	At December 31, 2020	At December 31, 2019
Comdibal 2000, S. L.	Full	Full	100%	75%
Palabingo, SRL	Full	Full	100%	56%

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

The Group prepares consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European (IFRS-EU) Union published by the International Accounting Standards Board (IASB) and further interpretations. At the date these consolidated financial statements were authorized for issue, the consolidated financial statements of the Cirsa Group in Luxembourg had not yet been prepared by LHMC Topco, S.a.r.l.

The financial statements of the companies comprising the Group have yet to be approved by the corresponding General Meetings of Shareholders or Owners. However, the Board of Directors of the Group Parent expect that the aforementioned financial statements will be approved without significant modification and, therefore, they will have no impact on the accompanying consolidated financial statements.

The accounting policies used in the preparation of these consolidated financial statements comply with each of the prevailing standards at the date of their issuance. The International Financial Reporting Standards as adopted by the European Union establish application alternatives in some cases. The options applied by the Group are described in the several accounting policies detailed in these Notes.

The consolidated financial statements for the year ended December 31, 2021 have been prepared by the parent company Cirsa Enterprises, S.L.U. and show comparative information for the prior year, which covers the period comprised between January 1, 2020 and December 31, 2020.

2.2 Estimates and judgments

The preparation of the consolidated financial statements requires Group Management to exercise judgment and to make estimates and assumptions that affect the application of the accounting policies and the recorded assets, liabilities, income and expenses. The estimates and assumptions taken into account have been based upon historical experience and other factors which were considered to be reasonable in the light of the circumstances. Consequently, the results obtained could differ from those assumptions

The estimates and assumptions are continuously reviewed. Any changes to accounting estimates are recognized in the period they are made if they apply solely to that period, or for that period and subsequent periods if they affect both. The key estimates and judgments are as follows:

- **Business combinations and goodwill**

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Notes 4 and 10).

- **Impairment of assets**

The Group assesses for impairment at year end for all non-financial assets which carrying amount could be unrecoverable. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, or when there is evidence of impairment, based on financial projections and estimates of future operating cash flows. During 2021 and 2020 the Group has not recorded any impairment losses on goodwill, whereas it has recognized impairment on intangible assets in 2021 amounting to 5,123 thousand euros (11,644 thousand euros in 2020) (Note 10). Additionally, impairment losses on property, plant and equipment amounting to 3,840 thousand have been recognized in 2021.

- Recoverability of deferred tax assets

When the Group, or any of the companies included in it, recognizes deferred tax assets, the estimated taxable profit that will be generated in the next 10 years is reviewed at year end in order to assess their recoverability and, where appropriate, derecognize them if realization is not reasonably guaranteed. At December 31, 2021 the Group has recorded deferred tax assets amounting to 98,595 thousand euros (98,584 thousand euros at December 31, 2020), as indicated in Note 18.4.

- Consolidation methods

The assessment of whether control is exercised when the Group does not have absolute majority of voting rights, but agreements with the other shareholders have been reached, requires the Group to make estimates and judgments to determine whether it has unilateral rights to manage relevant activities in accordance with IFRS 10. Additionally, in order to establish the consolidation method of certain entities over which control is not exercised also requires Group Management to make judgments and estimates to determine whether they are considered jointly controlled companies, joint operations or associates for the purposes of preparing these consolidated financial statements.

2.3 Standards and interpretations approved by the European Union applied for the first time in the current year

The accounting policies used in the preparation of these consolidated financial statements comprise all applicable standards at the beginning of the period, including those that came into force in the current year:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – Phase 2

In August 2020 the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – Phase 2. These amendments provide temporary relief from financial reporting while Interbank Offered Rates (IBORs) are replaced with risk-free rates (RFRs).

Amendment to IFRS 16 *Covid-19-Related Rent Concessions* until June 20, 2022

This amendment allows a lessee, as a practical expedient, not to assess whether a Covid-19-related rent concession is a lease modification. A lessee that makes this election accounts for concessions in accordance with IFRS 16 *Leases* as if the said concessions were not a lease modification. The Group has elected not to apply the practical expedient.

2.4 Standards and interpretations published by the IASB, but not applicable in the current year

The Group intends to adopt the standards, interpretations and amendments issued by the IASB, whose application is not mandatory in the European Union as at the date of authorizing the accompanying consolidated financial statements for issue, when they are effective, to the extent applicable to the Group.

Standard, interpretation or amendment	Mandatory application: annual periods beginning on or after
Amendments to: <ul style="list-style-type: none">- IFRS 3 - <i>Business combinations</i>- IAS 16 - <i>Property, plant and equipment</i>- IAS 37 - Provisions, contingent liabilities and contingent assets.- Annual improvements 2018-2020	January 1, 2022
IAS 1 - Presentation of Financial Statements: Classification of current and non-current liabilities	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023

2.5 Consolidation methodology

Consolidation methodology is described in the following sections:

Consolidation methods

The methods applied to obtain these consolidated financial statements were as follows:

- Full consolidation method for subsidiaries
- Equity method for associates and jointly controlled companies

Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2021 financial statements of each company have been used.

The accounting principles applied by the companies comply with Group policies and, accordingly, no harmonization adjustments were necessary.

Elimination of internal transactions

The intercompany balances arising from financial operations, rental agreements, payment of dividends, financial assets and liabilities, purchase and sale of inventories and non-current assets and rendering of services have been eliminated. In regard with purchase and sale transactions, the unrealized margin on assets, as well as depreciation, has been adjusted in order to show the assets at their original cost to the Group.

Translation of financial statements in foreign currency

The financial statements of foreign companies have been translated into euros prior to their consolidation following the year-end rate method. Accordingly, the assets and liabilities are translated at the exchange rate prevailing at December 31, capital and reserves are translated at the historical exchange rate, and income and expenses at the average exchange rate of the year. Differences arisen from this process have been recorded directly under Translation differences in net equity.

2.6 Business combinations

When Group gains control over one constituted business, or directly over a business' net assets, the consideration transferred is assigned to assets, liabilities and contingent liabilities, measured at fair value. The difference between the sum of fair values and the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree at acquisition date is recognized as goodwill where it is positive or as income in the consolidated statement of comprehensive income where the difference is negative.

The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer.

The costs related to the acquisition, such as finder's fees, advice, legal, accounting valuation and other professional or consulting fees, are recognized as expenses in the years when they are incurred and the services are provided.

2.7 Intangible assets

Intangible assets are initially measured at acquisition cost less accumulated amortization and any impairment loss.

Goodwill is not amortized as it is considered to have an indefinite useful life. Instead, it is tested for impairment at least annually as well as intangible assets with indefinite useful lives. Likewise, the net carrying amount of intangible assets having finite useful life is tested for impairment when there is evidence or changes of not recovering the carrying amount, similar to the criteria established for property, plant and equipment.

Research expenses are charged to expenses when incurred, while development costs related to an individual project are capitalized when the Group can demonstrate the technical feasibility and profitability, the availability of financing resources, and incurred costs can be measured reliably. Development expenses to be capitalized, including the cost of materials, personnel expenses directly attributable and a fair proportion of overheads, are amortized using a declining method (50% the first year) over the period for which they expect to obtain profits or income from such project, which generally comprises three years.

Amounts paid to the owners of the sites where the slot machines are located on an exclusivity basis are capitalized as installation rights. They are amortized on a straight-line basis over the contract term.

Installation rights from business combinations for the years 2018 and 2019 are amortized on a straight-line basis over their useful lives (3.5-18 years), in accordance with the average maturity of exclusivity agreements in Spain and the term of the administrative concession for the rest of activities. These criteria arose as a result of the Purchase Price Allocation carried out by the independent expert.

Administrative concessions are amortized on a straight-line basis, according to the concession term, as well as transfer rights of leased premise.

Software is amortized on a straight-line basis over three years.

2.8 Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any recognized impairment loss.

The Group assesses whether there is an indication that the net carrying amount of property, plant and equipment may be impaired. If any indication exists, assets or cash-generating units are recorded at their recoverable amount.

Expenses for repairs which do not prolong the useful life of the assets, as well as maintenance expenses, are taken to the income statement in the year incurred. Expenses incurred for expansion or improvements which prolong the useful life of the asset are capitalized. Future expenses for restoring and retirement are recognized, at present value, as a cost component, with a liability provision as counterpart.

Depreciation charges are calculated over the estimated useful lives of the assets. Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful life. A declining basis is used alternatively for some assets, basically slot machines, since it better follows the actual pattern of income related to these assets.

	Method	Rate
Commercial buildings (new/used) and plant	Straight-line	2-4%
Production facilities (new/used)	Straight-line	8-16%
Other facilities	Straight-line	8-12%
Production machinery	Straight-line	10%
Other production equipment	Straight-line	20%
New slot machines	Declining/Straight line	20%
Used slot machines	Straight-line	40%
Furniture (new/used)	Straight-line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight-line	30-60%
Data processing equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight-line	25%
Other PP&E items	Straight-line	16%

The finite useful life of slot machines is necessarily subject to exogenous factors (mainly market and competence) of difficult forecast. In the event that such equipment completes its useful life before the base period used for depreciation, the net balance of the related good at the removal date is charged as depreciation for the year, given its recurrent and typical features, as well as its corrective nature of systematic depreciation performed on related goods.

2.9 Investments in associates

Investments are accounted for under the proportional consolidation method or the equity method, that is, they are accounted initially at cost and its carrying amount is increased or decreased in order to recognize the part of the result of the investee attributed to the Group from the acquisition date.

Part of the profit (loss) for the year of the investee is recorded in the Group consolidated statement of comprehensive income. Dividends received reduce the amount of the investment.

Changes in the investee's equity different than those generated by income of the period are directly recorded as changes in the Group's net equity.

2.10 Financial assets

Financial assets are initially recorded at fair value. For investments not measured at fair value with changes in results, directly attributable transaction costs are added. The Group establishes the classification of financial assets at the initial recognition, and, when appropriate and allowed, the classification is assessed again at each year end.

Loans and receivables

The Group recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not quoted on active markets and for which the Group expects to recover the full initial investment, except, where applicable, in cases of credit deterioration.

Following initial recognition, these financial assets are measured at amortized cost.

Nevertheless, trade receivables which mature within less than one year with no contractual interest rate, as well as prepayments and loans to personnel, the amount of which is expected to be recovered in the short term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting cash flows is not significant.

2.11 Derecognition of financial assets and liabilities

Financial assets (or, when applicable, part of a financial asset or part of a group of similar financial assets) are derecognized when:

- Rights to related cash flows have expired;
- The Group has retained the right to receive related cash flows, but has assumed the liability of fully paying them within the established terms to a third party under a transfer agreement;
- The Group has transferred the rights to receive related cash flows and (a) has substantially transferred the risks and rewards incidental to the ownership of the financial asset, or (b) has not transferred or retained the asset's risks and rewards, but has transferred the control over the asset.

Financial liabilities are derecognized when the related liability is settled, cancelled or expired. When a financial liability is replaced for other from the same borrower but with substantially different terms, or the conditions of the existing liability are substantially modified, such change or modification is recorded as a disposal of the original liability and an addition of a new liability. Difference of related carrying amounts is recognized in the consolidated statement of comprehensive income.

2.12 Inventories

Inventories are accounted for at the lower of the acquisition cost and the recoverable amount.

The recoverable amount of raw materials is the replacement cost. Nevertheless, no provision is set aside for raw materials and other consumables used in production, if the finished products in which they are to be incorporated will be sold above cost. The recoverable value of finished products corresponds to the estimated sales price less related selling expenses.

The cost value of finished products includes materials measured at the weighted average acquisition price, third-party work, labor and production overhead.

2.13 Cash and cash equivalents

This caption includes cash, current accounts, bank deposits and other financial investments maturing within less than three months from the acquisition date, provided that risks of the substantial alteration of their value are not significant.

In terms of the consolidated statement of cash flows, cash and cash equivalents include the abovementioned concepts, net of bank overdrafts, if applicable.

2.14 Impairment of assets

Non-financial assets

The Group assesses at each year end whether there is an indication that a non-current asset may be impaired. If any indication exists, and when an annual impairment test is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the cash-generating unit (CGU) fair value less cost to sell and value in use, and it is established for each separate asset, unless for assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying amount is reduced to the recoverable amount. To assess value in use, expected cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. Impairment losses from continuing activities are recognized in the consolidated statement of comprehensive income.

The Group assesses at year end indicators of impairment losses previously recorded in order to verify whether they have disappeared or decreased. If there are indicators, the Group estimates a new recoverable amount. A previously recognized impairment loss is reversed only if the circumstances giving rise to it have disappeared, since the last loss for depreciation was recognized. In this regard, the asset's carrying amount increases to their recoverable amount. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

The reversal is recognized in the consolidated statement of comprehensive income. Upon such reversal, the depreciation expense is adjusted in the following periods to amortize the asset's revised book value, net of its residual value, systematically over the asset's useful life.

Financial assets

The Group assesses at year end if financial assets or group of financial assets are impaired. To assess the impairment of financial assets, the following criteria are applied:

- Assets measured at amortized cost

If there is objective evidence that there is an impairment loss of loans and other receivables recorded at amortized cost, the loss is measured as the difference between the book value and the present value of estimated cash flows, discounted at the current market rate upon initial recognition. The book value is reduced by an allowance, and the loss is recorded in the consolidated statement of comprehensive income.

Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

In regard with trade and other receivables, when there is objective evidence of not collecting them, an adjustment is made based on identified bad debts risk.

2.15 Provisions

Provisions are recognized when:

- the Group has a present obligation either legal, contractual or constructive as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation can be reliably measured.

When the effect of the cash temporary value is significant, the provision is estimated as the present value of the future cash flows required to settle the obligation.

The discount rate applied in the assessment of the obligation's present value only corresponds to the temporary value of money and does not include the risks related to the estimated future cash flows related to the provision. The increase of the provision derived from the aforementioned discount is recorded as a financial expense.

2.16 Interest yield loans and credits

Loans and credits are initially measured at cost value, which is the fair value of the contribution received, net of issuance costs related to the debt.

Upon initial recognition, interest yield loans and credits are recognized at amortized cost using the effective interest rate method, including any issuance cost and discount or settlement premium.

2.17 Translation of balances in foreign currency

Transactions in foreign currency are translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the closing date. Unrealized exchange gains or losses are recognized in the consolidated statement of comprehensive income. As an exception, exchange gains or losses arising from monetary assets and liabilities that reflect investments in foreign subsidiaries are recorded in *Translation differences* in equity, with no impact on the consolidated statement of comprehensive income.

2.18 Leases

At inception of a contract, the Group assess whether the contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for leases of low-value assets and short-term leases. The Group recognizes the lease liabilities representing its obligation to make lease payments and the assets representing the right to use the underlying leased asset.

i) Right-of-use assets

The Group recognizes the right-of-use assets at the commencement of the lease (that is, the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciated and impairment losses, and adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use asset comprises the amount of recognized lease liabilities, initial direct costs incurred and lease payments made at or before the commencement of the lease, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shortest lease term and the useful lives of the assets.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost shows the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are also subject to impairment. Accounting policies are described in Note 2.14.

ii) Lease liabilities

At the commencement of the lease, the Group recognizes a lease liability at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease. Variable lease payments that depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers those payments occurs.

To calculate the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement of the lease because the interest rate implicit in the lease cannot be readily determined. Subsequent to the commencement of the lease, the carrying amount of lease liabilities is increased to reflect interest thereon and reduced to reflect the lease payments made. Additionally, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. changes in future lease payments resulting from a change in an index or rate used to determine those payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the recognition exemption for short-term leases to its short-term leases on machinery and equipment (that is, leases that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to office equipment leases that are considered of low value. Lease payments associated with short-term leases or leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

2.19 Income

Revenues are recognized when it is probable that the economic benefits from the transaction will flow to the Group and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenues from exploiting slot machines are measured at the collected amount. The percentage of the amount collected from slot machines attributable to the owner of the premises where the machine is located is included as operating expense under *Variable rent*.

Revenues from bingo cards are recognized for the total amount of sold cards, based on their face value, while recognizing the prizes granted to players as a decrease in operating revenues. The card cost is recorded in *Consumptions*, and the gaming tax rate over purchased bingo cards is included under *Gaming taxes*.

Revenue from casinos and sports betting is recorded for the net amount from the game ("win"), after deducting prizes removed by players.

Revenue from sale of finished products is measured when risks and significant benefits incidental to the ownership of the assets have been transferred to the buyer and the outcome can be estimated reliably, circumstance that generally arises with the effective goods delivery.

Interest income is recorded based on the time passed, including the asset's effective yield.

2.20 Restructuring expenses

Expenses incurred in restructuring processes, mainly indemnities to personnel, are recognized when a formal and detailed plan exists to perform such process by identifying the main parameters (i.e. main locations, functions and approximate number of affected employees, estimated payments and the implementation schedule) and creating a real and valid expectation among affected employees in regard with the process.

2.21 Income tax

Deferred income tax is recognized on all temporary differences at the closing date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position.

Deferred tax liabilities are recognized for all temporary differences, except for taxable temporary differences arisen from an acquired goodwill, which amortization is not tax deductible and those arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Likewise, a deferred tax liability is recognized for all taxable temporary differences from investments in subsidiaries, associates or jointly controlled companies, except when both the following conditions are met: (a) the Group is able to manage the reversal date of the temporary difference and (b) the temporary difference will not be reversed in the future. In this regard, when the results are generated in subsidiaries in countries where there is not an agreement to avoid double taxation and the Group's policy is the repatriation of dividends, the Group records a deferred tax related to the effective amount that would be filed when profits are repatriated.

Deferred tax assets are recognized for all deductible temporary differences, tax credits related to unused tax loss carryforwards and unused deductions, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized, except for deductible temporary differences arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Furthermore, only a deferred tax asset is recognized for all deductible temporary differences from investments in subsidiaries, associates or jointly controlled companies when both the following conditions met: (a) the temporary difference will be reversed in the future, and (b) it is probable that future taxable profit will be available against which these temporary differences may be utilized.

The recovery of deferred tax assets is reviewed at year end, reducing the amount in assets to the extent that it is probable that future taxable benefits will not be available and consequently these assets could not be utilized.

Deferred taxes are measured based on the tax legislation and charge rates enacted or to be enacted, at the date of consolidated statement of financial position.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

2.22 Contingencies

When unfavorable outcome of a situation that leads to a potential loss is likely to occur (i.e. more than 50% of possibilities), the Group establishes a provision which is recorded based on the best estimate of present value of expected future disbursement. On the other hand, if expectations of favorable resolution are more likely, no provision is recorded, which is reported in the notes of existing risks, unless the possibility of a negative outcome is clearly considered remote.

2.23 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the consolidated statement of financial position as current and non-current according to their maturity date. Current assets mature within one year from the closing date, and non-current assets mature in more than such period.

3. FINANCIAL INFORMATION BY OPERATING SEGMENT

The Group's activities are organized and managed separately based on the nature of the services and products provided. Each segment represents one strategic business unit that provides different services and offers products to different markets whose operating profit or loss are examined on a regular basis by the Group's ultimate operating decision-making body in order to decide on the resources to be allocated to the segment and assess its performance.

An operating segment has been considered to be an identifiable unit of the Group responsible for supplying a unique product or service, or alternatively a set of these which are inter-related, and which is characterized by being subject to risks and yields of a different nature from those which correspond to other operating segments within the Group.

Assets, liabilities, income and expenses by segment include those directly attributable, together with those which may be reasonably attributed. Unallocated captions by the Group correspond to deferred tax assets and liabilities balances.

Transfer prices between segments are determined based on the actual costs incurred increased by a reasonable trade margin.

3.1 Operating segments

The distribution of the operating segments on which information is disclosed coincides with the information usually handled by Management. The operating segments defined by the Group are as follows:

Slots:

It owns and operates slot machines in bars, cafés, restaurants and amusement arcades in Spain and Italy. It also provides machine interconnection services in Italy.

B2B:

It designs, manufactures and distributes slot machines and gaming kits for the Spanish and international markets. The division sells directly or through distributors to other divisions of the Group, mainly slot division, and third parties

Casinos:

The Group operates with two types of casinos, traditional casinos, which include table games and casino slot machines, and electronic casinos which only operate with casino slot machines.

Bingos:

Operation of bingo halls mainly in Spain and, to a lesser extent, in Italy and Mexico. These halls operate through the sale of bingo cards to customers and, to a lesser extent, through slot machines and restaurant services.

Bets:

The Group's corporate purpose consists in the marketing and operation of bets at own or third-party halls, performance of related activities and manufacture of gaming material for bets. Additionally, the Group operates online bets and games in Spain and abroad.

Other segments:

Segments that aggregately represent less than 10% of total external and internal revenue, less than 10% of the combined result of all segments with aggregated benefits, and less than 10% of total assets have been considered as irrelevant. Thus, no specific information thereon is provided and they have been grouped together under this generic caption.

The table below shows information on the income and results, certain information on assets and liabilities, and other information regarding these business segments at December 31, 2021 and 2020.

"Other segments" also includes the Group's administrative and management structure.

2021

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Structure, other and eliminations	Total
Assets by segment							
Allocated non-current assets	924,738	37,394	910,240	276,359	139,936	459,446	2,748,113
Unallocated non-current assets	-	-	-	-	-	98,595	98,595
Allocated current assets	164,334	43,370	83,257	29,501	24,248	70,612	415,322
Total Assets	1,089,072	80,764	993,497	305,860	164,184	628,653	3,262,030
Liabilities by segment							
Allocated liabilities	(894,626)	(51,921)	(364,786)	(175,449)	(67,131)	(1,354,935)	(2,908,848)
Unallocated liabilities	-	-	-	-	-	(230,432)	(230,432)
Total Liabilities	(894,626)	(51,921)	(364,786)	(175,449)	(67,131)	(1,585,367)	(3,139,280)
Operating income net of variable rent							
Sales to external customers	523,258	29,340	322,677	133,086	125,383	(16,441)	1,117,303
Intragroup revenue	7,061	21,826	1,551	3,032	4,501	(37,971)	-
Total operating income net of variable rent	530,319	51,166	324,228	136,118	129,884	(54,412)	1,117,303
Profit/(loss)							
EBITDA (*)	152,883	451	135,354	33,381	23,008	(13,641)	331,436
Finance income	2,287	162	2,513	792	2,086	(6,765)	1,075
Finance costs	(37,158)	(1,119)	(9,752)	(5,392)	(1,794)	(95,246)	(150,461)
Profit/(loss) before tax	4,470	(7,125)	(13,994)	(24,588)	5,247	(122,337)	(158,327)
Income tax	(6,260)	1,686	1,698	5,779	(159)	9,506	12,250
Profit/(loss) after tax	(1,789)	(5,439)	(12,296)	(18,809)	5,088	(112,832)	(146,077)
Non-monetary expenses							
Charge to depreciation and amortization and impairment of assets	(108,561)	(6,426)	(130,365)	(48,456)	(18,664)	6,804	(305,668)
Change in operating provisions	(2,057)	(111)	(233)	-	(408)	2,287	(522)
Other significant expenses							
Employee benefits expense	(64,734)	(17,791)	(59,625)	(33,871)	(20,245)	(12,566)	(208,832)
Utilities and external services	(58,684)	(6,155)	(73,464)	(39,327)	(69,006)	34,445	(212,191)
Gaming taxes	(226,241)	(156)	(52,193)	(23,602)	(17,073)	50	(319,215)
Other segment information							
Investment in non-current assets (cash flow)	60,369	2,649	32,336	8,009	6,742	205	110,310
Investments in associates (balance sheet):	21,737	-	-	7,991	-	-	29,728
Non-controlling interests (profit and loss)	5,825	-	377	(413)	(992)	-	4,797

(*) EBITDA is defined for financial reporting purposes, as profit or loss before income tax, finance income or costs, profit or loss from investments in associates, profit or loss from sale/derecognition of non-current assets, change in operating provisions and depreciation and amortization charges and impairment.

2020

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Structure, other and eliminations	Total
Assets by segment							
Allocated non-current assets	926,882	35,059	940,465	274,216	135,819	562,810	2,875,251
Unallocated non-current assets	-	-	-	-	-	98,584	98,584
Allocated current assets	138,262	34,516	66,356	28,919	23,587	106,900	398,540
Total Assets	1,065,144	69,575	1,006,821	303,135	159,406	768,294	3,372,375
Liabilities by segment							
Allocated liabilities	(875,000)	(34,761)	(397,951)	(168,361)	(59,504)	(1,329,574)	(2,865,151)
Unallocated liabilities	-	-	-	-	-	(248,078)	(248,078)
Total Liabilities	(875,000)	(34,761)	(397,951)	(168,361)	(59,504)	(1,577,652)	(3,113,229)
Operating income net of variable rent							
Sales to external customers	458,623	18,162	177,055	92,374	106,616	(10,460)	842,370
Intragroup revenue	7,574	21,648	1,274	2,112	3,852	(36,460)	-
Total operating income net of variable rent	466,197	39,810	178,329	94,486	110,468	(46,920)	842,370
Profit/(loss)							
EBITDA (*)	85,727	(4,007)	34,157	5,569	18,716	(14,110)	126,052
Finance income	25,237	48	3,076	720	2,074	(29,968)	1,187
Finance costs	(38,237)	(511)	(8,007)	(4,289)	(482)	(100,391)	(151,917)
Profit/(loss) before tax	(52,684)	(12,149)	(140,953)	(54,015)	6,264	(80,081)	(333,618)
Income tax	7,830	2,902	30,074	16,801	(1,818)	9,086	64,875
Profit/(loss) after tax	(44,853)	(9,248)	(110,879)	(37,215)	4,446	(70,994)	(268,743)
Non-monetary expenses							
Charge to depreciation and amortization and impairment of assets	(118,200)	(7,122)	(144,124)	(50,872)	(13,480)	7,325	(326,473)
Change in operating provisions	(3,385)	(348)	147	(1)	(364)	(4,663)	(8,614)
Other significant expenses							
Employee benefits expense	(62,485)	(17,554)	(53,201)	(31,686)	(19,044)	(18,245)	(202,215)
Utilities and external services	(56,931)	(6,363)	(58,211)	(32,905)	(56,201)	31,069	(179,542)
Gaming taxes	(239,239)	(165)	(30,094)	(19,486)	(15,824)	(94)	(304,902)
Other segment information							
Investment in non-current assets (cash flow)	60,138	2,984	40,246	14,357	6,260	1,162	125,147
Investments in associates (balance sheet):	19,615	-	-	9,734	-	-	29,349
Non-controlling interests (profit and loss)	(944)	10	(12,280)	(890)	-	-	(14,104)

(*) EBITDA is defined for financial reporting purposes, as profit or loss before income tax, finance income or costs, profit or loss from investments in associates, profit or loss from sale/derecognition of non-current assets, change in operating provisions and depreciation and amortization charges and impairment.

3.2 Information on geographical segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The table below shows this information at December 31, 2021 and 2020:

2021

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in non-current assets
Spain	610,527	65,338	675,865	1,243,886	69,689
Latin America	344,064	277	344,341	1,450,312	36,892
Italy	162,712	-	162,712	129,510	3,729
Eliminations and other	-	(65,615)	(65,615)	438,322	-
	1,117,303	-	1,117,303	3,262,030	110,310

2020

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in non-current assets
Spain	479,668	50,464	530,132	1,252,306	69,605
Latin America	186,840	308	187,148	1,525,722	49,996
Italy	175,862	-	175,862	124,278	5,546
Eliminations and other	-	(50,772)	(50,772)	470,069	-
	842,370	-	842,370	3,372,375	125,147

4. BUSINESS COMBINATIONS AND ACQUISITIONS OF SUBSIDIARIES

4.1 Acquisitions in 2021

The breakdown of the amounts related to acquisition in 2021 is as follows:

Name and description of the entities and business	Acquisition date	Acquisition cost	(Thousands of euros)	
			Fair value of the assets acquired	Installation rights
Bet on Red, S.A.	April 2021	11,868	1,184	10,684
Haes, S.A.	April 2021	150	(638)	788
Coin Machines, S.A.	December 2021	13,200	5,535	7,665
Piscis 28 Castilla y León, S.L.	December 2021	8,800	6,276	2,524

Had the acquisition taken place at the beginning of the year, consolidated operating income in 2021 would have increased by 12,790 thousand euros and consolidated profit/(loss) for the year 2021 would have decreased by 192 thousand euros. Additionally, since their acquisition date these companies have contributed net profit to the Group amounting to 137 thousand euros.

4.2 Acquisitions in 2020

The breakdown of the amounts related to acquisition in 2020 is as follows:

Name and description of the entities and business	Acquisition date	(Thousands of euros)		
		Acquisition cost	Fair value of the assets acquired	Installation rights
Playspace, S.L.	November 2020	11,814	1,853	9,961

Had the acquisition taken place at the beginning of the year, consolidated operating income in 2020 would have increased by 5,592 thousand euros and consolidated profit/(loss) for the year 2020 would have increased by 236 thousand euros. Additionally, since its acquisition date this company has contributed net profit to the Group amounting to 160 thousand euros.

5. GOODWILL

The breakdown of and movements in goodwill by operating segment is as follows:

2021

(Thousands of euros)	2020	Additions	Other	2021
Slots	555,676	-	-	555,676
Casinos	486,980	-	(134)	486,846
Bingos	147,716	-	-	147,716
Bets	38,237	-	-	38,237
	1,228,609	-	(134)	1,228,475

2020

(Thousands of euros)	2019	Additions	Other	2020
Slots	552,898	-	2,778	555,676
Casinos	481,339	2,037	3,604	486,980
Bingos	146,590	-	1,126	147,716
Bets	38,237	-	-	38,237
	1,219,064	2,037	7,508	1,228,609

Goodwill arose mainly due to the acquisition in 2018 of the Cirsa Gaming Corporation, S.A. Group and subsidiaries and significant acquisitions carried out in 2019.

At December 31, 2021 and 2020 there have been no impairment losses on goodwill (Note 10.1).

Note 10 below shows the several items related to the potential impairment test conducted on the Group's assets.

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2021

(Thousands of euros)	Balance at January 1, 2021	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2021
COST						
Development costs and patents	77,047	2,517	-	(203)	362	79,723
Service concession arrangements	68,532	955	(5)	-	1,203	70,685
Installation rights	1,471,822	74,606	(138,187)	-	32,976	1,441,217
Transfer rights	12,580	-	(86)	-	388	12,882
Software	42,951	3,739	(30)	247	438	47,345
Prepayments and other	152	42	-	-	(91)	103
	1,673,084	81,859	(138,308)	44	35,276	1,651,955
AMORTIZATION						
Development costs and patents	(64,487)	(5,483)	-	-	(256)	(70,226)
Service concession arrangements	(46,881)	(6,278)	4	-	(260)	(53,415)
Installation rights	(491,842)	(147,751)	131,929	-	(235)	(507,899)
Transfer rights	(8,972)	(925)	70	-	(257)	(10,084)
Software	(33,258)	(4,339)	26	-	(329)	(37,900)
	(645,440)	(164,775)	132,028	-	(1,337)	(679,524)
Impairment losses	(25,205)	(3,797)	1,143	-	1	(27,858)
Net carrying amount	1,002,439	(86,714)	(5,136)	44	33,940	944,573

2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2020
COST						
Development costs and patents	70,972	7,037	(3)	-	(959)	77,047
Service concession arrangements	68,912	832	-	-	(1,212)	68,532
Installation rights	1,537,875	53,128	(23,338)	-	(95,843)	1,471,822
Transfer rights	13,618	256	(210)	-	(1,084)	12,580
Software	45,333	7,160	(7,937)	551	(2,156)	42,951
Prepayments and other	42	146	(36)	-	-	152
	1,736,752	68,559	(31,524)	551	(101,254)	1,673,084
AMORTIZATION						
Development costs and patents	(56,886)	(8,081)	2	-	478	(64,487)
Service concession arrangements	(41,176)	(5,975)	-	-	270	(46,881)
Installation rights	(373,334)	(140,492)	21,262	-	722	(491,842)
Transfer rights	(8,761)	(726)	95	-	420	(8,972)
Software	(36,517)	(3,545)	5,038	-	1,766	(33,258)
	(516,674)	(158,819)	26,397	-	3,656	(645,440)
Impairment losses	(13,129)	(13,115)	1,032	-	7	(25,205)
Net carrying amount	1,206,949	(103,375)	(4,095)	551	(97,591)	1,002,439

The *Additions* column in 2021 includes the effect of business combinations (Note 4), which has amounted to an overall gross value of 33,404 thousand euros (19,146 thousand euros in the prior year) and accumulated amortization of 2,168 thousand euros (3,143 thousand euros in the prior year). These amounts related almost entirely to *Installation rights*, just like in 2020.

Most of the rest of additions in 2021 and 2020 included in *Installation rights* mainly relate to the non-refundable payment in exchange for the exclusive rights to operate the halls where the slot machines were located. The disposals in this caption for both years mainly relate to installation rights pending amortization in halls that had either closed or decided not to operate the machines for profitability reasons, and to no longer fully amortized installations rights in force.

6.2 Development costs and patents

They mainly correspond to:

- Industrial companies: Creation of new models of slot machines and technological innovation for them. The net value at December 31, 2021 and 2020 is 3,818 and 5,309 thousand euros, respectively.
- Companies engaged in lotteries and interactive products: Software development for online gaming applications. The net value at December 31, 2021 and 2020 is 3,776 thousand euros and 2,722 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group is recorded as development costs and patents with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. Said work performed by the Group for its intangible assets in 2021 and 2020 amounts to 2,214 and 3,264 thousand euros, respectively.

Research and development costs recognized as an expense in 2021 amount to 26 thousand euros (7 thousand euros at December 31, 2020) (Note 20.2).

6.3 Service concession arrangements

The most significant items in the gross balance of service concession arrangements at December 31, 2021 are as follows:

- Official contract to manage and operate slot machine halls in the Republic of Panama, mainly expiring in 2038, for an amount of 14,069 thousand euros (12,904 thousand euros at December 31, 2020). The net value of this concession at December 31, 2021 amounts to 11,253 thousand euros (11,054 thousand euros at December 31, 2020).
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,786 thousand euros (40,786 thousand euros at December 31, 2020). The net value of this concession at December 31, 2021 amounts to 97 thousand euros (4,177 thousand euros at December 31, 2020). These licenses expire in March 2022 and are expected to be extended until the new concessions are put out to tender.

6.4 Installation rights

This caption includes the amounts given in exchange for the exclusive rights to operate in the halls where slot machines are located, for a net carrying amount of 126,388 thousand euros, and the value allocated in the business combinations carried out since 2018, for a net carrying amount of 806,930 thousand euros.

6.5 Impairment losses

The impairment losses recorded during 2021 mainly correspond to the impairment of installation rights for an amount of 5,123 thousand euros (11,644 thousand euros in 2020), which have been registered as a result of the impairment test made on the Group's assets (Note 10).

6.6 Other information

At 2021 year end, the net value of intangible assets in foreign companies amounts to 603,868 thousand euros (680,393 thousand euros at 2020 year end).

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2021

(Thousands of euros)	Balance at January 1, 2021	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31 2021
Cost						
Land and buildings	94,448	463	(1,147)	89	(176)	93,677
Technical installations	139,721	4,701	(3,089)	969	1,280	143,582
Machinery	604,776	33,317	(84,938)	3,139	7,215	563,509
Data processing equipment	73,826	2,377	(589)	150	739	76,503
Transport equipment	3,553	379	(407)		57	3,582
Other installations, tools, furniture, and other PP&E	369,274	10,149	(2,625)	1,444	10,688	388,930
Property, plant and equipment under construction	9,123	11,355	(3,243)	(5,835)	583	11,983
	1,294,721	62,741	(96,038)	(44)	20,386	1,281,766
Depreciation						
Buildings	(41,266)	(6,220)	553	0	(535)	(47,468)
Technical installations	(96,591)	(10,869)	643	(185)	(998)	(108,000)
Machinery	(486,856)	(61,875)	75,165	194	(7,161)	(480,533)
Data processing equipment	(66,560)	(4,495)	284	(239)	(87)	(71,097)
Transport equipment	(3,143)	(283)	299	0	63	(3,064)
Other installations, tools, furniture, and other PP&E	(276,211)	(19,847)	1,816	230	(8,222)	(302,234)
	(970,627)	(103,589)	78,760	0	(16,940)	(1,012,396)
Impairment losses	(5,186)	(399)	2,986	0	38	(2,561)
Net carrying amount	318,908	(41,247)	(14,292)	(44)	3,484	266,809

2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31 2020
Cost						
Land and buildings	106,029	737	(5,994)	2,708	(9,032)	94,448
Technical installations	145,798	3,287	(1,834)	678	(8,208)	139,721
Machinery	651,272	44,901	(48,134)	4,088	(47,351)	604,776
Data processing equipment	75,799	3,313	(3,119)	562	(2,729)	73,826
Transport equipment	3,998	115	(383)	7	(184)	3,553
Other installations, tools, furniture, and other PP&E	373,973	12,626	(3,276)	3,766	(17,817)	369,272
Property, plant and equipment under construction	11,294	11,530	(1,755)	(12,360)	414	9,123
	1,368,163	76,509	(64,495)	(551)	(84,907)	1,294,719
Depreciation						
Buildings	(40,270)	(6,073)	2,123	-	2,954	(41,266)
Technical installations	(92,986)	(11,019)	1,126	-	6,288	(96,591)
Machinery	(489,198)	(67,370)	33,780	1	35,931	(486,856)
Data processing equipment	(66,851)	(4,436)	2,458	(1)	2,270	(66,560)
Transport equipment	(3,490)	(154)	355	-	147	(3,142)
Other installations, tools, furniture, and other PP&E	(272,307)	(19,931)	2,573	-	13,455	(276,210)
	(965,102)	(108,983)	42,415	-	61,045	(970,625)
Impairment losses	(5,492)	(1,719)	1,624	-	401	(5,186)
Net carrying amount	397,569	(34,193)	(20,456)	(551)	(23,461)	318,908

The “Additions” column in 2021 mainly shows:

- The effect of the other business combinations (Note 4), which has amounted to an overall gross value of 5,893 thousand euros (172 thousand euros in the prior year) and accumulated depreciation of 3,334 thousand euros (95 thousand euros in the prior year).
- Investments in assets in Spain (33,528 thousand euros), Colombia (3,860 thousand euros), and Panama (7,945 thousand euros) mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 11,355 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

Additions in 2020 also included investments in assets in Spain (30,451 thousand euros), Colombia (6,869 thousand euros), Italy (4,358 thousand euros), Peru (4,107 thousand euros) and Panama (10,741 thousand euros) mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 11,530 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

The “Disposals” column in 2021 and 2020 includes sales of several assets and other disposals, basically due to the replacement of slot machines, which in 2021 resulted in losses of 2,470 thousand euros (losses of 1,672 thousand euros in the prior year).

7.2 Work performed by the Group and capitalized

The cost value of the machines manufactured by group companies that after being sold to operational companies of the Cirsa Group are operated by them is recorded as property, plant and equipment with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. The work performed by the Group and capitalized as property plant and equipment in 2021 and 2020 amounts to 27,398 and 29,603 thousand euros, respectively.

7.3 Assets used as guarantees

Several property, plant and equipment items, whose net value at December 31, 2021 and 2020 was 355 and 1,355 thousand, respectively, were used as guarantee for mortgage loan debts.

7.4 Assets subject to charges and limitations

All assets can be freely used, except for the assets used as guarantees indicated in Note 7.3 and those acquired under finance lease arrangements, whose net carrying amount is 1,537 thousand euros at December 31, 2021 (1,478 thousand euros at December 31, 2020).

7.5 Assets located outside of Spain

The net value of the assets located outside of Spain amounts to 128,303 thousand euros at December 31, 2021 (167,704 thousand euros at December 31, 2020).

7.6 Investment commitments

Firm investment commitments amount to 1,117 thousand euros at December 31, 2021 (442 thousand euros at December 31, 2020).

8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

2021

(Thousands of euros)	Book value of the investment	Assets	Liabilities	Operating income	Profit/(loss) for the period
AOG, S.R.L.	7,991	20,738	19,597	19,722	(4,420)
Unión de Operadores Reunidos, S.A.	20,985	16,867	3,425	19,153	3,583
Other	752	26,520	15,363	32,492	470
	29,728	64,125	38,385	71,367	(367)

2020

(Thousands of euros)	Book value of the investment	Assets	Liabilities	Operating income	Profit/(loss) for the period
AOG, S.R.L.	9,734	18,558	14,383	43,533	(4,984)
Unión de Operadores Reunidos, S.A.	19,194	14,089	4,719	10,274	1,002
Other	421	16,831	11,246	23,872	(1,777)
	29,349	49,478	30,348	77,679	(5,759)

The associates consolidated using the equity method had no contingent liabilities or capital commitments at December 31, 2021 and 2020.

The annual variation in the "Investments in associates" caption is as follows:

(Thousands of euros)	2021	2020
Balance at January 1	29,349	32,887
Share in profit/(loss) for the year	379	(3,538)
Balance at December 31	29,728	29,349

The transactions carried out during the 2021 and 2020 between the above-listed companies and the companies accounted for using the full consolidation method are not relevant.

9. FINANCIAL ASSETS

This caption consists of the following balances:

(Thousands of euros)	2021			2020		
	Non-current	Current	Total	Non-current	Current	Total
<u>Loans and receivables</u>						
Joint ventures and associates	697	1,833	2,530	317	1,388	1,705
Loans to third parties	23,937	-	23,937	23,441	-	23,441
Guarantees and deposits	10,260	10,535	20,795	9,097	7,796	16,893
Fixed income securities and deposits	-	4,307	4,307	-	341	341
Trade and other receivables	-	115,733	115,733	-	114,332	114,332
Other	7,320	786	8,106	7,920	1,177	9,097
	42,214	133,194	175,408	40,775	125,034	165,809
Impairment losses	(460)	(32,115)	(32,575)	(419)	(37,344)	(37,763)
	41,754	101,079	142,833	40,356	87,690	128,046

The Group considers that the fair values of these do not differ significantly from the amounts recorded.

The accumulated balance of impairment losses on non-current financial assets mainly relates to loans to third parties, whereas the amount of impairment losses on current financial assets mainly relates to trade and other receivables (31,103 and 36,417 thousand euros at December 31, 2021 and 2020, respectively). The remainder of the balance amounting to 1,012 thousand euros corresponds to impairment losses on current financial investments (927 thousand euros at December 31, 2020).

9.1 Loans and receivables

Balances with joint ventures and associates

This caption breaks down as follows:

(Thousands of euros)	2021	2020
Current accounts with joint ventures and associates and loans	697	317
Trade transactions with associates	1,833	1,388
	2,530	1,705

(*) The amounts receivable from the joint ventures included in the table above are the remaining balances after the eliminations upon consolidation.

The annual maturity of these assets is as follows:

(Thousands of euros)	2021	2020
Within 1 year	1,833	1,388
Between 1 and 2 years	-	-
Between 2 and 3 years	-	-
Between 3 and 4 years	697	-
Between 4 and 5 years	-	317
	2,530	1,705

The average interest rate of these assets in 2021 was 0.5% (2020: 0.5%).

Loans to third parties

The breakdown of non-current loans to third parties is as follows:

(Thousands of euros)	2021	2020
Mortgage loan in US dollars to a company that owns a hotel in Dominican Republic where a casino operated by the Group is located. It earns an annual interest of 5%.	7,371	6,983
Accounts receivable from the industrial division.	2,290	3,181
Other	14,276	13,277
	23,397	23,441

The breakdown of maturity dates for non-current loans to third parties is as follows:

(Thousands of euros)	2021	2020
Between 1 and 2 years	13,950	13,479
Between 2 and 3 years	2,208	2,481
Between 3 and 4 years	1,328	742
Between 4 and 5 years	1,189	769
More than 5 years	5,262	5,970
	23,937	23,441

Trade and other receivables

This caption consists of the following balances:

(Thousands of euros)	2021	2020
Trade receivables	49,077	34,742
Impairment losses	(31,103)	(36,417)
Public administrations	24,883	28,163
Other accounts receivable	41,773	51,427
	84,630	77,915

“Receivables from Public administrations” mainly correspond to payments on account of income tax, VAT and other tax receivables.

“Other receivables” mainly relates to loans granted to establishments and sub-operators.

The balance of “Trade and other receivables” is shown net of impairment loss. The movements in the impairment loss allowance are as follows:

(Thousands of euros)	2021	2020
Balance at January 1	37,344	37,426
Net charges for the year	2,706	4,610
Utilized	(8,202)	(4,702)
Additions of companies	267	10
Balance at December 31	32,115	37,344

During 2020 and 2021, because of the pandemic and its effect on the business, a comprehensive analysis has been made of expected credit losses in the different markets in which the Group operates, resulting in an increase in the amount charged to provisions compared to prior years.

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2021 (120 days at December 31, 2020).

10. IMPAIRMENT TEST

Method for determining the recoverable amount of cash-generating units and key assumptions used

The Group assesses annually whether there is an indication that its non-financial assets (goodwill and other non-current assets) may be impaired.

The Group determines the recoverable amount of cash-generating units based on the value-in-use principle. Value in use is equal to the net present value of projected future cash flows derived from the operating assets of each identified unit.

Cash flow projection

Future cash flows for each cash-generating unit have been estimated using projection models that integrate the most relevant operating, financial and macroeconomic indicators in each case. The explicit projection horizon has been five years. From then on, terminal value has been estimated as permanent income calculated at a constant growth rate.

Projection for the first year considers the detailed operating plan approved for each business unit for the year 2022, adjusted, where appropriate, by the estimated impact of relevant changes on regulations, competitive environment, business model or performance of each unit.

Projections for the years 2023 through 2025 consider the detailed strategic plan approved for each business unit which take into account the best estimate of expected business evolution. These projections are based on the recovery of commercial activity in each region and the estimated evolution of demand curves projecting a gradual recovery of revenue. They have been discounted considering the theoretical curve of gradual recovery of revenue over 2022, projecting gradual recovery until revenue reaches pre-pandemic levels.

The rate used to discount cash flows corresponds to the weighted average cost of capital, calculated for each unit. The weighted average cost of capital considers the cost of own and third-party capital, weighing them in accordance with a defined target capital structure. The cost of own capital varies, for each unit, depending on the corresponding market risk premium and the specific risk of the country in which it operates, including foreign currency risk. For practical reasons, the discount rates used are after-tax rates. Additionally, discounted cash flows include tax effects.

The growth rate used to calculate the terminal value of each unit is mainly based on the annual variance of the consumer price index considered by long-term macroeconomic projections for each country; that is, growth in real terms is not considered. For cash-generating units whose functional currency is not the euro, cash flow projections are made in the corresponding local currency and their net present value is translated into euros at the exchange rate prevailing at December 31, 2021.

The usual methodology for calculating the average cost of capital mainly uses observable data from external sources.

The cost of debt has been estimated based on the weighted average cost of corporate bond issues.

10.1 On goodwill

Cash-generating units

Goodwill acquired through business combinations and any other intangible assets with indefinite useful lives have been attributed to cash-generating units for impairment testing. The breakdown of cash-generating units is as follows:

- Operational segment in Spain and Italy.
- Bingo groups in Spain and Mexico.
- Casinos in Spain, Panama, Colombia, Mexico, Dominican Republic, Peru, Costa Rica and Morocco.
- Bets in Spain and other countries (Sportium).

Impairment test

At December 31, 2021 it has been determined based on a calculation of the value in use using cash flow projections for the Group's operating and strategic plans for a 5-year period. Perpetual discount and growth rates applied (beyond 5-year projections) are detailed in "Key assumptions" below.

Key assumptions

Budgeted gross margins - the bases for determining the value allocated to the budgeted gross margins is the average of the gross margins obtained in the year, increased by expected efficiency improvements. From year five onwards projections are extrapolated using a growth rate similar to the growth rate equivalent to expected inflation.

Increase in costs - the basis for determining the value allocated to the increase in costs is the price index expected during the year for the different countries and segments. The values allocated to the key assumptions are consistent with external information sources.

Discount rates - the basis for determining the discount rate applied in the cash flow projections is determined based on the specific risk of each cash-generating unit, considering the type of activity and countries in which they are located.

Growth rate - the basis for determining the growth rate used to extrapolate the flows to obtain the terminal value is the expected growth rate of inflation in each geographical area.

The discount and growth rates used for each country comprising the several CGUs are as follows:

Geographical areas	Discount rate	Growth rate
Spain	6.90%	1.71%
Italy	7.10%	1.32%
Mexico	7.10%	3.00%
Colombia	7.20%	2.99%
Panama	7.50%	2.00%
Costa Rica	9.50%	3.00%
Peru	6.80%	2.52%
Dominican Republic	10.00%	4.03%
Morocco	7.60%	2.00%

Test results

As a result of the impairment tests on goodwill carried out in 2021 and 2020, no impairment adjustments needed to be recorded.

CGU	Goodwill	Value in use:	Headroom/ (impairment)
2021			
Slots	555,676	1,728,606	1,172,930
Casinos	486,846	2,121,610	1,634,764
Bingos	147,716	756,919	609,203
Bets	38,237	228,128	189,891
2020			
Slots	555,676	1,295,692	740,016
Casinos	486,980	1,544,220	1,057,240
Bingos	147,716	649,691	501,975
Bets	38,237	270,058	231,821

Sensitivity analysis

The Group has done a sensitivity analysis for the aforementioned key assumptions.

The table below shows by how many percentage points discount and growth rates should increase or decrease, on an individual basis, in the several countries that comprise each of the CGUs so that the difference between the value in use and the carrying amount of their net operating assets is null:

CGU	Discount rate	Growth rate
2021		
Slots	6.50%	(8.50%)
Casinos	7.10%	(9.30%)
Bingos	7.60%	(10.30%)
Bets	13.00%	(21.00%)

Based on this analysis, the Group has concluded that the possibility of reaching these values in some of the assumptions made is not reasonable. Therefore, no reasonably possible change in the assumptions has occurred that would entail the need to record impairment losses on the assets of each cash-generating unit.

10.2 Other assets

Impairment indicators used by the Group to determine the need of an impairment test on other non-current assets, among others, are as follows:

- Significant drop of the result over the same period in the prior year, and/or over the budget.
- Legislative changes in progress or planned, which could lead to negative effects.
- Change of strategy or internal expectations regarding a particular business or country.
- Position of competitors and their launches of new products.
- Slowdown of income or difficulties in selling at expected prices.
- Change in habits and attitudes of users, and other elements specific to each division.

At December 31, 2020 and 2021, based on the results of the impairment tests under discounted cash flows from assets with finite useful lives, impairment losses of 5,123 thousand euros have been recorded (corresponding entirely to installation rights in Peru in 2020 and installation rights in Costa Rica in 2021), mainly due to more prudent estimates of future cash flows from the casinos in the said countries.

11. INVENTORIES

The breakdown of inventories by category, net of impairment, is as follows:

(Thousands of euros)	2021	2020
Raw and auxiliary materials	8,087	6,137
Spare parts and others	6,285	7,668
Finished goods	2,104	2,723
Work in progress	1,914	982
Prepayments to suppliers	967	851
	19,357	18,361

Inventories correspond mainly to the manufacture and marketing of slot machines carried out by Group companies.

The balance of inventories is shown net of impairment loss. Movements in the impairment loss allowance are as follows:

(Thousands of euros)	2021	2020
Balance at January 1	1,634	1,022
Net charges for the year	1,620	1,140
Write-offs	(409)	(528)
Balance at December 31	2,845	1,634

The write-off in 2021 and 2020 corresponds to the destruction of several inventories from the industrial division.

12. CASH AND CASH EQUIVALENTS

For consolidated cash-flow statement purposes, cash and cash equivalents include the following items:

(Thousands of euros)	2021	2020
Cash	46,448	37,357
Current accounts	193,166	208,885
Deposits under 3 months	1	1
Cash in hoppers	40,586	37,024
	280,201	283,267

These assets are unrestricted and earn market interest rates.

13. EQUITY

13.1 Subscribed capital and share premium

At December 31, 2021 and 2020 the Parent Company's share capital consisted of 70,663 thousand registered shares with a face value of 1 euro each after a capital increase was carried out on July 2, 2018 with a share premium for an aggregated amount (capital increase plus share capital) of 706,603 thousand euros. In 2021 there was a share premium refund for an amount of 210 thousand euros. In 2020 the share premium was refunded for an amount of 8,597 thousand euros. The Sole Shareholder of the Parent Company is LHMC Midco, S.a.r.l. and all shares bear the same obligations and voting and economic rights. The fund that holds the shares of the Cirsa Enterprises Group is ultimately controlled by The Blackstone Group.

All shares are pledged in favor of six financial institutions as a guarantee of a credit line.

13.2 Retained earnings

The balance of this caption includes reserves of the Parent Company, which are non-distributable.

Legal reserve

In accordance with the Spanish Corporate Enterprises Act, Spanish companies obtaining profit will assign 10% of profit to the legal reserve, until its balance is equivalent to at least 20% of share capital. As long as it does not exceed this limit, the legal reserve can only be used to offset losses if no other reserves are available. This reserve can also be used to increase capital by the amount exceeding 10% of the new capital after the increase.

At December 31, 2021 and 2020 the Parent Company's legal reserve has not been set aside.

Additionally, the Group Spanish subsidiaries have provided the legal reserves at the amount required by the prevailing legislation.

13.3 Non-controlling interests

The balances related to non-controlling interests are as follows:

(Thousands of euros)	Balance in statement of financial position		Share in profit/(loss)	
	2021	2020	2021	2020
Division				
Casinos	81,389	91,378	377	(12,280)
Slots	5,337	132	5,825	(944)
B2B	-	-	-	10
Bingos	11,148	12,562	(413)	(890)
Bets	(475)	-	(992)	-
	97,399	104,072	4,797	(14,104)

The inter-annual variation of balances in the consolidated statement of financial position is as follows:

(Thousands of euros)	2021	2020
Balance at January 1	104,072	131,194
Share in profit/(loss) for the year	4,798	(14,104)
Currency translation differences	(1,566)	(4,259)
Net impact due to business combinations	528	-
Dividends paid	(9,032)	(5,306)
Other disposals	(1,401)	(3,453)
Balance at December 31	97,399	104,072

The movements in 2021 correspond to the non-controlling interests' share in the profit/(loss) of companies, to dividends paid and to additions and disposals due to changes in scope.

14. CORPORATE BONDS

The breakdown of the issues of bonds carried out by the Group are as follows:

Issue date	Initial nominal amount (M)	Currency	Maturity	Quoted price at 12.31.2021	Interest rate	Balance in statement of financial position	
						2021	2020
July 18	663	EUR	December 2023	101.49%	6.250%	557,272	656,255
July 18	550	USD	December 2023	-	7.875%	-	392,160
May 19	390	EUR	May 2025	99.63%	4.750%	385,545	384,080
August 19	490	EUR	September 2025	97.77%	3m Euribor + 3.625%	486,351	485,234
September 21	615	EUR	March 2027	98.25%	4.500%	613,579	-
						2,042,747	1,917,729

At December 31, 2021 the outstanding nominal amount of the issue dated July 2018 (euros) is 563 million euros (663 million euros at December 31, 2020).

In 2021 an additional corporate bond issue amounting to 615 million euros has been carried out. The funds have been partially used for the early redemption of a portion of the 2018 issue, specifically 100 million euros and the entire issue carried out in USD (nominal amount of 495 million US dollars).

The issue dated July 2018 was made below par value at a price of 97.75%. All other issues were made at par value.

Contracts subscribed in relation to the bonds issued by the subsidiaries in Luxembourg regulate certain obligations and commitments by the Group, which include, among others, the supply of periodic information, the maintenance of titles of ownership in subsidiaries, the restriction on disposal of significant assets, the limitation on payment of dividends, the limitation on starting-up new businesses, and the restriction on the Group granting guarantees and endorsements to third parties. At December 31, 2021 the Parent Company's Directors consider that all contractual obligations have been met.

The following companies act as guarantors of operations in bond issues:

Cirsa Enterprises, S.L.(*)	Cirsa Finance International, S.à.r.l.(**)
Cirsa Gaming Corporation, S.A	Casino Nueva Andalucía Marbella, S.A.U.
Cirsa International Business Corporation, S.L.U.	Juegomatic, S.A.U.
Uniplay, S.A.U.	Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.
Cirsa Interactive Corporation, S.L.U.	Integración Inmobiliaria World de México, S.A. de C.V.
Universal de Desarrollos Electrónicos, S.A.U.	Gaming & Services de Panama S.A.
Genper, S.A.U.	Sportium Apuestas Digital, S.A.U.
Comercial de Desarrollos Electrónicos, S.A.U.	Barna Center, S.A.U.
Global Game Machine Corporation, S.A.U.	Eleval Electrónicos Valencia, S.A.U.

(*) Guarantor of the bonds (parent company).

(**) Issuer of the bonds

Additionally, all the companies in the table above are guarantors of the revolving credit facility (Note 15) amounting to 200 million euros, with Cirsa Enterprises, S.L. as the borrower.

Accrued interest payable at December 31, 2021 amounts to 9,184 thousand euros (3,090 at December 31, 2020). Interest accrued in 2021 on the corporate bonds amounts to 107,694 thousand euros (2020: 112,062 thousand euros).

15. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2021 and 2020 is as follows:

(Thousands of euros)	2021			2020		
	Non-current	Current	Total	Non-current	Current	Total
Loans secured by mortgage guarantee	-	33	33	-	82	82
Other loans	63,317	18,833	82,150	63,654	21,333	84,987
RCF	-	201,517	201,517	-	257,770	257,770
Finance lease arrangements	733	390	1,123	1,028	428	1,456
Credit and discount lines	-	6,124	6,124	-	9,805	9,805
	64,050	226,897	290,947	64,682	289,418	354,100

Average interest rates accrued by these borrowings are as follows:

	Percentage	
	2021	2020
Loans	3.68%	3.73%
Finance lease arrangements	6.05%	5.97%
Credit and discount lines	2.26%	2.14%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2021	2020
Within 1 year	226,897	289,418
Between 1 and 2 years	17,955	20,080
Between 2 and 3 years	10,624	15,434
Between 3 and 4 years	28,042	7,003
Between 4 and 5 years	5,325	22,112
More than 5 years	2,104	53
	290,947	354,100

At December 31, 2021 part of these liabilities, equal to 1,045 thousand euros, is denominated in US dollars (1,304 thousand euros at December 31, 2020).

The balance of "Other loans" includes a revolving credit facility with the following characteristics:

Amount:	200 million euros.
Maturity:	June 2023
Interest rate:	3%
Duration of drawdowns:	Up to 6 months (renewable at the Group's request)
Guarantees:	Pledge of several associates shares
No. of credit institutions:	6.

The initial drawdowns of this facility are subject to the fulfilment of certain financial leverage covenants, which have been met. These drawdowns can be renewed on a recurring basis at the Group's request for maximum periods of six months until maturity (June 2023).

At December 31, 2021 the Group has drawn down a total of 200 million euros from this credit line. At December 31, 2020 the Group had drawn down a total of 255 million euros from the aforementioned credit line and from a credit line of 55 million euros that has been cancelled in 2021.

At December 31, 2021 the undrawn amount of credit and discount facilities is 18,666 and 0 thousand euros, respectively. These figures amounted to 14,739 and 994 thousand euros, respectively, at prior year end.

Finally, at December 31, 2021 and 2020 the guarantees given by credit institutions and insurance companies to the Group, in connection with official concessions for gaming activities were 138,492 and 138,285 thousand euros, respectively.

16. OTHER NON-TRADE PAYABLES

The breakdown of this caption is the following:

(Thousands of euros)	2021			2020		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	-	71,968	71,968	10	113,295	113,305
Bills payable	154	1,207	1,363	617	3,415	4,032
Sundry creditors	31,998	134,871	166,868	35,406	116,436	151,842
	32,152	208,046	240,199	36,033	233,146	269,179

The “Public administrations” caption includes:

- Gaming taxes maturing in the short term (2021: 21,425 thousand euros; 2020: 18,638 thousand euros), outstanding settlements (not due for the personal income tax, VAT, social security contributions and similar concepts).
- Deferred taxes, in certain Spanish regions for an amount of 7,088 thousand euros. The interest accrued on these payables is the legal rate of interest.

“Bills payable” correspond mainly to debts arising from the acquisition of companies and operations of slot machines with deferred payment, discounted at market interest rate.

The “Non-current sundry creditors” caption mainly includes:

- Asset suppliers amounting to 1,599 thousand euros (5,808 thousand euros at prior year end).
- Non-current payable amount related to certain investments in Panama corresponding to a payable balance related to an investment agreement amounting to 6,264 thousand euros. The debt derived from this investment will be settled through 239 equal monthly instalments of 71 thousand dollars, including interest, the first payment being in February 2018 until February 2038. At December 31, 2021 the payable portion classified as non-current amounts to 5,000 thousand euros (4,923 thousand euros at December 31, 2020).
- Several payables for common transactions amounting to 15,702 thousand euros, with an undetermined maturity (15,536 thousand euros at prior year end).
- Non-current payable amount related to the acquisition of companies in Spain and the Dominican Republic at year end amounting to 2,627 thousand euros and 0 thousand euros, respectively (6,434 thousand euros and 672 thousand euros, respectively, at prior year end).

The “Current sundry creditors” caption mainly includes:

- Asset suppliers amounting to 14,549 thousand euros (24,980 thousand euros at 2020 year end).
- Payables for the rendering of services amounting to 42,141 thousand euros (43,384 thousand euros at December 31, 2020).
- Current borrowings amounting to 18,707 thousand euros (7,764 thousand euros at prior year end), notably including the payable portion in 2022 for the investments in Spain and the Dominican Republic mentioned above.
- Employee benefits payable amounting to 20,177 thousand euros (14,355 thousand euros in the prior year) (Note 20.1).

17. NON-CURRENT PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2021	2020
Provisions for employee benefits	12,831	12,418
Tax contingencies	2,449	2,106
Other	788	848
Balance at December 31	16,068	15,372

The amount recognized in “Provisions for employee benefits” mainly consists of probable contingencies with the personnel in Italy, the incentive plan for the Group’s executives, and retirement incentives.

At December 31, 2021 and 2020 the amount shown under the “Other” caption mainly consists of provisions for several risks and fines that are individually irrelevant.

The variation of the balance is as follows:

(Thousands of euros)	2021	2020
Balance at January 1	15,372	14,735
Net charges for the year	3,209	4,457
Provisions utilized	(2,310)	(3,409)
Exchange gains (losses)	(203)	(411)
Balance at December 31	16,068	15,372

18. TAXES

18.1 Tax group

In Spain, Cirsa Enterprises, S.L., together with 114 Spanish group companies, meets the requirements set by tax regulations to form a consolidated tax group, represented by the subsidiary Cirsa Gaming Corporation, S.A. In 2012 the tax group 324/12 whose parent is Sportium Apuestas Deportivas, S.A. was constituted. As a result of the purchase of the remaining 50% of Sportium Apuestas Deportivas, S.A. made by the Group in 2019, the Sportium subgroup has been accounted for in the consolidated financial statements of the Cirsa Group using the full consolidation method. As a result of this fact, as from 2020, the tax group has been dissolved and integrated into the tax group whose parent is Cirsa Gaming Corporation, S.A. Additionally, there is another consolidated tax group in Spain, consisting of 7 companies, the parent of which is the subsidiary Orlando Play, S.A.

The other Group companies file income tax returns separately in accordance with applicable tax legislation in each country.

18.2 Accrued and payable income tax

The annual tax expense that has been entirely recorded in the consolidated profit and loss account, since the Group has direct tax impacts on equity, is broken down as follows:

(Thousands of euros)	2021	2020
Current	20,764	1,465
Deferred for (increase) decrease in tax credits related to tax loss carryforwards and deductions	33	(30,605)
Deferred for temporary differences	(33,047)	(36,509)
Other	-	774
	(12,250)	(64,875)

“Other” includes, among others, the tax effects derived from amortization and other accounting revaluation adjustments as a result of the business combinations carried out in recent years.

Income tax payable amounts at 9,701 thousand euros at December 31, 2021 (2,043 thousand euros at December 31, 2020) and mainly corresponds to the current income tax accrued in the several jurisdictions net of withholdings and payments on account for the period.

18.3 Analysis of tax expense

(Thousands of euros)	2021	2020
Profit before tax	(158,327)	(333,618)
Tax rate prevailing in Spain	25%	25%
Theoretical income tax expense	(39,582)	(83,405)
Adjustments – Effect of:		
Different tax rates prevailing in other countries	(725)	(1,963)
Impairment losses on assets and goodwill recognized solely for consolidation purposes	1,281	2,911
Utilization of tax credits and deductions for the year	5,901	5,106
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	26,968	17,867
Other non-deductible expenses and other	(6,093)	(5,391)
	(12,250)	(64,875)

At December 31, 2021 and 2020 the effect of the impairment of assets recorded for consolidated purposes is due to impairment losses on assets in Peru and Costa Rica.

At December 31, 2021 and 2020 there is a limitation on the deductibility of finance costs with a negative effect on the tax expense, which is a permanent difference in the income tax.

18.4 Deferred tax assets and liabilities

(Thousands of euros)	2021	2020
<u>Assets</u>		
Tax loss carryforwards from the consolidated tax group represented by Cirsa Gaming Corporation, S.A.	50,623	51,464
Tax loss carryforwards from the consolidated tax group whose parent is Orlando Play, S.A.	1,297	1,518
Tax loss carryforwards from other group companies	30,936	18,719
Related to deductible temporary differences:		
--- Impaired receivables	62	305
--- Impaired securities portfolio	14	16
--- Goodwill impaired in individual books	1,493	1,311
--- Intragroup margin write-off	21	28
Non-deductible amortization for accounting purposes	313	373
--- Other	13,836	24,850
	98,595	98,584
<u>Liabilities</u>		
Related to taxable temporary differences:		
--- Difference between tax depreciation and accounting depreciation	-	49
--- Margin write-offs	(2,187)	2,096
--- Business combinations (initial statement of non-current assets at fair value)	(227,110)	(250,625)
--- Other	(1,135)	402
	(230,432)	(248,078)

The Group estimates the taxable profits which it expects to obtain within the ten-year period. It also analyzed the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards can be utilized. Based on this analysis, the Group has recorded deferred tax assets for unused tax loss carryforwards as well as unused deductions and deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized within the said period of time.

The breakdown of unused tax losses carryforwards at December 31, 2021 for the two tax groups represented by Cirsa Gaming Corporation, S.A. and Orlando Play, S.A. is as follows:

(Thousands of euros)	Unused tax loss carryforwards		
	Arising in	Tax group represented by Cirsa Gaming Corporation, S.A.	Tax group whose parent is Orlando Play, S.A.
1997		80	-
1998		128	-
1999		138	-
2000		175	-
2001		2,018	-
2003		-	-
2004		5,210	-
2005		10,527	-
2006		23,909	-
2007		636	937
2008		11,790	396
2009		3,244	372
2010		11,616	1,241
2011		11,766	-
2012		40,332	-
2013		9,487	-
2014		4,249	-
2015		30,777	-
2016		3,054	-
2017		277	619
2018		124	-
2019		16,875	2,251
2020		877	-
2021		55,659	2,318
		242,948	8,134

Tax group represented by Cirsa Gaming Corporation, S.A.

At December 31, 2021 and 2020 said tax group recognized deferred tax assets amounting to 50,623 and 51,464 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax loss carryforwards (which at December 31, 2021 amount to 31,573 thousand euros; 26,723 thousand euros at December 31, 2020), since their future application is uncertain within a reasonable period of time.

In addition to tax credits for tax loss carryforwards, the tax group whose parent is Cirsa Gaming Corporation, S.A. holds additional tax credits amounting to 40,201 thousand euros at December 31, 2021 (2020: 42,922 thousand euros), for unused tax deductions that were not capitalized for not meeting the terms to be utilized.

(Thousands of euros)	
Last year for utilization	Unused deductions at December 31, 2021
2021	6,425
2022	865
2023	913
2024	1,290
2025	566
2026	419
2027	1,675
2028	717
2029	252
2030	284
2031	268
2032	228
2033	188
2034	192
2035	270
2036	141
2037	273
2038	81
No time limit for utilization	25,154
	40,201

Tax group whose parent is Orlando Play, S.A.

In 2010 the tax group 502/10 whose parent is Orlando Play, S.A. was constituted.

At December 31, 2021 the tax group had recognized deferred tax assets amounting to 1,297 thousand euros (1,518 thousand euros at prior year end) corresponding to unused tax loss carryforwards.

Additionally, said tax group has unused deductions amounting to 714 thousand euros (714 thousand euros at prior year end) for which the corresponding deferred tax assets have not been recognized, since the requirements established by the applicable framework for financial information are not met.

18.5 Other information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities, or until the corresponding inspection period has expired.

On July 7, 2021 the Group was notified of the start of general verification and investigation proceedings regarding the corporate income tax for the years 2017 to 2019, as a subsidiary of the Tax Group, represented by Cirsa Gaming Corporation, S.A., since 2019; regarding value added tax from the fourth quarter of 2017 to the fourth quarter of 2019, in its capacity as the parent of the VAT Group 15/19 since 2019; and regarding withholdings from the fourth quarter of 2017 to the fourth quarter of 2019.

In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns. Group Management considers that no significant contingencies exist that would arise as a result of a tax review of the years open to inspection.

19. LEASES

19.1 Group as lessee

The Group has entered into leases on several buildings and vehicles for an average term between three and ten years, with no renewal clauses.

The Group has also entered into leases on machines with contracts that can be extended annually or which expire within less than 12 months, and on other office equipment of low value.

The table below shows the book values of the right-of-use assets recognized and the movements during the period:

2021

(Thousands of euros)	Balance at January 1, 2021	Additions	Disposals	Currency translation differences and other changes	Balance at December 31, 2021
COST					
Buildings	329,555	42,618	(19,254)	(2,789)	350,131
Vehicles	13,327	1,471	(2,240)	494	13,050
	342,882	44,089	(21,495)	(2,295)	363,181
DEPRECIATION					
Buildings	(80,812)	(40,548)	5,734	(2,475)	(118,101)
Vehicles	(6,480)	(3,926)	2,099	-	(8,307)
	(87,292)	(44,473)	7,833	(2,475)	(126,407)
Impairment losses	-	-	-	-	-
Net carrying amount	255,590	(384)	(13,662)	(4,770)	236,774

2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Currency translation differences and other changes	Balance at December 31, 2020
COST					
Buildings	340,921	31,928	(14,457)	(28,837)	329,555
Vehicles	11,050	3,645	(1,278)	(90)	13,327
	351,971	35,573	(15,735)	(28,927)	342,882
DEPRECIATION					
Buildings	(43,542)	(43,683)	2,084	4,329	(80,812)
Vehicles	(3,291)	(4,470)	1,258	23	(6,480)
	(46,833)	(48,153)	3,342	4,352	(87,292)
Impairment losses	-	-	-	-	-
Net carrying amount	305,138	(12,580)	(12,393)	(24,575)	255,590

The book value of lease liabilities and movements during the period are as follows:

(Thousands of euros)	2021	2020
Balance at January 1	283,467	314,261
Additions	44,089	32,861
Disposals	(27,322)	(10,931)
Interest accrued on finance leases	14,388	16,163
Exchange gains (losses)	10,616	(20,144)
Payments	(50,957)	(48,743)
Balance at December 31	274,281	283,467

In turn, the annual maturity of finance lease liabilities is as follows:

(Thousands of euros)	2021	2020
Within 1 year	-	45,877
Between 1 and 2 years	45,522	40,970
Between 2 and 3 years	41,520	32,996
Between 3 and 4 years	34,270	26,178
Between 4 and 5 years	28,799	21,185
More than 5 years	124,170	116,261
	274,281	283,467

The amounts recognized in the income statement are as follows:

(Thousands of euros)	2021	2020
Depreciation of right-of-use assets	44,547	48,624
Interest accrued on finance leases	14,210	16,163
Expenses from low-value, short-term and variable leases	19,775	15,597
Gains/(losses) on derecognition of right-of-use assets	(346)	(462)
	78,186	79,922

The Group made lease payments amounting to 50,957 thousand euros in 2021 (48,743 thousand euros in 2020).

20. INCOME AND EXPENSES

As for the "Total operating income net of variable rent" caption, the Group has no performance obligations pending satisfactions at December 31, 2021 and 2020. The breakdown of this caption by operating segment and geographical area is detailed in Note 3.

20.1 Employee benefits expense

(Thousands of euros)	2021	2020
Wages and salaries	163,468	150,202
Social Security	33,018	35,703
Termination benefits	5,844	10,440
Other	6,502	5,870
	208,832	202,215

Remunerations pending payment at December 31, 2021 and 2020 (20,177 and 14,355 thousand euros, respectively) are included in *Other non-trade payables - Sundry creditors* (Note 16).

20.2 Utilities and external services

(Thousands of euros)	2021	2020
Professional services	37,833	34,044
Publicity, advertising, and public relations	37,145	27,648
Utilities	25,972	21,566
Leases and royalties	24,756	20,010
Other services	23,871	19,391
Repairs and maintenance	15,964	16,546
Postal services, communications and telephone	13,450	12,069
Bank services et al.	8,400	6,155
Security services	7,269	7,198
Cleaning services	6,587	5,185
Insurance premiums	6,403	5,407
Travel expenses	3,509	3,255
Transportation	1,006	1,061
Development costs and patents (Note 6.2)	26	7
	212,191	179,542

20.3 Exchange gains (losses)

(Thousands of euros)	2021	2020
Gains	42,923	37,357
Losses	(61,079)	(5,962)
	(18,156)	31,395

Net exchange gains/(losses) from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that increases shareholders' equity at December 31, 2021 by 4,399 thousand euros (2020: it decreased shareholders' equity by 2,368 thousand euros), since they are considered as exchange gains/(losses) arising from monetary components of a net investment in a foreign business.

21. RELATED PARTIES

During the year the expenses accrued by other subsidiaries of LHMC Topco, S.a.r.l or by Blackstone Group amount to 571 thousand US dollars.

22. CONTINGENCIES

The Group has litigation proceedings, claims and other administrative procedures underway as a result of the normal course of business in the countries where it carries out its activity. However, the Group does not expect that any unprovisioned significant liabilities will arise as a result of the above proceedings.

23. INFORMATION ON ENVIRONMENTAL ISSUES

Given the characteristics of the activities performed by the group companies, at year end it was not necessary to record any expenses and/or investments related to transactions for preventing, reducing or repairing environmental damage.

24. AUDIT FEES

Fees and expenses paid for the audit services provided by the main auditors and other firms belonging to the auditor's international network amounted to 734 thousand euros in 2021 (2020: 672 thousand euros).

In addition, fees and expenses paid for other services provided by the main auditors or other related entities amounted to 482 thousand euros in 2021 (173 thousand euros in the year ended December 31, 2020).

25. OTHER RELATED PARTIES

The breakdown of the remuneration earned by the key executives of Group Management is as follows:

(Thousands of euros)	2021	2020
Short-term employee benefits	4,438	4,177
Other long-term benefits	3,151	3,246
	7,589	7,423

No additional transactions have been carried out and no other outstanding balances exists with group-related parties.

26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, interest risk, exchange risk and liquidity risk during the normal development of its activities.

The Group's main financial instruments include bonds, bank loans, credit and discount lines, financing obtained through the deferral of gaming taxes, financial leases, deferred payments for purchase of businesses, and cash and current deposits.

The Group's policy establishes that no trading in derivatives (exchange rates insurance) to manage exchange rate risks arising from certain fund sources in U.S. dollars will be undertaken. The Group does not use financial derivatives to cover fluctuations in interest rates, either.

In general, the Group obtains funding from third parties for the following purposes:

- Funding the operating needs of group companies.
- Funding the investments set out in the Group's business plan.

As for the Group's leverage policy, the general principle is not to assume debt exceeding certain multiples of its EBITDA, consolidated cash flow and debt. In 2020 and 2021 the Group's level of indebtedness exceeds the said multiples because of the unprecedented situation caused by the pandemic. The Group's objective is to gradually recover the multiples defined in the leverage policy as activity gets back to normal.

26.1 Credit risk

Most of the operations carried out by the Group are in cash. For receivables from other activities, the Group has established a credit policy and risk exposure in collection is managed in the ordinary course of business. Credit assessments are carried out for all customers who require a limit higher than 60 thousand euros.

Provisions for bad debts are determined based on expected credit losses over the reasonable and sustainable life of the asset, including those related to its future on an individual basis, considering the best information available, and are re-estimated at each year end on an individual basis, in accordance with the following criteria:

- The age of the debt.
- The existence of problematic situations, including bankruptcy.
- The analysis of the debtor's ability to repay the credit granted.

Guarantees on loans and credit risk exposure are shown in Note 9.

26.2 Interest rate risk

External finance is mainly based on the issuance of corporate bonds at fixed and floating interest rate. Bank borrowings (credit policies, trading discounts, financial lease agreements) as well as deferred payments with public administrations and other long-term non-trade payables have a variable interest rate that is reviewed annually. Previous Notes show interest rates of debt instruments.

The breakdown of liabilities that accrue interests at 2021 and 2020 year end is as follows:

(Thousands of euros)	2021		2020	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	1,556,395	486,352	1,435,181	482,549
Bank borrowings	20,544	270,403	20,544	333,555
Sundry creditors	7,088	27,043	80,208	18,603
Finance lease liabilities	274,280	-	283,467	-
	1,858,307	783,798	1,819,400	834,707

At December 31, 2021 financial liabilities at a fixed interest rate represented 70% of total liabilities (69% at 2020 year end). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 7,838 thousand euros in 2021 and 8,347 thousand euros in 2020.

The breakdown of assets that accrue interests at 2021 and 2020 year end is as follows:

(Thousands of euros)	2021		2020	
	Fixed interest	Floating interest rate	Fixed interest	Floating interest rate
Loans to joint ventures and associates	2,530	-	1,705	-
Loans to third parties	9,661	14,276	10,164	13,277
Guarantees and deposits	20,795	-	16,893	-
Fixed income securities and deposits	4,307	-	341	-
	37,293	14,276	29,103	13,277

The Group estimates that the fair value of the assets' financial instruments does not differ significantly from the net book value.

26.3 Foreign currency risk

The Group is exposed to foreign currency risk in businesses located in Latin America, which significantly affects sales and expenses, Group results and the value of certain assets and liabilities in currencies other than the euro. It is also affected to a lesser extent by granted and received loans. The currency that basically generates exchange risks is the US dollar, since a portion of the corporate bonds is issued in US dollars.

In order to reduce risks, the Group conducts policies aimed to keep balanced collection and payments in cash of assets and liabilities in foreign currency.

The following study on sensitivity shows the foreign currency risk:

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate US dollar/euro

Change	Thousands of euros	Thousands of euros
	2021	2020
+ 10%	87	1,986
+ 5%	45	1,040
- 5%	(50)	(1,150)
-10%	(106)	(2,428)

26.4 Liquidity risk

The exposure to unfavorable situations of debt markets can make difficult or prevent from hedging the financial needs required for the appropriate development of Group activities.

At December 31, 2021 the Group shows negative working capital amounting to 118,934 thousand euros (198,295 thousand euros negative at December 31, 2020). Nonetheless, Group Management considers that cash flow generated by the business and available credit lines will allow the Group to cover its current liabilities. Furthermore, it should be noted that the revolving credit facility (RCF) amounting to 200 million euros, even though it matures in the short term, can be renewed on a recurring basis at the Group's request for maximum periods of six months until its maturity (June 2023).

Additionally, to manage liquidity risk, the Group applies different measures:

- Diversification of financing sources through the access to different banking and capital markets. In this regard, the Group has an additional borrowing capacity (see quantitative data in Note 15).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to approximately 240 million euros at December 31, 2021 (246 million euros at December 31, 2020), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

In this regard, the Group's liquidity police ensure to meet its payment obligations without requiring the access to funds in costly terms.

Additionally, it is noteworthy that both at Group and individual business level, the Group performs projections regularly on the generation and expected cash needs, in order to determine and monitor the Group's liquidity position.

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 14, 15 and 16.

27. CAPITAL MANAGEMENT POLICY

The main objectives of the Group's capital management are to ensure financial stability in the short and long terms, appropriate return rates, increased business value and ensure proper and adequate financing of investments and projects to be conducted in a framework of controlled expansion.

The Group's strategy in 2022 will consist in preserving the Group's cash position by implementing measures to reduce costs and investments, increase liquidity and establishing cash management action plans. Additionally, in terms of operations, the objective will be to continue keeping operating centers a safe place for customers and employees and be prepared to operate at full capacity, once restrictions are lifted, through promotion campaigns and communication plans.

As stated in Note 14, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Group does not intend to distribute dividends in the short to medium terms given that the Group policy is not to distribute dividends.

28. SUBSEQUENT EVENTS

No significant events have occurred after the reporting date, other than those already mentioned in the notes, that may condition the information included in the 2021 consolidated financial statements of Cirsa Enterprises Group.

The undersigned, whose positions are indicated under their names, hereby CERTIFY the accuracy and integrity of the Consolidated Financial Statements of Cirsa Enterprises Group for year ended December 31, 2021.

Terrassa, March 17, 2022

Mr. Joaquin Agut
Chair

Mr. Lionel Yves Assant
Vice-Chair

Mr. Haide Hong
Vice-Secretary

Mr. Miguel García
Board member

Mr. Antonio Hostench
Board member

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Administradores De Personal En Entretenimiento, SA de CV	Bingos	-	100,00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camanera, 660 Piso 8	México D.F.	México
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.	Av. Muñoz Vargas, 18	Huelva	Huelva
Alfematic, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Amical Trading, S.L.	Operacional	76,76%	76,76%	Global Game Machine Corporation, S.A.	C/ Pi i Margall, 201	Terrassa	Barcelona
Ancon Entertainment, INC.	Casinos	50,00%	50,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Apple Games 2000, S.L.	Operacional	49,50%	49,50%	Egartronic, S.A.	Sequia de Favara, 11	Picanya	Valencia
Apuestas Electrónicas, S.L.	Operacional	75,50%	75,50%	Comercial de Recreativos Salamanca, S.A.	C/ 19 y 21 , modulo 12 , nave 2 P.I. El Nevero	Badajoz	Badajoz
Automáticos Essan, S.A.	Operacional	-	100,00%	Recreativos Ergosa, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Automáticos Manchegos, S.L.	Operacional	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, km 286	Alcazar de San Juan	Ciudad Real
Automaticos Maxorata, S.A.	Operacional	55,00%	55,00%	Comercial Jupama, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Azibi Horta, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Pl. Ibiza, 21	Barcelona	Barcelona
Badamatic, S.A.	Operacional	51,00%	50,00%	Radiamon, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Barnabing, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	C/ Calaf, 23	Igualada	Barcelona
Barna-Center, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Barnaplay, S.A.	Operacional	-	100,00%	Miky, S.L.	Paseo Maragall, 103 - 105	Barcelona	Barcelona
Bema - Euromatic, S.A.	Operacional	60,71%	60,71%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bet On Red Digital, S.A.	Apuestas	100,00%	-	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Bicondal, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Avenida Paralelo, 91-93	Barcelona	Barcelona
Billares Valencia, S.L.	Operacional	100,00%	100,00%	Coinland,S.A.	C/ Convento Santa Clara, 11	Valencia	Valencia
Binale, S.A.	Bingos	100,00%	100,00%	Madrid, S.A.	General Ricardos, 176	Madrid	Madrid
Bincamex, S.A. de C.V.	Bingos	100,00%	100,00%	International Mex Business, S.L.	Cantú, 9 - 601. Colonia Nueva Anzures	México D.F.	México
Bincano, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Elcano, 30-32	Bilbao	Vizcaya
Bingo Santven, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Ctra. N-340 Km. 1189	El Vendrell	Tarragona
Bingos Andaluces, S.A.	Bingos	100,00%	50,00%	Global Bingo Corporation, S.A.	Asunción, 3	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	100,00%	50,00%	Global Bingo Corporation, S.A.	Plaza Doctor Fleming, s/n	Benidorm	Alicante
Bingos de Madrid Reunidos, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S.A.	Casinos	-	100,00%	Gaming & Services De Panamá, S.A.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Bis Line, S.L.	Operacional	87,60%	87,60%	Giga Game System Operation,S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Calpe Leisure, S.A.	Operacional	85,00%	85,00%	Elevel, Electronicos Valencia, S.A.	c/ German Bernacer, 22 P.I. Elche	Elche	Alicante
Candan, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	C/ De L'aire, 1	Terrassa	Barcelona
Casino Cirsa Valencia, S.A.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.	Avda. de las Cortes Valencianas, 59	Valencia	Valencia
Casino Nueva Andalucía Marbella, S.A.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casino del Caribe, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. George Washinton, 367 2º Piso Hotel Jaragua	Santo Domingo de Guzmán	R. Dominicana
Cat Games, S.L.	Operacional	60,00%	50,00%	Bis Line, S.L. y Tot Patrimoni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Brasil Participações, LTDA.	Casinos	-	100,00%	Cirsa International Business Corporation, S.L.	Rua Gertrudes de Lima, nº 53 - Sala 42 Centro	Santo André	Brasil
Cirsa Finance International, S.A.R.L.U.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.	Rue Eugene Rupert, 2 - 4	Luxemburgo	Luxemburgo
Cirsa Gaming Corporation, S.A.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.	Ctra. Castellar, 298 - 302	Terrassa	Barcelona
Cirsa Interactive Corporation, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Intenational Business Corporation, S.L.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	C/ Fermina Sevillano, 5 - 7	Madrid	Madrid
Cirsa Italia Holding, S.P.A.	Operacional	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago (Milan)	Italia
Cirsa Italia, S.P.A.	Operacional	100,00%	100,00%	Cirsa Italia Holding, S.P.A.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago (Milan)	Italia
Cirsa Retail, S.R.L.	Bingos	100,00%	100,00%	Cirsa Italia Holding, S.P.A.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago (Milan)	Italia
Cirsa Servicios Corporativos, S.L.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S.A.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Tecnologias de la Información, S.L.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsagest, S.P.A.	Operacional	100,00%	100,00%	Cirsa Italia Holding, S.P.A.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago	Italia
Club Privado De Fumadores Nuestro Espacio	Bingos	100,00%	100,00%	Bingos de Madrid Reunidos, S.A.	C/ Bravo Murillo, 309	Madrid	Madrid
Coin Machines, S.A.	Operacional	100,00%	-	Cirsa Slot Corporation, S.A.	C/ Andalucía, 30	Palencia	Palencia
Coinland, S.A.	Operacional	100,00%	100,00%	Elevel, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Valencia	Valencia
Comdibal 2000, S. L.	B2B	100,00%	100,00%	Universal de desarrollos Electronicos, S.A.	Pl. Els Bellots, c/ del Aire, 1	Terrassa	Barcelona
Comercial de Desarrollos Electrónicos, S. A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Comercial de Recreativos Salamanca, S.A.	Operacional	75,50%	75,50%	Tecnoappel, S.L.	C/ Cuarta, 17 P.I. El Montalvo	Sagrada	Salamanca
Comercial Jupama, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Cotecnic 2000, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Digital Gaming México, S.A.P.I.de C.V.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Boulevard Luis Donaldo Colosio, SA-1	Hidalgo	México
Egartronic, S.A.	Operacional	75,50%	75,50%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Electrónicos Radisa, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Elevel, Electronicos Valencia, S.A.	Operacional	100,00%	100,00%	Giga Game System Operation,S.L.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
First Game, S.L.	Operacional	-	100,00%	Uniplay, S.A.	C/ Fermina Sevillano, 5-7	Madrid	Madrid
Fleming Euromatic-100, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	P.I. La Juaida, C/Sierra Telar, 40	Viator	Almería
Fomento Advenio 1, S.A. DE C.V.	Bingos	100,00%	100,00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	Guillermo González Camarena 600, Piso 7, Santa Fe	México D.F.	México
Galon Business, S.L.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gaming & Services de Panamá, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Calle 50, PH. Torre Global, piso 40	Ciudad de Panamá	Panamá
Gaming & Services, S.A.C.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. Ricardo Palma, 341 Miraflores	Lima	Perú
Garbimatic, S.L.	Operacional	50,00%	50,00%	Alfematic, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Garrido Player, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Gema, S.R.L.	Bingos	100,00%	100,00%	Cirsa International Business Corporation, S.I.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago (Milán)	Italia
Genper, S. A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Giga Game System Operation, S.L.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Gimar Jocs, S.L.	Operacional	-	100,00%	Miky, S.L.	Paseo Maragall, 103	Barcelona	Barcelona
Gimenca, S.A.	Bingos	-	100,00%	Inversiones Zental, S.L.	Gran Via Corts Catalanes, 642	Barcelona	Barcelona
Global Bingo Corporation, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Madrid, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Bingo Stars, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Casino Technology Corporation, S.A.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Global Game Machine Corporation, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Global Real State, S.A.S.	Casinos	100,00%	100,00%	Winner Group, S.A.	Calle 90 No. 19C-32 P.4	Bogota	Colombia
Global TC Corp., S.A.	Casinos	-	100,00%	Gaming & Services de Panamá, S.A.	C/ Cuarta, Casa 39 - Urbanización Parque Lefevre	Panamá	Panamá
Goldenplay, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Grael, S.L.	Operacional	100,00%	100,00%	Barna-Center, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gran Casino Costa Brava, S.L.	Casinos	90,00%	90,00%	Giga Game System Operation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gran Casino de las Palmas, S.A.	Casinos	51,00%	51,00%	Global Casino Technology Corporation, S.A.	c/ Simón Bolívar, 3	Las Palmas	Gran Canaria
Grasplai, S.A.	Bingos	100,00%	100,00%	Telma Enea, S.L.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Grevaloflal, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Avda. de la Constitució, 134	Castelldefels	Barcelona
Grupo Cirsa De Costa Rica, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Haes, S.A.	Bingos	100,00%	-	Global Bingo Corporation, S.A.	C/ Real, 87	San Sebastián de los Reyes	Madrid
Iber Matic Games, S.L.	Operacional	75,50%	75,50%	Cirsa Slot Corporation, S.A.	C/ Jaime Ferran, 2-4	Zaragoza	Zaragoza
Illa Valles Hosteleria, S.L.	Operacional	100,00%	100,00%	Barna-Center, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Instalaciones Recreativas Mallorca, S.A.	Bingos	-	100,00%	Talzen Inversions, S.L.	Mallorca, 209	Barcelona	Barcelona
Integración Inmobiliaria World de Mexico, S.A. De C.V.	Bingos	100,00%	100,00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	c/ Guillermo Gonzalez Camarena 600 Piso 8	México D.F.	México
International Bingo Technology, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
International Mex Business, S.L.	Bingos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Ctra. Castellar, 298	Terrassa	Barcelona
Interplay, S.A.	Operacional	75,50%	75,50%	Egartronic, S.A.	C/ Francia, 26 y 27	Puerto Real	Cádiz
Interservi, S.A.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.	Ctra. Nacional 420, km 289	Juan	Ciudad Real
Inversiones Interactivas, S.A.	Casinos	70,00%	70,00%	Orbis Development, S.A.	C/ 57 y Avenida Obarrio	Ciudad de Panamá	Panamá
Inversiones Pacanoas, S.A.	Casinos	70,00%	70,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Pañanitas, S.A.	Casinos	70,00%	70,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Vertigo, S.A.	Casinos	70,00%	70,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Zental, S.L.	Bingos	100,00%	100,00%	Giga Game System Operation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Investment & Securities Iberica, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Ctra. Castellar, 298	Terrassa	Barcelona
Juegomatic, S.A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Juegos De Azar Oliva Rodon, S.L.	Operacional	100,00%	100,00%	Barna-Center, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Juegos Del Oeste, S.L.	Operacional	75,50%	75,50%	Apuestas Electrónicas, S.L.	C/ 19 y 21 , modulo 12 , nave 2 P.I. El Nevero	Badajoz	Badajoz
La Barra Ancon, S.A.	Casinos	50,00%	50,00%	Ancon Entertainment, Inc.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Barra Panama, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Cafetería del Bingo, S.L.	Bingos	-	50,00%	Global Bingo Corporation, S.A.	Asunción, 3	Sevilla	Sevilla
La Selva Inversiones, S.A.C.	Casinos	100,00%	100,00%	Gaming And Services, S.A.C.	C/ Jr. Loreto, 228	Tambopata	Perú
Les Loisirs Du Paradis, S.A.R.L.	Casinos	82,00%	82,00%	Resort Paradise AB	Hotel Atlantic Palace Secteur balneaire et touristique	Agadir	Marruecos
L&G Bussines, S.L.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 338	Terrassa	Barcelona
Lightmoon International 21, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Lista Azul, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Gran Passeig de Ronda, 87	Lleida	Lleida
Macrojuegos, S.A.	Bingos	51,00%	51,00%	International Bingo Technology, S.A.	Dionisio Guardiola, 34	Albacete	Albacete
Majestic 507 Corp, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Maquilleiro, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Maqui-Ter, S.A.	Operacional	51,00%	51,00%	Eteval, Electronicos Valencia, S.A.	Miguel de Cervantes, 12	Teruel	Teruel
Marchamatic Indalo, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
MCA Automatics, S.L.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Merengue Bar Gran Casino Jaragua, GCJ, S.R.L.	Casinos	100,00%	100,00%	Casinos Del Caribe, S.R.L.	Avda. George Washinton, 367 2º Piso	Sto. Domingo de Guzmán	R. Dominicana
Miky, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Montri, S.A.	Operacional	75,50%	75,50%	Iber Matic Games, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
New Laomar, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almería
New York Game, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Nightfall Construccions, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo Sant Antoni de Portmany	R. Dominicana
Oper Ibiza, S.L.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.	C/ dels Llauradors, 45	Portmany	Baleares
Operadora de Entretenimiento Manzanillo, S.A. de C.V.	Bingos	60,00%	60,00%	Bincamex, S.A. de CV.	c/ Guillermo Gonzalez Camarena 600 Piso 8	México D.F.	México
Operadora Internacional de Recreativos, S.A.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.	c/ Cervantes, 14 1	Gijón	Asturias
Orbis Development, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Swiss Tower, 16th floor, World Trade Center	Ciudad de Panamá	Panamá
Orlando Italia, S.R.I.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Vía Ludovico il Moro 6/C Palazzo Ferraris	Assago	Italia
Orlando Play, S.A.	Operacional	51,00%	51,00%	Global Game Machine Corporation, S.A.	Sierra Telar, 40 P.I. La Juaida	Viator	Almería
Palabingo, S.R.L.	Bingos	100,00%	100,00%	Cirsa Retail, S.R.L.	Vía Ludovico il Moro 6/C Palazzo Ferraris	Assago	Italia
Piscis 28 Castilla y León, S.L.	Operacional	100,00%	-	Cirsa Slot Corporation, S.A.	C/ Andalucía, 30	Palencia	Palencia
Playcat, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Cádiz, 1	Terrassa	Barcelona
Playspace, S.L.	Apuestas	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Princesa 31, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A. y Bingos de Madrid Reunidos, S.A.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camarena, 600 P8 Col. Sfe	México D.F.	México
Promociones Sol Ibiza, S.A.	Operacional	51,00%	51,00%	Oper Ibiza, S.L.	C/ dels Llauradors, 45	Sant Antoni de Portmany	Baleares
Radiamon, S.L.	Operacional	51,00%	50,00%	Giga Game System Operation, S.L. y Tot Patrimoni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recrea, S.L.	Operacional	80,00%	80,00%	Giga Game System Operation, S.L.	C/ C-k, P.I. Cami dels Frares	Lleida	Lleida
Recreativos Arranz, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Ergosa, S.L.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Recreativos Hatuey, S.A.	Operacional	100,00%	100,00%	Bema - Euromatic, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Manchegos, S.L.	Operacional	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, Km 286	Alcazar de San Juan	Ciudad Real
Recreativos Martos, S.L.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Ociomar Levante, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Sortia, S.L.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recreativos Xativa, S.A.	Operacional	55,00%	55,00%	Eleva, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Red de Interconexión de Andalucía, S.L.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Matillo, 26	Sevilla	Sevilla
Red de salones de Aragón, S.L.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
Redeye Games, S.L.	Operacional	-	100,00%	Uniplay, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Resort Paradise AB	Casinos	82,00%	82,00%	Cirsa International Business Corporation, S.L.	Box, 1432	Estocolmo	Suecia
Romgar, S.L.	Bingos	100,00%	100,00%	Teima Enea, S.L.	Cayetano del Toro, 23	Cádiz	Cádiz
S.A. Explotadora de Recreativos	Operacional	90,00%	90,00%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Sadeju, S.L.	Bingos	65,00%	65,00%	Teima Enea, S.L.	c/ Carlota Alexandre, 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	100,00%	50,00%	Global Bingo Corporation, S.A. y Global Bingo	Cuenca, 20	Valencia	Valencia
Sala Versailles, S.A.	Bingos	100,00%	100,00%	Stars, S.A.	Bravo Murillo, 309	Madrid	Madrid
Sant Cugat Desarrollo de Tecnologías, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Sena, nº 2	Sant Cugat del Valles	Barcelona
Saturno 5 Conexión, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
SCB Almirante Dominicana, S.R.L	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln , 403, La Julia	Santo Domingo	R. Dominicana
SCB Anil Dominicana, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Grand Victoria Dominicana, SRL	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Hispaniola Dominicana, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln /Correa y Cidron	Santo Domingo	R. Dominicana
SCB Malecón Dominicana, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Malecón	Santo Domingo	R. Dominicana
Sertebi, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Avda. Sarria, 47	Barcelona	Barcelona
Servi D´Aro, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Avda. Estrasburgo, 11	Castell - Platja D´Aro	Girona
Servicios Especializados Del Juego, S.A. De C.V.	Bingos	-	100,00%	Bincamex, S.A. de CV.	Guillermo González Camarena 600, Piso 8, Santa Fe	México D.F.	México
Servicios y Distribucion de Recreativos, S.A.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Servi-Joc, S.A.	Operacional	85,00%	85,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Sobima, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S. A.	Av. Los Vegas, 27	Málaga	Málaga

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Social Games Online, S.L.	Apuestas	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. Castellar, 338	Terrassa	Barcelona
Societe Du Casino Le Mirage, S.A.	Casinos	51,00%	51,00%	Cirsa International Business Corporation, S.L.	Club Valtur STB, Parcelle nº 31	Agadir	Marruecos
Sodemar, S.L.	Bingos	100,00%	100,00%	Telma Enea, S.L.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sportium Apostes Catalunya, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Andalucia, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Sportium Apuestas Aragon, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Asturias, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ B, Parcela 45B pol. Ind Asipo	Cayes - Llanera	Asturias
Sportium Apuestas Baleares, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Gremi des Sabaters, 21	Palma de Mallorca	Mallorca
Sportium Apuestas Canarias, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Garcia Morato, 1	Telde	Gran Canaria
Sportium Apuestas Castilla La Mancha, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Santa María Magdalena, 10 -12	Madrid	Madrid
Sportium Apuestas Ceuta, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Colombia, S.A.S.	Apuestas	50,01%	100,00%	Sportium Apuestas Deportivas, S.A.	Carrera 12 N° 93 - 78 Oficina 501	Bogotá	Colombia
Sportium Apuestas Deportivas, S.A.	Apuestas	100,00%	100,00%	Cirsa Slot Corporation, S.A.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Digital, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Galicia, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	El Grove - Isla de la Toja	Pontevedra
Sportium Apuestas Levante, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Sportium Apuestas Melilla, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Avda. Candido Lobera, 5 Atico 3	Melilla	Melilla
Sportium Apuestas Navarra, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Avda. Barañain, 27 1º A	Pamplona	Navarra
Sportium Apuestas Oeste, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Nevero Doce, Parcela 21	Badajoz	Badajoz
Sportium Apuestas Panama, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Corregimiento de San Francisco, calle 50 y 73 Este	Panamá	Panamá
Sportium Global Investments, SGI, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Sportium Servicios de Gestión, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat del Valles	Barcelona
Sportium Zona Norte, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Logroño	Logroño
Tallunxe, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Pseo. Miramar, s/n	Salou	Tarragona
Talzen Inversions, S.L.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Tecnijoc, S.L.	Operacional	75,50%	75,50%	Egartronic, S.A.	Gremio de Jaboneros, 3B Pol.I. Son Castello	Palma de Mallorca	Mallorca
Tecnoappel, S.L.	Operacional	75,50%	75,50%	Cirsa Slot Corporation, S.A.	Pol Ind Campollano, calle B1	Albacete	Albacete
Tecnología y Sistemas, S.A.	Operacional	100,00%	100,00%	Elevel, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Tefe, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Tenor Fleta, 57	Zaragoza	Zaragoza
Telma Enea, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Sevilla, 10-14	Jerez de la Frontera	Cádiz
Teo Servicios Corporativos Slots, S.L.	Operacional	100,00%	100,00%	Giga Game System Operation,S.L.	C/ De L'aire, 1	Terrassa	Barcelona
Tres Rios Hotel la Carpintera, S.A.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Unidesa Operations Services, S.I.	B2B	100,00%	100,00%	Universal de desarrollos Electronicos, S.A.	C/ Sena, 2	Sant Cugat del Valles	Barcelona
Unisplay, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Universal de Desarrollos Electrónicos, S. A. De C.V.	B2B	100,00%	100,00%	International Mex Business, S.L.	Guillermo Gonzalez Camanera, 660 Piso 9 Of. 5	México D.F.	México
Urban Leisure, S.L.	Operacional	75,00%	75,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Vermeda 90, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Guipuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50,01%	50,01%	Investments & Securities Iberica, S.A.	Calle 90, nº 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	San Fernando, 48	Santander	Cantabria

List of associates

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
AOG, S.r.l.	Bingos	50,00%	50,00%	Gema Srl. U.	Vía Langhena, 1	San Vendemiano	Italia
Automáticos Quintana, S.L.	Operacional	50,00%	50,00%	Comercial Jupama, S.A.	C/ Parque de la libertad, 30	Santa Lucía de Tirajana	Gran Canaria
Audiovisual Fianzas, S.G.R.	Estructura	5,68%	5,68%	Varios	c/ Luis Buñuel, 2 2ª	Madrid	Madrid
Bingo Amico, S.r.l.	Bingos	-	50,00%	Gema, S.r.l.U.	Vía Langhena, 1	San Vendemiano	Italia
Binsavo, S. A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Ruiz Morote, 5	Ciudad Real	Ciudad Real
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation, S.A.	Isla de La Toja	El Grove	Pontevedra
Cludeen, S.L.	B2B	-	50,00%	Universal de Desarrollos Electrónicos, S.A.	C/ Enrique Mariñas, 36 planta 5 local 1B	A Coruña	A Coruña
Compañía Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universal de Desarrollos Electronicos, S.A.	C/ Toledo, 137	Madrid	Madrid
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50 y 73 Este San Francisco Avda. de los Trabajadores, 12 P.I. La Atalaya	Panamá	Panamá
Felix Jimenez Morante, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.		Torrijos	Toledo
Majestic Food Services, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Montecarlo Andalucía, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Torricella, 11 Avda. de los Trabajadores, 12 P.I. La Atalaya	Roma	Italia
Recreativos Oropesa, S.L.	Operacional	50,00%	50,00%	Felix Jimenez Morante, S.A.		Torrijos	Toledo
Serdisga 2000, S. L.	B2B	50,00%	50,00%	Universal de Desarrollos Electronicos, S.A.	Av. Finisterre, 283	A Coruña	A Coruña
Unión de Operadores Reunidos, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	C/ Severo Ochoa, 3	A Coruña	A Coruña



Independent Audit Report in accordance with
International Standards on Auditing

Cirsa Enterprises Group
Consolidated Financial Statements
for the year ended
December 31, 2020

INDEPENDENT AUDIT REPORT IN ACCORDANCE WITH
INTERNATIONAL STANDARDS ON AUDITING

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the directors of Cirsa Enterprises, S.L.:

Opinion

We have audited the accompanying consolidated financial statements of Cirsa Enterprises, S.L. (the Parent) and its Subsidiaries (the Group or Cirsa Enterprises Group), which comprise the consolidated statement of financial position at December 31, 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the explanatory notes thereto, which include a summary of the significant accounting policies (together known as "the consolidated financial statements").

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at December 31, 2020, and of its financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Furthermore, we have complied with other ethical requirements in compliance with IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

As indicated in Note 1.1 to the accompanying explanatory notes, and in accordance with the exemption from issuing consolidated financial statements applicable to Cirsa Enterprises Group, as there is an ultimate group domiciled in the European Union, the Parent Company has prepared the accompanying consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU) only for the purpose of including them in said ultimate consolidated financial statements. Consequently, the accompanying consolidated financial statements have not been prepared according to legal requirements and have been audited by applying the International Standards on Auditing. This report can under no circumstances be considered an audit report in the terms established by prevailing audit regulations in Spain.

Responsibilities of Finance Management for the consolidated financial statements

The directors of the Parent Company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity, financial position and results of the Group, in accordance with IFRS-EU, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Parent Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the parent company.
- Conclude on the appropriateness of the parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent Company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

CORTÉS & PÉREZ AUDITORES Y
ASESORES ASOCIADOS, S.L.

(Signature on the original in Spanish)

Joan Tubau Roca

Jaume Cetrà Oliva

March 22, 2021

Cirsa Enterprises Group

**Consolidated Financial Statements for the year ended December 31, 2020
prepared in accordance with International Financial Reporting Standards as
adopted by the European Union**

*(Translation of consolidated financial statements originally issued in Spanish. In the event of
discrepancy, the Spanish-language version prevails)*

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Appendix - Detail of subsidiaries at December 31, 2020.

Cirsa Enterprises Group
Consolidated statement of financial position at December 31, 2020

ASSETS

(Thousands of euros)	Notes	2020	2019
Non-current assets		2,973,835	3,272,195
Goodwill	5	1,228,609	1,219,064
Other intangible assets	6	1,002,439	1,206,949
Property, plant and equipment	7	318,908	397,569
Right-of-use assets	19	255,590	305,137
Investments accounted for using the equity method	8	29,349	32,887
Financial assets	9	40,356	49,252
Deferred tax assets	18.4	98,584	61,337
Current assets		398,540	341,369
Inventories	11	18,361	20,029
Trade and other receivables	9	79,302	117,344
Other financial assets	9	8,388	34,877
Other current assets		9,222	9,450
Cash and cash equivalents	12	283,267	159,669
Total assets		3,372,375	3,613,564

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2020	2019
Equity		259,146	642,682
Issued capital	13.1	70,663	70,663
Share premium	13.1	626,793	635,390
Retained earnings	13.2	(202,158)	(190,756)
Currency translation differences		(85,585)	2,859
Profit/(loss) for the year attributable to the Parent		(254,639)	(6,668)
Non-controlling interests	13.3	104,072	131,194
Non-current liabilities		2,516,394	2,601,970
Corporate bonds	14	1,914,639	1,943,222
Bank borrowings	15	64,682	40,423
Other non-trade payables	16	36,033	42,932
Provisions	17	15,372	14,735
Finance lease liabilities	19	237,590	254,061
Deferred tax liabilities	18.4	248,078	306,597
Current liabilities		596,835	368,912
Corporate bonds	14	3,090	3,172
Bank borrowings	15	289,418	51,366
Trade payables		23,261	40,066
Other non-trade payables	16	233,146	196,204
Finance lease liabilities	19	45,877	60,200
Current income tax payable	18.2	2,043	17,904
Total equity and liabilities		3,372,375	3,613,564

Cirsa Enterprises Group
Consolidated statement of comprehensive income for the year ended December 31, 2020

(Thousands of euros)	Notes	2020	2019
CONTINUING OPERATIONS			
Income from gaming activities		1,055,101	1,971,912
Other operating income		73,303	151,949
Bingo prizes		(114,769)	(234,811)
Total operating income		1,013,635	1,889,050
Variable rent		(171,265)	(274,490)
Total operating income net of variable rent	3.1	842,370	1,614,560
Cost of sales		(29,659)	(68,134)
Employee benefits expense	20.1	(202,215)	(267,898)
Utilities and external services	20.2	(179,542)	(235,474)
Gaming taxes and other similar taxes		(304,902)	(570,360)
Charge to depreciation and amortization and impairment of assets	6, 7 & 19	(326,473)	(297,828)
Change in operating provisions		(8,614)	(3,843)
Finance income		1,187	1,943
Finance costs		(135,754)	(148,998)
Finance lease expenses		(16,163)	(16,966)
Change in financial provisions		(18)	929
Gains/(losses) on investments in associates	8	(3,538)	4,322
Exchange gains / (losses), net	20.3	31,395	(366)
Gains/(losses) on disposal/derecognition of non-current assets		(1,692)	14,399
Profit before tax		(333,618)	26,286
Income tax	18.2	64,875	(14,706)
Net profit/(loss) for the year		(268,743)	11,580
Profit/(loss) for the year attributable to non-controlling interests	13.3	(14,104)	18,248
Profit/(loss) for the year attributable to the Parent		(254,639)	(6,668)

Cirsa Enterprises Group
Consolidated statement of comprehensive income for the year ended December 31, 2020

(Thousands of euros)	Notes	2020	2019
Net profit/(loss) for the year		(268,743)	11,580
Currency translation differences		(92,703)	4,430
Tax effect		-	-
Total other comprehensive income that will be reclassified to profit or loss in subsequent years		(92,703)	4,430
Total other comprehensive income that will not be reclassified to profit or loss in subsequent years		-	-
Total other comprehensive income for the year, net of tax		(361,446)	16,010
<i>Comprehensive income attributable to:</i>			
<i>Parent Company</i>		(343,083)	(2,608)
<i>Non-controlling interests</i>		(18,363)	18,618
Total other comprehensive income for the year, net of tax		(361,446)	16,010

Cirsa Enterprises Group
Consolidated statement of changes in equity for the year ended December 31, 2020

(Thousands of euros)	Issued capital (Note 13.1)	Share premium	Profit/(loss) for the year and Retained earnings (Note 13.2)	Currency translation differences	Non-controlling interests (Note 13.3)	Total
At January 1, 2019	70,663	635,940	(158,906)	(1,201)	120,261	666,757
Net profit/(loss) for the year 2019	-	-	(6,668)	-	18,248	11,580
Other comprehensive income	-	-	-	4,060	370	4,430
Total 2019 comprehensive income	-	-	(6,668)	4,060	18,618	16,010
Other movements:						
Dividends paid	-	-	-	-	(10,783)	(10,783)
Other movements	-	(550)	(31,850)	-	3,098	(29,302)
At December 31, 2019	70,663	635,390	(197,424)	2,859	131,194	642,682
Net profit/(loss) for the year 2020	-	-	(254,639)	-	(14,104)	(268,743)
Other comprehensive income	-	-	-	(88,444)	(4,259)	(92,703)
Total 2020 comprehensive income	-	-	(254,639)	(88,444)	(18,363)	(361,446)
Other movements:						
Dividends paid	-	-	-	-	(5,306)	(5,306)
Other movements	-	(8,597)	(4,734)	-	(3,453)	(16,784)
At December 31, 2020	70,663	626,793	(456,797)	(85,585)	104,072	259,146

Cirsa Enterprises Group
Consolidated cash flow statement for the year ended December 31, 2020

(Thousands of euros)	Notes	2020	2019
Cash flows from operating activities			
Profit/(loss) for the year before tax		(333,618)	26,286
Adjustments to profit/(loss) due to:			
Change in operating provisions		8,615	3,843
Depreciation and amortization and impairment losses on non-current assets	6, 7 & 19	326,472	297,828
Gains/(loss) on disposals/derecognition of non-current assets		1,691	(14,399)
Finance income (costs)		154,285	158,770
Exchange gains / (losses), net	20.3	(31,395)	366
Other		4,374	3,721
Change in:			
Inventories		1,002	(1,799)
Trade and other receivables		11,570	4,836
Suppliers and other accounts payable		(39,781)	(10,228)
Gaming taxes payable		80,207	(8,539)
Other operating assets and liabilities, net		(4,137)	(14,216)
Income tax paid		(14,804)	(68,835)
Net cash from operating activities		164,481	377,634
Cash flows from/(used in) investing activities			
Acquisition of property, plant, and equipment		(78,381)	(108,405)
Acquisition of intangible assets		(46,766)	(44,946)
Proceeds from other financial assets		33,980	7,109
Acquisition of investments in other companies		(26,912)	(395,446)
Payments on financial investments		(210)	(28,104)
Interest received and income from financial investments		1,186	1,943
Net cash used in investing activities		(117,103)	(567,849)
Cash flows from/(used in) financing activities			
Cash inflows in bank accounts		1,184,216	1,466,735
Cash outflows in bank accounts		(925,656)	(1,462,907)
Bond issues		-	880,000
Cancellation of bonds		-	(480,075)
Lease liability principal payments	19	(48,743)	(58,384)
Interest paid		(122,767)	(137,400)
Dividends paid and other payments		(4,077)	(11,069)
Net cash from/(used in) financing activities		82,973	196,900
Net increase/(decrease) in cash and cash equivalents		130,351	6,685
Net effect of exchange gains/(losses) on cash		(6,753)	792
Cash and cash equivalents at January 1		159,669	152,192
Cash and cash equivalents at December 31	12	283,267	159,669

Cirsa Enterprises Group
Notes to the consolidated financial statements for the year ended December 31, 2020

1. GROUP INFORMATION

1.1 Group activity

Cirsa Enterprises, S.L. (hereinafter *the Company or the Parent Company*) and its subsidiaries (hereinafter *the Group or the Cirsa Group*) consist of a set of companies operating in the gaming and leisure sector, carrying out the following activities:

- the design, manufacture and marketing of slot machines that are sold to both group companies and third parties, and the development of interactive gaming mechanisms and systems.
- Operation of slot machines, bingo halls and casinos, in both Spain and abroad.

On July 3, 2018 the company Cirsa Enterprises, S.L. acquired 100% of the shares of Cirsa Gaming Corporation, S.A. from the former shareholders. Cirsa Enterprises, S.L. formerly LHMC Bidco, S.L. was incorporated on November 15, 2017.

Therefore, the new consolidatable group was born on July 3, 2018 with the inclusion of the Cirsa Gaming Corporation, S.A. subgroup and the bond-issuing company, Cirsa Finance International, S.a.r.l., which was incorporated on May 22, 2018. As indicated in section 2.1, the consolidated financial statements of the Cirsa Group will be prepared under International Financial Reporting Standards by its ultimate parent company in Luxembourg, LHMC Topco, S.a.r.l. They will be translated and filed with the Mercantile Registry in due time and form. Consequently, the Company meets the criteria for exemption from preparing consolidated financial statements under article 43 of the Commercial Code.

As a result of the foregoing, the accompanying consolidated financial statements cannot be considered consolidated financial statements under Spanish GAAP, but voluntary consolidated financial statements, issued by the Board of Directors.

1.2 Going concern - COVID-19

On March 11, 2020 the World Health Organization labelled the public health emergency situation caused by the coronavirus (COVID-19) outbreak a global pandemic. The escalation of events, in both Spain and worldwide, is resulting in an unprecedented health crisis that has had an impact on the macroeconomic environment and business evolution. To tackle the issue, a set of measures have been adopted during 2020 to address the economic and social impact, including restrictions on movement, among others.

As a result of the effects of this pandemic, 2020 revenue has decreased (Note 3.1) due to temporary close-downs and restrictions on opening hours and capacity of bars, casinos, gaming halls, bingos, sporting bets and manufacturing facilities as a result of the guidelines set out by the governments of the countries in which Cirsa operates.

The Group has adopted several measures to mitigate the effects of this reduction in activity, including, among others, the following:

- Improvement of liquidity position At December 31, 2020 the Group shows negative working capital amounting to 198 million euros and, therefore, maximizing liquidity has been one of the primary objectives of the management team since the beginning of the pandemic. In order to meet this goal, a cash management plan was launched by the middle of the first quarter of 2020 to ensure maximum cash availability. As part of this cash management plan, in March 2020 the entire RCF was drawn down (a further 175 million drawn down to the initial 25 million). Additionally, in July 2020 two new financing lines were obtained: (1) a RCF of 55 million euros maturing in December 2021, and (2) a loan of 20 million euros maturing in September 2025. Furthermore, it should be noted that the revolving credit facility (RCF) amounting to 200 million euros, even though it has been classified in the short term, can be renewed on a recurring basis at the Group's request for maximum periods of six months until its maturity (June 2023). Several credit lines taken out with financial institutions have been renewed and increased, thus providing additional liquidity when necessary (Note 15).
- Personnel expenses: The Group has made labor costs more flexible during the year through temporary labor force adjustment plans (ERTE by its acronym in Spanish), mainly in Spain and Italy. In the other markets where these type of plans do not exist a mix of measures have been implemented to reduce our costs and ensure that our employees are available for resuming operations as soon as local authorities allow us to (Note 20.1).
- Fixed gaming taxes (only applicable in Spain): Spanish gaming associations, of which Cirsa is a major member, have managed to negotiate a full or partial suspension and/or postponement in the payment of fixed taxes in most of the 17 Spanish tax jurisdictions (Note 16).
- Operating leases: most lease arrangements have been renegotiated in order to fully or partially suspend and/or postpone payments during the state of emergency in each of the countries in which the Group operates (Note 19).
- Other fixed expenses: a comprehensive cost reduction scheme has been implemented by reviewing the terms and conditions with suppliers, cancelling contracts and/or implementing other cost reduction measures (Note 20.2).

Although further temporary shutdowns may occur in the short term, and openings will be subject to certain restrictions on capacity and number of customers, the Group estimates, based on the most recent cash flow projections, that activity will gradually go back to normal. This situation, together with the most recent estimates and a robust cash position (283 million euros at December 31, 2020), does not compromise the Group's ability to continue as a going concern, and therefore the Group will be able to meet its financial obligations.

1.3 Group structure

The Parent Company, which is domiciled in Madrid, at Calle Fermina Sevillano, 5-7, is a subsidiary of its Sole Shareholder LHMC Midco, S.a.r.l., which is in turn a subsidiary of LHMC, Topco, S.a.r.l. (both domiciled in Luxembourg, at Rue Eugène Ruppert, 2-4). The fund that holds the shares of the new Cirsa Enterprises Group is ultimately controlled by The Blackstone Group.

The details of the Company's subsidiaries at December 31, 2020 and 2019 are shown on the Appendix, classified into the following categories:

- Subsidiaries: Subsidiaries are companies controlled either directly or indirectly by the Company so that it can manage the financial and operating policies in order to obtain profit from the investment.
- Associates: The associates are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

(NOTA: The 'Ownership percentage' column in the Appendix is obtained by multiplying the successive percentages over the ownership chain and, therefore, shows the final ownership at Company level).

1.4 Changes in the scope of consolidation

The changes in the scope of consolidation are summarized as follows:

2020

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2020	Operating revenue in the 2020 consolidated statement of comprehensive income
Playspace, S.L.	100%	Full	16,322	484

The acquisition shown in the table above has given rise to a business combination.

The information on the business combination carried out during the year is shown in Note 4.

- Incorporation of companies

(Thousands of euros)	% voting rights	Consolidation method
Inversiones Pañanitas S.A.	70%	Full
Inversiones Pacanoas S.A.	70%	Full
Inversiones Vertiago S.A.	70%	Full

- Sale of companies resulting in loss of control

During the current year, the following companies have been sold resulting in a loss of control and/or significant influence on their businesses:

	Ownership % at prior year end	Consolidation method at prior year end	Ownership % after the sale	Consolidation method after the sale
Juegos San José, S.A.	47.5%	Full	-	-

- Winding-up of companies

In 2020, the following companies have been wound up:

(thousands of euros)	At December 31, 2019		
	% held by the Group	Consolidation method	Total Assets in the consolidated statement of financial position
Bumex Land, S.L.	100%	Full	756
Hosteleria 1000, S.L.	100%	Full	423

- Changes in the ownership percentage

The changes in the ownership percentage during 2020 are as follows:

	Consolidation method		Percentage	
	2020	2019	At December 31, 2020	At December 31, 2019
Comdibal 2000, S. L.	Full	Full	100%	75%
Palabingo, SRL	Full	Full	100%	56%

2019

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2019	Operating revenue in the 2019 consolidated statement of comprehensive income
First Game, S.L.U.	100%	Full	782	758
Fomento Advenio 1, S.A. DE C.V. (*)	100%	Full	10,836	663
Palabingo, S.R.L.	56%	Full	3,641	4,059
Recreativos Sortia, S.L.U.	100%	Full	1,069	1,450
Redeye Games, S.L.U.	100%	Full	1,079	1,313
Subgrupo Giga Games (**)	100%	Full	302,740	66,147
			320,147	74,390

(*) Fomento Advenio 1, S.A. de C.V. is the owner of Casino Central, a 7 casino hall business in Mexico.

(**) On July 31 the Giga Games subgroup was acquired as a result of gaining control of 100% of the company Giga Games System Operation, S.L., the parent of the subgroup, which includes 30 other companies.

All acquisitions shown in the table above have given rise to a business combination.

The information on the business combinations carried out during the year is shown in Note 4.

- Incorporation of companies

During the current year the company Sportium Servicios de Gestión, S.L.U. was incorporated. Its activity consists in the provision of corporate services to the Sportium subgroup companies. The assets and revenue of this company at December 31, 2019 are not material.

- Sale of companies resulting in loss of control

During the current year, the following companies have been sold resulting in a loss of control and/or significant influence on their businesses:

	Ownership % at prior year end	Consolidation method at prior year end	Ownership % after the sale	Consolidation method after the sale
Ferrojuegos, S.A.	100%	Full	-	-
Metroservi Andaluza de Salones, S.L.	25%	Equity	-	-

The gains/(losses) that said sales have generated in the consolidated financial statements are not material, nor have they generated any change in non-controlling interests.

- Changes in the consolidation method

The changes in the ownership percentage during 2019 are as follows:

	Consolidation method		Percentage	
	2019	2018	At December 31, 2019	At December 31, 2018
Sportium subgroup	Full	Equity	100%	50%

In October 2019 the group company Cirsa Slot Corporation, S.A. Acquired the remaining 50% of Sportium Apuestas Deportivas, S.A., gaining effective control of the Sportium subgroup. Consequently, at December 31, 2019 the Sportium subgroup has been integrated into the consolidated financial statements using the full consolidation method. The gaining of control of 100% of Sportium has given rise to a business combination. Its effects are shown in Note 4.

- Changes in the ownership percentage

The changes in the ownership percentage during 2019 are as follows:

	Consolidation method		Percentage	
	2019	2018	At December 31, 2019	At December 31, 2018
Apuestas Electrónicas, S.L.U.	Full	Full	75.5%	51.0%
Comdibal 2000, S. L.	Full	Full	75.5%	51.0%
Comercial de Recreativos Salamanca, S.A.U.	Full	Full	75.5%	51.0%
Egartronic, S.A.	Full	Full	75.5%	51.0%
Iber Matic Games, S.L.	Full	Full	75.5%	51.0%
Interplay, S.A.U.	Full	Full	75.5%	51.0%
Juegos Del Oeste, S.L.U.	Full	Full	75.5%	51.0%
Montri, S.A.U.	Full	Full	75.5%	51.0%
S.A. Explotadora de Recreativos	Full	Full	90.0%	61.4%
Servi-Joc, S.A.	Full	Full	85.0%	51.0%
Tecnijoc, S.L.U.	Full	Full	75.5%	51.0%
Tecnoappel, S.L.	Full	Full	75.5%	51.0%
Yumbo San Fernando, S.A.	Full	Full	100.0%	60.0%

The changes in the table above correspond to several acquisition of additional ownership interests. However, the consolidation method has not changed since the full consolidation method was already used in the prior year.

- Other changes in equity

In 2019, the following companies have been dissolved or wound up:

(thousands of euros)	At December 31, 2018		
	% held by the Group	Consolidation method	Total Assets in the consolidated statement of financial position
Bingaser, A.I.E.	100%	Full	28
Gironina de Bingos, S.L.	21%	Equity	223
Losimai, S.A.U.	100%	Full	508
Red de Bingos Andaluces, A.I.E.	54%	Full	29
Red de Juegos y Apuestas de Madrid, S.A.	40%	Equity	23
Servicios Integrales del Juego, A.I.E.	100%	Full	108

Said transactions have not generated significant results for the Group.

Additionally, the following changes in the scope due to mergers between group companies have occurred, without affecting the consolidated figures.

Acquired Group company	Acquiring Group company
Cirsa+, S.R.L.	Cirsagest, S.P.A.U.
Elettronolo Firenze, S.R.L.U.	Cirsagest, S.P.A.U.
Inmobiliaria Rapid, S.A.C.	Gaming and Services, S.A.C.
Salón de Juegos Portal, S.A.U.	Gaming and Services, S.A.C.
Sierra Machines, S.A.C.	Gaming and Services, S.A.C.
Casino El Cacique, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Casinos Pájaro Trueno, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Cirsa Estrellas del Caribe, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Cirsa Gran Entretenimiento De Costa Rica, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Operación Banshai, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Patterson Lake Business Services, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Recreativos Miami, S.A.U.	Unión de Operadores Reunidos, S.A.

Finally, several changes to the corporate names of group companies have been made: Italtronic, S.r.l. is now Cirsa Retail, S.r.l. and Cirsa Digital, S.A. is now Sportium Apuestas Digital, S.A.

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

The Group prepares consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European (IFRS-EU) Union published by the International Accounting Standards Board (IASB) and further interpretations. At the date these consolidated financial statements were authorized for issue, the consolidated financial statements of the Cirsa Group in Luxembourg had not yet been prepared by LHMC Topco, S.a.r.l.

The financial statements of the companies comprising the Group have yet to be approved by the corresponding General Meetings of Shareholders or Owners. However, the Board of Directors of the Group Parent expect that the aforementioned financial statements will be approved without significant modification and, therefore, they will have no impact on the accompanying consolidated financial statements.

The accounting policies used in the preparation of these consolidated financial statements comply with each of the prevailing standards at the date of their issuance. The International Financial Reporting Standards as adopted by the European Union establish application alternatives in some cases. The options applied by the Group are described in the several accounting policies detailed in these Notes.

The consolidated financial statements for the year ended December 31, 2020 have been prepared by the parent company Cirsa Enterprises, S.L.U. and show comparative information for the prior year, which covers the period comprised between January 1, 2019 and December 31, 2019.

2.2 Estimates and judgments

The preparation of the consolidated financial statements requires Group Management to exercise judgment and to make estimates and assumptions that affect the application of the accounting policies and the recorded assets, liabilities, income and expenses. The estimates and assumptions taken into account have been based upon historical experience and other factors which were considered to be reasonable in the light of the circumstances. Consequently, the results obtained could differ from those assumptions

The estimates and assumptions are continuously reviewed. Any changes to accounting estimates are recognized in the period they are made if they apply solely to that period, or for that period and subsequent periods if they affect both. The key estimates and judgments are as follows:

- **Business combinations and goodwill**

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Notes 4 and 10).

- **Impairment of assets**

The Group assesses for impairment at year end for all non-financial assets which carrying amount could be unrecoverable. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, or when there is evidence of impairment, based on financial projections and estimates of future operating cash flows. During 2020 and 2019 the Group has not recorded any impairment losses on goodwill, whereas it has recognized impairment on intangible assets in 2020 amounting to 11,644 thousand euros (8,000 thousand euros in 2019) (Note 10).

- Useful life of non-current assets with finite lives

The Group regularly reviews the useful lives of its items of property, plant and equipment and intangible assets. If its estimates of useful life are changed, it prospectively adjusts allocations to depreciation or amortization. During the years 2020 and 2019 it was not necessary to readjust the useful life of any non-current asset with finite life.

- Recoverability of deferred tax assets

When the Group, or any of the companies included in it, recognizes deferred tax assets, the estimated taxable profits that will be generated in future years are reviewed at year end in order to assess their recoverability, and any impairment loss is recognized accordingly. At December 31, 2020 the Group has recorded deferred tax assets amounting to 98,584 thousand euros (61,337 thousand euros at December 31, 2019), as indicated in Note 18.4.

- Provision for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies carried out regarding the likelihood that these risks may occur, and the amounts they would entail, recognizing a provision when they are assessed as probable. At December 31, 2020 the Group has recorded provisions for taxes and other risks amounting to 15,372 thousand euros (14,735 thousand euros at December 31, 2019), as detailed in Note 17.

- Consolidation methods

The assessment of whether control is exercised when the Group does not have absolute majority of voting rights, but agreements with the other shareholders have been reached, requires the Group to make estimates and judgments to determine whether it has unilateral rights to manage relevant activities in accordance with IFRS 10. Additionally, in order to establish the consolidation method of certain entities over which control is not exercised also requires Group Management to make judgments and estimates to determine whether they are considered jointly controlled companies, joint operations or associates for the purposes of preparing these consolidated financial statements.

2.3 Standards and interpretations approved by the European Union applied for the first time in the current year

The accounting policies used in the preparation of these consolidated financial statements comprise all applicable standards at the beginning of the period, including those that came into force in the current year:

Revised version of the Conceptual Framework for Financial Reporting underpinning IFRS Standards

The Conceptual Framework sets out the fundamental concepts of financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction.

The revised Conceptual Framework includes: a new chapter on measurement; improved definitions and guidance; and clarifications in more important areas, such as prudence and measurement of uncertainty.

IAS 1 and IAS 8 - *Definition of Material*

The amendments clarify the definition of material and how it should be applied. In addition, the explanations accompanying the definition have been improved and ensure that it is consistent across all IFRS Standards. These amendments have had no significant impact on the consolidated financial statements.

IFRS 7, IFRS 9 and IAS 39 - Interest Rate Benchmark Reform

These amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have had no significant impact on the consolidated financial statements.

IFRS 3 - Business combinations

The amendments change the definition of a business in IFRS 3 to determine whether a transaction should be accounted for as a business combination or as an acquisition of a group of assets.

The new definition of a business highlights that the output of a business is to provide goods or services to customers that generate investment income (such as dividends or interest) or other income from ordinary activities.

IFRS 16 - Covid-19-Related Rent Concessions

These amendments allow a lessee, as a practical expedient, not to assess whether a covid-19 related rent concession is a lease modification. A lessee that makes this election accounts for concessions in accordance with IFRS 16 Leases as if the said concessions were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if certain conditions are met. The Group has elected not to apply the practical expedient.

2.4 Standards and interpretations published by the IASB, but not applicable in the current year

The Group intends to adopt the standards, interpretations and amendments issued by the IASB, whose application is not mandatory in the European Union as at the date of authorizing the accompanying consolidated financial statements for issue, when they are effective, to the extent applicable to the Group.

IAS 1 - Presentation of Financial Statements: Classification of financial liabilities as current or non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. Specifically, the amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual periods beginning on or after January 1, 2023 and must be applied retrospectively.

IAS 16 - Proceeds before Intended Use

The amendments, issued by the IASB in May 2020, prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

The amendments are effective for annual periods beginning on or after January 1, 2022. The Group does not expect that these amendments will have any significant impact.

IAS 37 - Cost of Fulfilling a Contract

These amendments, issued by the IASB in May 2020, specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments propose a “direct cost approach”.

These amendments are effective for annual periods beginning on or after January 1, 2022.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – Phase 2

In August 2020 the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest rate benchmark reform – Phase 2. These amendments provide temporary relief from financial reporting while Interbank Offered Rates (IBORs) are replaced with risk-free rates (RFRs).

IFRS 17 Insurance contracts

In May 2017 the IASB issued IFRS 17 *Insurance contracts*, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among insurance companies. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general approach, supplemented by:

- A specific adaptation for all contracts with direct participation features (variable fee approach).
- A simplified approach (premium allocation approach) mainly for contracts with shorter duration.

IFRS 17 is effective for periods beginning on January 1, 2022 (taking into account the delay in its coming into effect) or after. and comparative figures must be included. Early application is permitted for entities that apply IFRS 9 and IFRS 15 on or before the date of initial application of IFRS 17. This standard is not applicable to the Group.

2.5 Consolidation methodology

Consolidation methodology is described in the following sections:

Consolidation methods

The methods applied to obtain these consolidated financial statements were as follows:

- Full consolidation method for subsidiaries
- Equity method for associates and jointly controlled companies

Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2020 financial statements of each company have been used.

The accounting principles applied by the companies comply with Group policies and, accordingly, no harmonization adjustments were necessary.

Elimination of internal transactions

The intercompany balances arising from financial operations, rental agreements, payment of dividends, financial assets and liabilities, purchase and sale of inventories and non-current assets and rendering of services have been eliminated. In regard with purchase and sale transactions, the unrealized margin on assets, as well as depreciation, has been adjusted in order to show the assets at their original cost to the Group.

Translation of financial statements in foreign currency

The financial statements of foreign companies have been translated into euros prior to their consolidation following the year-end rate method. Accordingly, the assets and liabilities are translated at the exchange rate prevailing at December 31, capital and reserves are translated at the historical exchange rate, and income and expenses at the average exchange rate of the year. Differences arisen from this process have been recorded directly under Translation differences in net equity.

2.6 Business combinations

When Group gains control over one constituted business, or directly over a business' net assets, the consideration transferred is assigned to assets, liabilities and contingent liabilities, measured at fair value. The difference between the sum of fair values and the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree at acquisition date is recognized as goodwill where it is positive or as income in the consolidated statement of comprehensive income where the difference is negative.

The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer.

The costs related to the acquisition, such as finder's fees, advice, legal, accounting valuation and other professional or consulting fees, are recognized as expenses in the years when they are incurred and the services are provided.

2.7 Intangible assets

Intangible assets are initially measured at acquisition cost less accumulated amortization and any impairment loss.

Goodwill is not amortized as it is considered to have an indefinite useful life. Instead, it is tested for impairment at least annually as well as intangible assets with indefinite useful lives. Likewise, the net carrying amount of intangible assets having finite useful life is tested for impairment when there is evidence or changes of not recovering the carrying amount, similar to the criteria established for property, plant and equipment.

Research expenses are charged to expenses when incurred, while development costs related to an individual project are capitalized when the Group can demonstrate the technical feasibility and profitability, the availability of financing resources, and incurred costs can be measured reliably. Development expenses to be capitalized, including the cost of materials, personnel expenses directly attributable and a fair proportion of overheads, are amortized using a declining method (50% the first year) over the period for which they expect to obtain profits or income from such project, which generally comprises three years.

Amounts paid to the owners of the sites where the slot machines are located on an exclusivity basis are capitalized as installation rights. They are amortized on a straight-line basis over the contract term.

Administrative concessions are amortized on a straight-line basis, according to the concession term, as well as transfer rights of leased premise.

Software is amortized on a straight-line basis over three years.

2.8 Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any recognized impairment loss.

The Group assesses whether there is an indication that the net carrying amount of property, plant and equipment may be impaired. If any indication exists, assets or cash-generating units are recorded at their recoverable amount.

Expenses for repairs which do not prolong the useful life of the assets, as well as maintenance expenses, are taken to the income statement in the year incurred. Expenses incurred for expansion or improvements which prolong the useful life of the asset are capitalized. Future expenses for restoring and retirement are recognized, at present value, as a cost component, with a liability provision as counterpart.

Depreciation charges are calculated over the estimated useful lives of the assets. Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful life. A declining basis is used alternatively for some assets, basically slot machines, since it better follows the actual pattern of income related to these assets.

	Method	Rate
Commercial buildings (new/used) and plant	Straight-line	2-4%
Production installations (new/used)	Straight-line	8-16%
Other installations	Straight-line	8-12%
Production machinery	Straight-line	10%
Other production equipment	Straight-line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight-line	40%
Furniture (new/used)	Straight-line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight-line	30-60%
Data processing equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight-line	25%
Other PP&E items	Straight-line	16%

The finite useful life of slot machines is necessarily subject to exogenous factors (mainly market and competence) of difficult forecast. In the event that such equipment completes its useful life before the base period used for depreciation, the net balance of the related good at the removal date is charged as depreciation for the year, given its recurrent and typical features, as well as its corrective nature of systematic depreciation performed on related goods.

2.9 Investments in associates

Investments are accounted for under the proportional consolidation method or the equity method, that is, they are accounted initially at cost and its carrying amount is increased or decreased in order to recognize the part of the result of the invested company attributed to the Group from the acquisition date.

Part of the profit (loss) for the year of the invested company is recorded in the Group consolidated statement of comprehensive income. Dividends received reduce the amount of the investment.

Changes in the invested company's equity different than those generated by income of the period are directly recorded as changes in the Group's net equity.

2.10 Financial assets

Financial assets are initially recorded at fair value. For investments not measured at fair value with changes in results, directly attributable transaction costs are added. The Group establishes the classification of financial assets at the initial recognition, and, when appropriate and allowed, the classification is assessed again at each year end.

Loans and receivables

The Group recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not quoted on active markets and for which the Group expects to recover the full initial investment, except, where applicable, in cases of credit deterioration.

Following initial recognition, these financial assets are measured at amortized cost.

Nevertheless, trade receivables which mature within less than one year with no contractual interest rate, as well as prepayments and loans to personnel, the amount of which is expected to be recovered in the short term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting cash flows is not significant.

2.11 Derecognition of financial assets and liabilities

Financial assets (or, when applicable, part of a financial asset or part of a group of similar financial assets) are derecognized when:

- Rights to related cash flows have expired;
- The Group has retained the right to receive related cash flows, but has assumed the liability of fully paying them within the established terms to a third party under a transfer agreement;
- The Group has transferred the rights to receive related cash flows and (a) has substantially transferred the risks and rewards incidental to the ownership of the financial asset, or (b) has not transferred or retained the asset's risks and rewards, but has transferred the control over the asset.

Financial liabilities are derecognized when the related liability is settled, cancelled or expired. When a financial liability is replaced for other from the same borrower but with substantially different terms, or the conditions of the existing liability are substantially modified, such change or modification is recorded as a disposal of the original liability and an addition of a new liability. Difference of related carrying amounts is recognized in the consolidated statement of comprehensive income.

2.12 Inventories

Inventories are accounted for at the lower of the acquisition cost and the recoverable amount.

The recoverable amount of raw materials is the replacement cost. Nevertheless, no provision is set aside for raw materials and other consumables used in production, if the finished products in which they are to be incorporated will be sold above cost. The recoverable value of finished products corresponds to the estimated sales price less related selling expenses.

The cost value of finished products includes materials measured at the weighted average acquisition price, third-party work, labor and production overhead.

2.13 Cash and cash equivalents

This heading includes cash, current accounts, bank deposits and other financial investments maturing within less than three months from the acquisition date, provided that risks of the substantial alteration of their value are not significant.

In terms of the consolidated statement of cash flows, cash and cash equivalents include the abovementioned concepts, net of bank overdrafts, if applicable.

2.14 Impairment of assets

Non-financial assets

The Group assesses at each year end whether there is an indication that a non-current asset may be impaired. If any indication exists, and when an annual impairment test is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the cash-generating unit (CGU) fair value less cost to sell and value in use, and it is established for each separate asset, unless for assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying amount is reduced to the recoverable amount. To assess value in use, expected cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. Impairment losses from continuing activities are recognized in the consolidated statement of comprehensive income.

The Group assesses at year end indicators of impairment losses previously recorded in order to verify whether they have disappeared or decreased. If there are indicators, the Group estimates a new recoverable amount. A previously recognized impairment loss is reversed only if the circumstances giving rise to it have disappeared, since the last loss for depreciation was recognized. In this regard, the asset's carrying amount increases to their recoverable amount. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

The reversal is recognized in the consolidated statement of comprehensive income. Upon such reversal, the depreciation expense is adjusted in the following periods to amortize the asset's revised book value, net of its residual value, systematically over the asset's useful life.

Financial assets

The Group assesses at year end if financial assets or group of financial assets are impaired. To assess the impairment of certain assets, the following criteria are applied:

- Assets measured at amortized cost

If there is objective evidence that there is an impairment loss of loans and other receivables recorded at amortized cost, the loss is measured as the difference between the book value and the present value of estimated cash flows, discounted at the current market rate upon initial recognition. The book value is reduced by an allowance, and the loss is recorded in the consolidated statement of comprehensive income.

Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

In regard with trade and other receivables, when there is objective evidence of not collecting them, an adjustment is made based on identified bad debts risk.

2.15 Provisions

Provisions are recognized when:

- the Group has a present obligation either legal, contractual or constructive as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation can be reliably measured.

When the effect of the cash temporary value is significant, the provision is estimated as the present value of the future cash flows required to settle the obligation.

The discount rate applied in the assessment of the obligation's present value only corresponds to the temporary value of money and does not include the risks related to the estimated future cash flows related to the provision. The increase of the provision derived from the aforementioned discount is recorded as a financial expense.

2.16 Interest yield loans and credits

Loans and credits are initially measured at cost value, which is the fair value of the contribution received, net of issuance costs related to the debt.

Upon initial recognition, interest yield loans and credits are recognized at amortized cost using the effective interest rate method, including any issuance cost and discount or settlement premium.

2.17 Translation of balances in foreign currency

Transactions in foreign currency are translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the closing date. Unrealized exchange gains or losses are recognized in the consolidated statement of comprehensive income. As an exception, exchange gains or losses arising from monetary assets and liabilities that reflect investments in foreign subsidiaries are recorded in *Translation differences* in equity, with no impact on the consolidated statement of comprehensive income.

2.18 Leases

At inception of a contract, the Group assess whether the contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for leases of low-value assets and short-term leases. The Group recognizes the lease liabilities representing its obligation to make lease payments and the assets representing the right to use the underlying leased asset.

i) Right-of-use assets

The Group recognizes the right-of-use assets at the commencement of the lease (that is, the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciated and impairment losses, and adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use asset comprises the amount of recognized lease liabilities, initial direct costs incurred and lease payments made at or before the commencement of the lease, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shortest lease term and the useful lives of the assets.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost shows the exercise of a purchase option, depreciation is calculated using the estimated useful live of the asset. Right-of-use assets are also subject to impairment. Accounting policies are described in Note 2.14.

ii) Lease liabilities

At the commencement of the lease, the Group recognizes a lease liability at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease. Variable lease payments that depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers those payments occurs.

To calculate the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement of the lease because the interest rate implicit in the lease cannot be readily determined. Subsequent to the commencement of the lease, the carrying amount of lease liabilities is increased to reflect interest thereon and reduced to reflect the lease payments made. Additionally, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (ie changes in future lease payments resulting from a change in an index or rate used to determine those payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the recognition exemption for short-term leases to its short-term leases on machinery and equipment (that is, leases that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to office equipment leases that are considered of low value. Lease payments associated with short-term leases or leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

2.19 Income

Revenues are recognized when it is probable that the economic benefits from the transaction will flow to the Group and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenues from exploiting slot machines are measured at the collected amount. The percentage of the amount collected from slot machines attributable to the owner of the premises where the machine is located is included as operating expense under *Variable rent*.

Revenues from bingo cards are recognized for the total amount of sold cards, based on their face value, while recognizing the prizes granted to players as a decrease in operating revenues. The card cost is recorded in *Consumptions*, and the gaming tax rate over purchased bingo cards is included under *Gaming taxes*.

Revenue from casinos and sporting bets is recorded for the net amount from the game ("win"), after deducting prizes removed by players.

Revenue from sale of finished products is measured when risks and significant benefits incidental to the ownership of the assets have been transferred to the buyer and the outcome can be estimated reliably, circumstance that generally arises with the effective goods delivery.

Interest income is recorded based on the time passed, including the asset's effective yield.

2.20 Restructuring expenses

Expenses incurred in restructuring processes, mainly indemnities to personnel, are recognized when a formal and detailed plan exists to perform such process by identifying the main parameters (i.e. main locations, functions and approximate number of affected employees, estimated payments and the implementation schedule) and creating a real and valid expectation among affected employees in regard with the process.

2.21 Income tax

Deferred income tax is recognized on all temporary differences at the closing date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position.

Deferred tax liabilities are recognized for all temporary differences, except for taxable temporary differences arisen from an acquired goodwill, which amortization is not tax deductible and those arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Likewise, a deferred tax liability is recognized for all taxable temporary differences from investments in subsidiaries, associates or jointly controlled companies, except when both the following conditions are met: (a) the Group is able to manage the reversal date of the temporary difference and (b) the temporary difference will not be reversed in the future. In this regard, when the results are generated in subsidiaries in countries where there is not an agreement to avoid double taxation and the Group's policy is the repatriation of dividends, the Group records a deferred tax related to the effective amount that would be filed when profits are repatriated.

Deferred tax assets are recognized for all deductible temporary differences, tax credits related to unused tax loss carryforwards and unused deductions, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized, except for deductible temporary differences arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Furthermore, only a deferred tax asset is recognized for all deductible temporary differences from investments in subsidiaries, associates or jointly controlled companies when both the following conditions met: (a) the temporary difference will be reversed in the future, and (b) it is probable that future taxable profit will be available against which these temporary differences may be utilized.

The recovery of deferred tax assets is reviewed at year end, reducing the amount in assets to the extent that it is probable that future taxable benefits will not be available and consequently these assets could not be utilized.

Deferred taxes are measured based on the tax legislation and charge rates enacted or to be enacted, at the date of consolidated statement of financial position.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

2.22 Contingencies

When unfavorable outcome of a situation that leads to a potential loss is likely to occur (i.e. more than 50% of possibilities), the Group establishes a provision which is recorded based on the best estimate of present value of expected future disbursement. On the other hand, if expectations of favorable resolution are more likely, no provision is recorded, which is reported in the notes of existing risks, unless the possibility of a negative outcome is clearly considered remote.

2.23 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the consolidated statement of financial position as current and non-current according to their maturity date. Current assets mature within one year from the closing date, and non-current assets mature in more than such period.

3. FINANCIAL INFORMATION BY OPERATING SEGMENT

The Group's activities are organized and managed separately based on the nature of the services and products provided. Each segment represents one strategic business unit that provides different services and offers products to different markets whose operating profit or loss are examined on a regular basis by the Group's ultimate operating decision-making body in order to decide on the resources to be allocated to the segment and assess its performance.

An operating segment has been considered to be an identifiable unit of the Group responsible for supplying a unique product or service, or alternatively a set of these which are inter-related, and which is characterized by being subject to risks and yields of a different nature from those which correspond to other operating segments within the Group.

Assets, liabilities, income and expenses by segment include those directly attributable, together with those which may be reasonably attributed. Unallocated captions by the Group correspond to deferred tax assets and liabilities balances.

Transfer prices between segments are determined based on the actual costs incurred increased by a reasonable trade margin.

3.1 Operating segments

The distribution of the operating segments on which information is disclosed coincides with the information usually handled by Management. The operating segments defined by the Group are as follows:

Slots:

It owns and operates slot machines in bars, cafés, restaurants and amusement arcades in Spain and Italy. It also provides machine interconnection services in Italy.

B2B:

It designs, manufactures and distributes slot machines and gaming kits for the Spanish and international markets. The division sells directly or through distributors to other divisions of the Group, mainly slot division, and third parties

Casinos:

The Group operates with two types of casinos, traditional casinos, which include table games and casino slot machines, and electronic casinos which only operate with casino slot machines.

Bingos:

Operation of bingo halls mainly in Spain and, to a lesser extent, in Italy and Mexico. These halls operate through the sale of bingo cards to customers and, to a lesser extent, through slot machines and restaurant services.

Bets:

The Group's corporate purpose consists in the marketing and operation of bets at own or third-party halls, performance of related activities and manufacture of gaming material for bets. Additionally, the Group operates online bets in Spain through the website "sportium.es".

Other segments:

Segments that aggregately represent less than 10% of total external and internal revenue, less than 10% of the combined result of all segments with aggregated benefits, and less than 10% of total assets have been considered as irrelevant. Thus, no specific information thereon is provided and they have been grouped together under this generic heading.

The table below shows information on the income and results, certain information on assets and liabilities, and other information regarding these business segments at December 31, 2020 and 2019.

2020

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Eliminations and other	Total
Assets by segment							
Allocated non-current assets	926,882	35,059	940,465	274,216	135,819	562,810	2,875,251
Unallocated non-current assets	-	-	-	-	-	98,584	98,584
Allocated current assets	138,262	34,516	66,356	28,919	23,587	106,900	398,540
Total Assets	1,065,144	69,575	1,006,821	303,135	159,406	768,294	3,372,375
Liabilities by segment							
Allocated liabilities	(875,000)	(34,761)	(397,951)	(168,361)	(59,504)	(1,329,574)	(2,865,151)
Unallocated liabilities	-	-	-	-	-	(248,078)	(248,078)
Total Liabilities	(875,000)	(34,761)	(397,951)	(168,361)	(59,504)	(1,577,652)	(3,113,229)
Operating income net of variable rent							
Sales to external customers	458,623	18,162	177,055	92,374	106,616	(10,460)	842,370
Intragroup revenue	7,574	21,648	1,274	2,112	3,852	(36,460)	-
Total operating income net of variable rent	466,197	39,810	178,329	94,486	110,468	(46,920)	842,370
Profit/(loss)							
EBITDA (*)	85,727	(4,007)	34,157	5,569	18,716	(14,110)	126,052
Finance income	25,237	48	3,076	720	2,074	(29,968)	1,187
Finance costs	(38,237)	(511)	(8,007)	(4,289)	(482)	(100,391)	(151,917)
Profit/(loss) before tax	(52,684)	(12,149)	(140,953)	(54,015)	6,264	(80,081)	(333,618)
Income tax	7,830	2,902	30,074	16,801	(1,818)	9,086	64,875
Profit/(loss) after tax	(44,853)	(9,248)	(110,879)	(37,215)	4,446	(70,994)	(268,743)
Non-monetary expenses							
Charge to depreciation and amortization and impairment of assets	(118,200)	(7,122)	(144,124)	(50,872)	(13,480)	7,325	(326,473)
Change in operating provisions	(3,385)	(348)	147	(1)	(364)	(4,663)	(8,614)
Other significant expenses							
Employee benefits expense	(62,485)	(17,554)	(53,201)	(31,686)	(19,044)	(18,245)	(202,215)
Utilities and external services	(56,931)	(6,363)	(58,211)	(32,905)	(56,201)	31,069	(179,542)
Gaming taxes	(239,239)	(165)	(30,094)	(19,486)	(15,824)	(94)	(304,902)
Other segment information							
Investment in non-current assets (cash flow)	60,138	2,984	40,246	14,357	6,260	1,162	125,147
Investments in associates (balance sheet):	19,615	-	-	9,734	-	-	29,349
Non-controlling interests (profit and loss)	(944)	10	(12,280)	(890)	-	-	(14,104)

(*) EBITDA is defined for financial reporting purposes, as profit or loss before income tax, finance income or costs, profit or loss from investments in associates, profit or loss from sale/derecognition of non-current assets, change in operating provisions and depreciation and amortization charges and impairment.

2019

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Eliminations and other	Total
Assets by segment							
Allocated non-current assets	1,072,518	27,863	1,647,288	567,966	175,836	(280,613)	3,210,858
Unallocated non-current assets	-	-	-	-	-	61,337	61,337
Allocated current assets	119,570	53,148	140,022	41,301	28,521	(41,193)	341,369
Total Assets	1,192,088	81,011	1,787,310	609,267	204,357	(260,469)	3,613,564
Liabilities by segment							
Allocated liabilities	(821,674)	(31,811)	(371,257)	(198,620)	(40,593)	(1,200,330)	(2,664,285)
Unallocated liabilities	-	-	-	-	-	(306,597)	(306,597)
Total Liabilities	(821,674)	(31,811)	(371,257)	(198,620)	(40,593)	(1,506,927)	(2,970,882)
Operating income net of variable rent							
Sales to external customers	773,760	47,603	537,223	246,674	31,336	(22,036)	1,614,560
Intragroup revenue	7,537	43,513	1,907	4,986	-	(57,943)	-
Total operating income net of variable rent	781,297	91,116	539,130	251,660	31,336	(79,979)	1,614,560
Profit/(loss)							
EBITDA (*)	169,554	14,011	232,439	76,687	5,112	(25,109)	472,694
Finance income	1,637	585	3,748	1,797	72	(5,896)	1,943
Finance costs	(29,876)	(577)	(6,534)	(5,503)	(22)	(123,452)	(165,964)
Profit/(loss) before tax	34,650	7,272	74,024	15,146	25,978	(130,784)	26,286
Income tax	(9,382)	(1,951)	(16,049)	(3,267)	(16)	15,959	(14,706)
Profit/(loss) after tax	25,268	5,321	57,975	11,879	25,962	(114,825)	11,580
Non-monetary expenses							
Charge to depreciation and amortization and impairment of assets	(100,795)	(6,200)	(144,375)	(51,039)	(3,109)	7,690	(297,828)
Change in operating provisions	(2,838)	(441)	43	-	-	(607)	(3,843)
Other significant expenses							
Employee benefits expense	(77,011)	(21,705)	(97,796)	(50,296)	(4,880)	(16,210)	(267,898)
Utilities and external services	(69,213)	(12,272)	(111,872)	(57,348)	(16,478)	31,709	(235,474)
Gaming taxes	(422,783)	(186)	(87,802)	(54,930)	(4,461)	(198)	(570,360)
Other segment information							
Investment in non-current assets (cash flow)	66,569	4,900	60,784	18,051	1,804	1,243	153,351
Investments in associates (balance sheet):	20,661	-	-	12,226	-	-	32,887
Non-controlling interests (profit and loss)	6,958	175	9,953	712	-	450	18,248

(*) EBITDA is defined for financial reporting purposes, as profit or loss before income tax, finance income or costs, profit or loss from investments in associates, profit or loss from sale/derecognition of non-current assets, change in operating provisions and depreciation and amortization charges and impairment.

3.2 Information on geographical segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The table below shows this information at December 31, 2020 and 2019:

2020

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in non-current assets
Spain	479,668	50,464	530,132	1,252,306	69,605
Latin America	186,840	308	187,148	1,525,722	49,996
Italy	175,862	-	175,862	124,278	5,546
Eliminations and other	-	(50,772)	(50,772)	470,069	-
	842,370	-	842,370	3,372,375	125,147

2019

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in non-current assets
Spain	657,059	88,534	745,593	1,175,934	74,318
Latin America	575,695	796	576,491	1,757,775	69,008
Italy	381,806	-	381,806	138,945	9,699
Eliminations and other	-	(89,330)	(89,330)	540,910	326
	1,614,560	-	1,614,560	3,613,564	153,351

4. BUSINESS COMBINATIONS AND ACQUISITIONS OF SUBSIDIARIES

4.1 Acquisitions in 2020

The breakdown of the amounts related to acquisition in 2020 is as follows:

Name and description of the entities and business	Acquisition date	(Millions of euros)				
		Acquisition cost	Fair value of the assets acquired	Non-controlling interests arisen in the business combination	Fair value of the previous ownership interest	Goodwill generated (Note 5)
Playspace, S.L.	November 2020	11,814	11,814	-	-	-

Had the acquisition taken place at the beginning of the year, consolidated operating income in 2020 would have increased by 5,592 thousand euros and consolidated profit/(loss) for the year 2020 would have increased by 236 thousand euros. Additionally, since its acquisition date this company has contributed net profit to the Group amounting to 160 thousand euros.

4.2 Acquisitions in 2019

During 2019 the breakdown of amounts related to the acquisition of Giga Group, 50% of the Sportium subgroup, and Casino Central is as follows:

(Millions of euros)						
Name and description of the entities and business	Acquisition date	Acquisition cost	Fair value of the assets acquired	Non-controlling interests arisen in the business combination	Fair value of the previous ownership interest	Goodwill generated (Note 5)
Giga Group	July 2019	283	82	(9)	-	191
Sportium subgroup	October 2019	73	107	-	73	38
Casino Central	November 2019	36	24	-	-	12
		392	213	(9)	73	242

The values of the identifiable assets and liabilities at the date of gaining control over the business combinations, excluding resulting goodwill, were as follows:

(Millions of euros)	Recognized on acquisition	Book value
Property, plant and equipment	79	28
Intangible assets	169	72
Other non-current assets	15	15
Current assets	55	55
Deferred tax liabilities arisen	(39)	(1)
Other current and non-current liabilities	(66)	(66)
	213	103

Had the acquisitions taken place at the beginning of the year, consolidated operating income in 2019 would have increased by 204,813 thousand euros and consolidated profit/(loss) for the year 2019 would have increased by 15,691 thousand euros. Additionally, since their acquisition date these companies have contributed profit to the Group amounting to 13,790 thousand euros.

4.3 Other acquisitions in 2019

The breakdown of the companies constituting a business over which unilateral and exclusive control was gained in 2019 is summarized as follows:

(Thousands of euros)						
Name and description of the entities and business	Acquisition date	Acquisition cost	Fair value of the assets acquired	Non-controlling interests arisen in the business combination	Fair value of the previous ownership interest	Goodwill generated (Note 5)
Recreativos Sortia, S.L.U.	January 2019	1,087	1,087	-	-	-
First Game, S.L.	January 2019	414	414	-	-	-
Redeye Games, S.L.	January 2019	692	692	-	-	-
Palabingo S.r.l.	September 2019	5,559	5,536	(23)	-	-
		7,752	7,729	(23)	-	-

The values of the identifiable assets and liabilities at the date of gaining control over the business combinations were as follows:

(Thousands of euros)	Recognized on acquisition	Book value
Property, plant and equipment	841	841
Intangible assets	12,992	2,050
Other non-current assets	250	250
Current assets	1,675	1,675
Liabilities (including deferred taxes generated)	(8,029)	(5,070)
	7,729	(254)

Had the acquisitions taken place at the beginning of the year, consolidated operating income in 2019 would have increased by 3,525 thousand euros and consolidated profit/(loss) for the year 2019 would have increased by 26 thousand euros. Additionally, since their acquisition date these companies have contributed net profit to the Group amounting to 533 thousand euros.

5. GOODWILL

The breakdown of and movements in goodwill by operating segment is as follows:

2020

(Thousands of euros)	2019	Additions	Other	2020
Slots	552,898	-	2,778	555,676
Casinos	481,339	2,037	3,604	486,980
Bingos	146,590	-	1,126	147,716
Bets	38,237	-	-	38,237
	1,219,064	2,037	7,508	1,228,609

2019

(Thousands of euros)	2018	Additions	Other	2019
Slots	358,197	191,310	3,391	552,898
Casinos	464,688	12,252	4,399	481,339
Bingos	145,215	-	1,375	146,590
Bets	-	38,237	-	38,237
	968,100	241,799	9,165	1,219,064

Goodwill has arisen in recent years, mainly due to the acquisition in 2018 of the Cirsa Gaming Corporation, S.A. Group and subsidiaries and significant acquisitions carried out in 2019 (Note 4.2). The *Other* column corresponds to price adjustments made in 2020 and 2019 to the acquisition of Cirsa Gaming in 2018.

At December 31, 2020 and 2019 there have been no impairment losses on goodwill (Note 10.1).

Note 10 below shows the several items related to the potential impairment test conducted on the Group's assets.

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2020
COST						
Development costs and patents	70,972	7,037	(3)	-	(959)	77,047
Service concession arrangements	68,912	832	-	-	(1,212)	68,532
Installation rights	1,537,875	53,128	(23,338)	-	(95,843)	1,471,822
Transfer rights	13,618	256	(210)	-	(1,084)	12,580
Software	45,333	7,160	(7,937)	551	(2,156)	42,951
Prepayments and other	42	146	(36)	-	-	152
	1,736,752	68,559	(31,524)	551	(101,254)	1,673,084
AMORTIZATION						
Development costs and patents	(56,886)	(8,081)	2	-	478	(64,487)
Service concession arrangements	(41,176)	(5,975)	-	-	270	(46,881)
Installation rights	(373,334)	(140,492)	21,262	-	722	(491,842)
Transfer rights	(8,761)	(726)	95	-	420	(8,972)
Software	(36,517)	(3,545)	5,038	-	1,766	(33,258)
	(516,674)	(158,819)	26,397	-	3,656	(645,440)
Impairment losses	(13,129)	(13,115)	1,032	-	7	(25,205)
Net carrying amount	1,206,949	(103,375)	(4,095)	551	(97,591)	1,002,439

2019

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2019
COST						
Development costs and patents	66,527	5,457	(1,443)	-	431	70,972
Service concession arrangements	98,511	4,115	(34,745)	-	1,031	68,912
Installation rights	1,272,443	256,969	(14,425)	1,322	21,566	1,537,875
Transfer rights	13,375	1,463	(285)	(1,322)	387	13,618
Software	32,357	14,793	(2,657)	358	482	45,333
Prepayments and other	32	10	-	-	-	42
	1,483,245	282,807	(53,555)	358	23,897	1,736,752
AMORTIZATION						
Development costs and patents	(52,331)	(5,663)	1,280	-	(172)	(56,886)
Service concession arrangements	(67,459)	(7,578)	34,656	-	(795)	(41,176)
Installation rights	(219,885)	(163,678)	11,459	(1,129)	(101)	(373,334)
Transfer rights	(7,761)	(2,044)	60	1,129	(145)	(8,761)
Software	(27,264)	(11,507)	2,581	-	(327)	(36,517)
	(374,700)	(190,470)	50,036	-	(1,540)	(516,674)
Impairment losses	(4,869)	(9,360)	1,102	-	(2)	(13,129)
Net carrying amount	1,103,676	82,977	(2,417)	358	22,355	1,206,949

The *Additions* column in 2020 includes the effect of the other business combinations (Note 4), which has amounted to an overall gross value of 19,146 thousand euros (237,775 thousand euros in the prior year) and accumulated amortization of 3,143 thousand euros (55,250 thousand euros in the prior year). These amounts related almost entirely to *Installation rights*, just like in 2019.

Most of the rest of additions in 2020 and 2019 included in *Installation rights* mainly relate to the non-refundable payment in exchange for the exclusive rights to operate the halls where the slot machines were located. The disposals in this caption for both years mainly relate to installation rights pending amortization in halls which had been closed, or it was decided not to operate the machines for profitability reasons.

6.2 Development costs and patents

They mainly correspond to:

- Industrial companies: Creation of new models of slot machines and technological innovation for them. The net value at December 31, 2020 and 2019 is 5,309 and 6,958 thousand euros, respectively.
- Companies engaged in lotteries and interactive products: Software development for online gaming applications. The net value at December 31, 2020 and 2019 is 2,722 thousand euros and 3,125 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group is recorded as development costs and patents with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. Said work performed by the Group for its intangible assets in 2020 and 2019 amounts to 3,264 and 4,857 thousand euros, respectively.

Research and development costs recognized as an expense in 2020 amount to 7 thousand euros (12 thousand euros at December 31, 2019) (Note 20.2).

6.3 Service concession arrangements

The most significant items in the gross balance of service concession arrangements at December 31, 2020 are as follows:

- Official contract to manage and operate slot machine halls in the Republic of Panama for an amount of 12,904 thousand euros (13,316 thousand euros at December 31, 2019). The net value of this concession at December 31, 2020 amounts to 11,054 thousand euros (11,984 thousand euros at December 31, 2019).
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,768 thousand euros at December 31, 2020 (40,768 thousand euros at December 31, 2019). The net value of this concession at December 31, 2020 amounts to 4,177 thousand euros (8,257 thousand euros at December 31, 2019).

6.4 Installation rights

This caption includes the amount given in exchange for the exclusive rights to operate in the halls where the slot machines are located, and the effect of the business combination indicated in Note 4.

6.5 Impairment losses

The impairment losses recorded during 2020 mainly correspond to the impairment of installation rights for an amount of 11,644 thousand euros (8,000 thousand euros in 2019), which have been registered as a result of the impairment test made on the Group's assets (Note 10).

6.6 Other information

At 2020 year end, the net value of intangible assets in foreign companies amounts to 680,393 thousand euros (851,672 thousand euros at 2019 year end).

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2020
Cost						
Land and buildings	106,029	737	(5,994)	2,708	(9,032)	94,448
Technical installations	145,798	3,287	(1,834)	678	(8,208)	139,721
Machinery	651,272	44,901	(48,134)	4,088	(47,351)	604,776
Data processing equipment	75,799	3,313	(3,119)	562	(2,729)	73,826
Transport equipment	3,998	115	(383)	7	(184)	3,553
Other installations, tools, furniture, and other PP&E	373,973	12,626	(3,276)	3,766	(17,817)	369,272
Property, plant and equipment under construction	11,294	11,530	(1,755)	(12,360)	414	9,123
	1,368,163	76,509	(64,495)	(551)	(84,907)	1,294,719
Depreciation						
Buildings	(40,270)	(6,073)	2,123	-	2,954	(41,266)
Technical installations	(92,986)	(11,019)	1,126	-	6,288	(96,591)
Machinery	(489,198)	(67,370)	33,780	1	35,931	(486,856)
Data processing equipment	(66,851)	(4,436)	2,458	(1)	2,270	(66,560)
Transport equipment	(3,490)	(154)	355	-	147	(3,142)
Other installations, tools, furniture, and other PP&E	(272,307)	(19,931)	2,573	-	13,455	(276,210)
	(965,102)	(108,983)	42,415	-	61,045	(970,625)
Impairment losses	(5,492)	(1,719)	1,624	-	401	(5,186)
Net carrying amount	397,569	(34,193)	(20,456)	(551)	(23,461)	318,908

2019

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2019
Cost						
Land and buildings	99,645	17,912	(15,988)	2,772	1,688	106,029
Technical installations	80,770	60,164	(1,281)	4,755	1,390	145,798
Machinery	561,050	139,071	(68,623)	11,295	8,479	651,272
Data processing equipment	60,449	14,852	(612)	550	560	75,799
Transport equipment	3,492	686	(202)	-	22	3,998
Other installations, tools, furniture, and other PP&E	297,541	72,163	(3,795)	4,315	3,749	373,973
Property, plant and equipment under construction	12,237	23,543	(431)	(24,045)	(10)	11,294
	1,115,184	328,391	(90,932)	(358)	15,878	1,368,163
Depreciation						
Buildings	(34,093)	(7,327)	1,747	-	(597)	(40,270)
Technical installations	(61,821)	(31,054)	1,103	(198)	(1,016)	(92,986)
Machinery	(435,242)	(99,791)	52,054	198	(6,417)	(489,198)
Data processing equipment	(53,745)	(13,293)	552	1	(366)	(66,851)
Transport equipment	(2,992)	(679)	197	-	(16)	(3,490)
Other installations, tools, furniture, and other PP&E	(225,119)	(49,315)	5,039	(1)	(2,911)	(272,307)
	(813,012)	(201,459)	60,692	-	(11,323)	(965,102)
Impairment losses	(4,711)	(13,020)	12,328		(89)	(5,492)
Net carrying amount	297,461	113,912	(17,912)	(358)	4,466	397,569

The 'Additions' column in 2020 mainly shows:

- The effect of the other business combinations (Note 4), which has amounted to an overall gross value of 172 thousand euros (189,702 thousand euros in the prior year) and accumulated depreciation of 95 thousand euros (110,322 thousand euros in the prior year).
- Investments in assets in Spain (30,451 thousand euros), Colombia (6,869 thousand euros), Italy (4,358 thousand euros), Peru (4,107 thousand euros) and Panama (10,741 thousand euros) mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 11,530 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

Additions in 2019 also included investments in assets in Spain (35,782 thousand euros), Colombia (15,986 thousand euros), Mexico (10,067 thousand euros), Peru (15,533 thousand euros) and Panama (21,786 thousand euros) mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 23,543 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

The *Disposals* column in 2020 and 2019 includes sales of several assets and other disposals, basically due to the replacement of slot machines, which in 2020 resulted in losses of 1,672 thousand euros (losses of 5,028 thousand euros in the prior year).

7.2 Work performed by the Group and capitalized

The cost value of the machines manufactured by group companies that after being sold to operational companies of the Cirsa Group are operated by them is recorded as property, plant and equipment with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. The work performed by the Group and capitalized as property plant and equipment in 2020 and 2019 amounts to 29,603 and 47,795 thousand euros, respectively.

7.3 Assets used as guarantees

Several property, plant and equipment items, whose net value at December 31, 2020 and 2019 was 1,355 and 785 thousand, respectively, were used as guarantee for mortgage loan debts.

7.4 Assets subject to charges and limitations

All assets can be freely used, except for the assets used as guarantees indicated in Note 7.3 and those acquired under finance lease arrangements, whose net carrying amount is 1,478 thousand euros at December 31, 2020 (168 thousand euros at December 31, 2019).

7.5 Assets located outside of Spain

The net value of the assets located outside of Spain amounts to 167,704 thousand euros at December 31, 2020 (215,199 thousand euros at December 31, 2019).

7.6 Investment commitments

Firm investment commitments amount to 442 thousand euros at December 31, 2020 (7,225 thousand euros at December 31, 2019).

8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

2020

(Thousands of euros)	Book value of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the period
AOG, S.R.L.	9,734	18,558	14,383	43,533	(4,984)
Unión de Operadores Reunidos, S.A.	19,194	14,089	4,719	10,274	1,002
Other	421	16,831	11,246	23,872	(1,777)
	29,349	49,478	30,348	77,679	(5,759)

2019

(Thousands of euros)	Book value of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the period
AOG, S.R.L.	12,226	21,833	12,754	100,976	434
Unión de operadores reunidos S.A.	18,693	11,081	2,713	23,992	5,094
Other	1,968	20,957	18,678	39,871	1,428
	32,887				

The associates consolidated using the equity method had no contingent liabilities or capital commitments at December 31, 2020 and 2019.

The annual variation in the 'Investments in associates' caption is as follows:

(Thousands of euros)	2020	2019
Balance at January 1	32,887	78,990
Share in profit/(loss) for the year	(3,538)	4,322
Business combination Sportium subgroup (Nota 4.1)	-	(50,425)
Balance at December 31	29,349	32,887

The transactions carried out during the 2020 and 2019 between the above-listed companies and the companies accounted for using the full and/or proportional consolidation method are not relevant.

9. FINANCIAL ASSETS

This caption consists of the following balances:

(Thousands of euros)	2020			2019		
	Non-current	Current	Total	Non-current	Current	Total
<u>Loans and receivables</u>						
Joint ventures and associates	317	1,388	1,705	1,659	1,749	3,408
Loans to third parties	23,441	-	23,441	29,873	-	29,873
Guarantees and deposits	9,097	7,796	16,893	9,689	19,300	28,989
Fixed income securities and deposits	-	341	341	-	12,551	12,551
Trade and other receivables	-	114,332	114,332	-	152,155	152,155
Other	7,920	1,177	9,097	8,465	3,892	12,357
	40,775	125,034	165,809	49,686	189,647	239,333
Impairment losses	(419)	(37,344)	(37,763)	(434)	(37,426)	(37,860)
	40,356	87,690	128,046	49,252	152,221	201,473

The Group considers that the fair values of these do not differ significantly from the amounts recorded.

The accumulated balance of impairment losses on non-current financial assets mainly relates to loans to third parties, whereas the amount of impairment losses on current financial assets mainly relates to trade and other receivables (36,417 and 36,560 thousand euros at December 31, 2020 and 2019, respectively). The remainder of the balance amounting to 927 thousand euros corresponds to impairment losses on current financial investments (866 thousand euros at December 31, 2019).

9.1 Loans and receivables

Balances to joint ventures and associates

This caption breaks down as follows:

(Thousands of euros)	2020	2019
Current accounts with joint ventures and associates and loans	317	1,659
Trade transactions	1,388	1,749
	1,705	3,408

(*) The amounts receivable from the joint ventures included in the table above are the remaining balances after the eliminations upon consolidation.

The annual maturity of these assets is as follows:

(Thousands of euros)	2020	2019
Within 1 year	1,388	1,749
Between 1 and 2 years	-	-
Between 2 and 3 years	-	1,659
Between 3 and 4 years	-	-
Between 4 and 5 years	317	-
	1,705	3,408

The average interest rate of these assets in 2020 was 0.5% (2019: 6.91%).

Loans to third parties

The breakdown of non-current loans to third parties is as follows:

(Thousands of euros)	2020	2019
Mortgage loan in US dollars to a company that owns a hotel in Dominican Republic where a casino operated by the Group is located. It earns an annual interest of 5%.	6,983	8,190
Accounts receivable from the industrial division.	3,181	3,322
Deferred collection for the sale of a non-controlling interest in an Italian company of the operational division	-	287
Deferred collection for the sale of a non-controlling interest in a Spanish company of the operational division	-	948
Current accounts with third parties for Group purposes, at an interest rate of 2%	-	1,021
Other	13,277	16,105
	23,441	29,873

The breakdown of maturity dates for non-current loans to third parties is as follows:

(Thousands of euros)	2020	2019
Between 1 and 2 years	13,479	14,846
Between 2 and 3 years	2,481	4,426
Between 3 and 4 years	742	1,651
Between 4 and 5 years	769	953
More than 5 years	5,970	7,997
	23,441	29,873

Trade and other receivables

This caption consists of the following balances:

(Thousands of euros)	2020	2019
Trade receivables	34,742	59,576
Impairment losses	(36,417)	(36,560)
Public administrations	28,163	42,116
Other accounts receivable	51,427	50,463
	77,915	115,595

Receivables from Public administrations mainly correspond to payments on account of income tax, VAT and other tax receivables.

Other receivables mainly relate to loans granted to establishments and suboperators.

The balance of *Trade and other receivables* is shown net of impairment loss. The movements in the impairment loss allowance are as follows:

(Thousands of euros)	2020	2019
Balance at January 1	37,426	34,977
Net charges for the year	4,610	2,311
Utilized	(4,702)	(2,556)
Additions of companies	10	2,694
Balance at December 31	37,344	37,426

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2020 (120 days at December 31, 2019).

10. IMPAIRMENT TEST

10.1 Goodwill

Cash-generating units

Goodwill acquired through business combinations and any other intangible assets with indefinite useful lives have been attributed to cash-generating units for impairment testing. The breakdown of cash-generating units is as follows:

- Operational segment in Spain and Italy.
- Bingo groups in Spain and Mexico.
- Casinos in Spain, Panama, Colombia, Mexico, Dominican Republic, Peru, Costa Rica and Morocco.
- Bets in Spain and other countries (Sportium).

Note 5 indicates the distribution of Goodwill at December 31, 2020 and 2019.

Key assumptions

Budgeted gross margins - the bases for determining the value allocated to the budgeted gross margins is the average of the gross margins obtained in the year, increased by expected efficiency improvements. The period used in said projections is 5 years. From year five onwards projections are extrapolated using a growth rate similar to the growth rate equivalent to expected inflation.

Increase in costs - the basis for determining the value allocated to the increase in costs is the price index expected during the year for the different countries and segments. The values allocated to the key assumptions are consistent with external information sources.

Discount rates - the basis for determining the discount rate applied in the cash flow projections is determined based on the specific risk of each cash-generating unit, considering the type of activity and countries in which they are located. The discount rates used by activity and geographical area (ranging between 7% and 11%) for the CGUs that have been allocated significant goodwill:

Growth rate - the basis for determining the growth rate used to extrapolate the flows to obtain the terminal value is the expected growth rate of inflation in each geographical area. The growth rate used range between 1.2% and 4%.

Test results

As a result of the impairment tests on goodwill carried out in 2020 and 2019, no impairment adjustments needed to be recorded.

Sensitivity analysis

The Group has done a sensitivity analysis for each of the aforementioned key assumptions.

For all goodwill allocated to the corresponding CGUs at December 31, 2020, if a sensitivity analysis considering a growth rate reduction of 350 basis points or a discount rate increase of 300 basis points was conducted on the recoverable amount calculated based on the value in use, no need for impairment would arise.

Based on this analysis, the Group has concluded that no reasonably possible change in the assumptions has occurred that would entail the need to record impairment losses on the assets of each cash-generating unit.

10.2 Other assets

Impairment indicators used by the Group to determine the need of an impairment test on other non-current assets, amongst others, are as follows:

- Significant drop of the result over the same period in the prior year, and/or over the budget.
- Legislative changes in progress or planned, which could lead to negative effects.
- Change of strategy or internal expectations regarding a particular business or country.
- Position of competitors and their launches of new products.
- Slowdown of income or difficulties in selling at expected prices.
- Change in habits and attitudes of users, and other elements specific to each division.

At December 31, 2020, based on the results of the impairment tests under discounted cash flows, impairment losses of 11,644 thousand euros have been recorded (corresponding entirely to installation rights in Peru), mainly due to more prudent estimates of future cash flows from Peruvian casinos.

11. INVENTORIES

The breakdown of inventories by category, net of impairment, is as follows:

(Thousands of euros)	2020	2019
Raw and auxiliary materials	6,137	4,108
Spare parts and others	7,668	9,224
Finished goods	2,723	1,896
Work in progress	982	3,319
Prepayments to suppliers	851	1,482
	18,361	20,029

Inventories correspond mainly to the manufacture and marketing of slot machines carried out by Group companies.

The balance of inventories is shown net of impairment loss. Movements in the impairment loss allowance are as follows:

(Thousands of euros)	2020	2019
Balance at January 1	1,022	929
Net charges for the year	1,140	457
Write-offs	(528)	(364)
Balance at December 31	1,634	1,022

The write-off in 2020 and 2019 corresponds to the destruction of several inventories from the industrial division.

12. CASH AND CASH EQUIVALENTS

For consolidated cash-flow statement purposes, cash and cash equivalents include the following items:

(Thousands of euros)	2020	2019
Cash	37,357	57,633
Current accounts	208,885	62,595
Deposits under 3 months	1	2
Cash in hoppers	37,024	39,439
	283,267	159,669

These assets are unrestricted and earn market interest rates.

13. EQUITY

13.1 Subscribed capital and share premium

At December 31, 2020 and 2019 the Parent Company's share capital consisted of 70,663 thousand registered shares with a face value of 1 euro each after a capital increase was carried out on July 2, 2018 with a share premium for an aggregated amount (capital increase plus share capital) of 706,603 thousand euros. In 2020 there was a share premium refund for an amount of 8,597 thousand euros. In 2019 part of the balance of the share premium was refunded, for an amount of 550 thousand euros. The Sole Shareholder of the Parent Company is LHMC Midco, S.a.r.l. and all shares bear the same obligations and voting and economic rights.

All shares are pledged in favor of six financial institutions as a guarantee of a credit line.

13.2 Retained earnings

The balance of this caption includes reserves of the Parent Company, which are non-distributable.

Legal reserve

In accordance with the Spanish Corporate Enterprises Act, Spanish companies obtaining profit will assign 10% of profit to the legal reserve, until its balance is equivalent to at least 20% of share capital. As long as it does not exceed this limit, the legal reserve can only be used to offset losses if no other reserves are available. This reserve can also be used to increase capital by the amount exceeding 10% of the new capital after the increase.

At December 31, 2020 and 2019 the Parent Company's legal reserve has not been set aside.

Additionally, the Group Spanish subsidiaries have provided the legal reserves at the amount required by the prevailing legislation.

13.3 Non-controlling interests

The balances related to non-controlling interests are as follows:

(Thousands of euros)	Balance in statement of financial position		Share in profit/(loss)	
	2020	2019	2020	2019
Division				
Casinos	91,378	109,453	(12,280)	9,964
Slots	132	4,345	(944)	7,324
B2B	-	1,336	10	175
Bingos	12,562	16,060	(890)	785
	104,072	131,194	(14,104)	18,248

The inter-annual variation of balances in the consolidated statement of financial position is as follows:

(Thousands of euros)	2020	2019
Balance at January 1	131,194	120,261
Share in profit/(loss) for the year	(14,104)	18,248
Currency translation differences	(4,259)	370
Net impact due to business combinations	-	9,255
Dividends paid	(5,306)	(10,783)
Other disposals	(3,453)	(6,157)
Balance at December 31	104,072	131,194

The movements in 2020 correspond to the non-controlling interests' share in the profit/(loss) of companies, to dividends paid and to additions and disposals due to changes in scope.

14. CORPORATE BONDS

At December 31, 2018 this caption mainly related to a bond issue carried out by a group company domiciled in Luxembourg, Cirsa Finance International, S.a.r.l., on July 2, 2018 for an approximate amount of 1,560 million euros, which were partially used for the early repayment of previously issued bonds by the Cirsa Gaming Corporation Group, for an amount of 950 million euros.

During 2019 two additional issues of corporate bonds, amounting to 880 million euros, have been made. These funds have been partially used to early redeem a portion of the previous bond issue.

Current corporate bonds consist of 4 issues, divided into two tranches: the first tranche amounts to 663 million euros and 495 million US dollars, which mature in 2023 and accrue interest at a rate of 6.25% and 7.875%, respectively. The second tranche amounts to 390 and 490 million euros, which mature in 2025 and accrue interest at a rate of 4.75% and 3-month Euribor plus 362.5 basis points, respectively.

The issues for the first tranche were both made below par at a price of 97.75%.

Contracts subscribed in relation to the bonds issued by the subsidiaries in Luxembourg regulate certain obligations and commitments by the Group, which include, among others, the supply of periodic information, the maintenance of titles of ownership in subsidiaries, the restriction on disposal of significant assets, the limitation on payment of dividends, the limitation on starting-up new businesses, and the restriction on the Group granting guarantees and endorsements to third parties. The Parent Company's Directors consider that all contractual obligations have been met. The shares of several Group companies have been assigned as security for these liabilities.

At December 31, 2020 the quoted price of the bonds recognized in the liabilities side of the Cirsa Group's balance sheet is 100.0%, 100.75%, 98.25% and 94.49% of their par value, for each of the four tranches.

15. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2020 and 2019 is as follows:

(Thousands of euros)	2020			2019		
	Non-current	Current	Total	Non-current	Current	Total
Loans secured by mortgage guarantee	-	82	82	14	84	98
Other loans	63,654	279,103	342,757	40,194	44,550	84,744
Finance lease arrangements	1,028	428	1,456	215	448	663
Credit and discount lines	-	9,805	9,805	-	6,284	6,284
	64,682	289,418	354,100	40,423	51,366	91,789

Average interest rates accrued by these borrowings are as follows:

	Percentage	
	2020	2019
Loans	3.73%	3.57%
Finance lease arrangements	5.97%	5.87%
Credit and discount lines	2.14%	2.30%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2020	2019
Within 1 year	289,418	51,366
Between 1 and 2 years	20,080	16,586
Between 2 and 3 years	15,434	13,163
Between 3 and 4 years	7,003	9,427
Between 4 and 5 years	22,112	1,163
More than 5 years	53	84
	354,100	91,789

At December 31, 2020 part of these liabilities, equal to 1,304 thousand euros, is denominated in U.S. dollars (444 thousand euros at December 31, 2019).

The balance of "Other loans" includes two credit facilities (RCF) with the following characteristics:

Amount:	200 and 55 million euros.
Maturity:	June 2023 and December 2021 (respectively)
Interest rate:	3 % and 4.5 %
Duration of drawdowns:	Up to 6 months (renewable at the Group's request)
Guarantees:	Pledge of several associates shares
No. of credit institutions:	6 and 2.

These initial facility drawdowns are subject to the fulfilment of certain financial leverage covenants, which have been met. These drawdowns can be renewed on a recurring basis at the Group's request for maximum periods of six months until their maturities (December 2021 and June 2023). At December 31, 2020 the Group has drawn down a total of 255 million euros from these credit facilities (25 million euros at prior year end).

At December 31, 2020 the undrawn amount of credit and discount facilities is 14,739 and 994 thousand euros, respectively. These figures amounted to 18,947 and 1,290 thousand euros, respectively, at prior year end.

Finally, at December 31, 2020 and 2019 the guarantees given by credit institutions and insurance companies to the Group, in connection with official concessions were 138,285 and 149,128 thousand euros, respectively.

16. OTHER NON-TRADE PAYABLES

The breakdown of this caption is the following:

(Thousands of euros)	2020			2019		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	10	113,295	113,305	-	67,549	67,549
Bills payable	617	3,415	4,032	1,617	4,439	6,056
Sundry creditors	35,406	116,436	151,842	41,315	124,216	165,531
	36,033	233,146	269,179	42,932	196,204	239,136

The "Public administrations" caption includes:

- Gaming taxes maturing in the short term (2020: 18,638 thousand euros; 2019: 29,133 thousand euros), outstanding settlements (not due for the personal income tax, VAT, social security contributions and similar concepts).
- Deferred taxes, in certain Spanish regions and Italy, for an amount of 80,208 thousand euros. The interest accrued on these payables in Spain is the legal rate of interest.

Bills payable correspond mainly to debts arising from the acquisition of companies and operations of slot machines with deferred payment, discounted at market interest rate.

The *Non-current sundry creditors* caption mainly includes:

- Asset suppliers amounting to 5,808 thousand euros (9,138 thousand euros at prior year end).
- Non-current payable amount related to certain investments in Panama corresponding to a payable balance related to an investment agreement amounting to 6,264 thousand euros. The debt derived from this investment will be settled through 239 equal monthly instalments of 71 thousand dollars, including interest, the first payment being in February 2018 until February 2038. At December 31, 2020 the payable amount classified as non-current amounts to 4,923 thousand euros (5,713 thousand euros at December 31, 2019).
- Several payables for common transactions amounting to 15,536 thousand euros, with an undetermined maturity (13,056 thousand euros at prior year end).
- Non-current payable amount related to the acquisition of companies in Spain and the Dominican Republic at year end amounting to 6,434 thousand euros and 672 thousand euros, respectively (6,247 thousand euros and 979 thousand euros, respectively, at prior year end).

The *Current sundry creditors* caption mainly includes:

- Asset suppliers amounting to 24,980 thousand euros (32,627 thousand euros at 2019 year end).
- Payables for the rendering of services amounting to 43,384 thousand euros (41,036 thousand euros at December 31, 2019).
- Current borrowings amounting to 7,764 thousand euros (6,779 thousand euros at prior year end), notably including the payable portion in 2019 for the investments in Spain and the Dominican Republic mentioned above.
- Employee benefits payable amounting to 14,355 thousand euros (21,835 thousand euros in the prior year) (Note 20.1).

17. NON-CURRENT PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2020	2019
Personnel commitments	12,418	11,760
Tax contingencies	2,106	2,393
Other	848	582
Balance at December 31	15,372	14,735

The amount recognized in *Obligations in relation to employees* mainly consists of probable contingencies with the personnel in Italy, the incentive plan for the Group's executives, and retirement incentives.

At December 31, 2020 and 2019 the amount shown under the caption 'Others' mainly consists of provisions for several risks and fines that are individually irrelevant.

The variation of the balance is as follows:

(Thousands of euros)	2020	2019
Balance at January 1	14,735	12,094
Net charges for the year	4,457	5,922
Provisions utilized	(3,409)	(3,705)
Additions due to acquisition of companies	-	248
Exchange gains (losses)	(411)	176
Balance at December 31	15,372	14,735

18. TAXES

18.1 Tax group

In Spain, Cirsa Enterprises, S.L., together with 107 Spanish group companies, meets the requirements set by tax regulations to form a consolidated tax group, represented by the subsidiary Cirsa Gaming Corporation, S.A. In 2012 the tax group 324/12 whose parent is Sportium Apuestas Deportivas, S.A. was constituted. As a result of the purchase of the remaining 50% of Sportium Apuestas Deportivas, S.A. by the Group, mentioned in Notes 1.4 and 4.2, the Sportium subgroup has been accounted for in the consolidated financial statements of the Cirsa Group using the full consolidation method. As a result of this fact, as from 2020, the tax group has been dissolved and integrated into the tax group whose parent is Cirsa Gaming Corporation, S.A. Additionally, there is another consolidated tax group in Spain, consisting of 7 companies, the parent of which is the subsidiary Orlando Play, S.A.

The other Group companies file income tax returns separately in accordance with applicable tax legislation in each country.

18.2 Accrued and payable income tax

The annual tax expense that has been entirely recorded in the consolidated profit and loss account, since the Group has direct tax impacts on equity, is broken down as follows:

(Thousands of euros)	2020	2019
Current	1,465	56,142
Deferred for (increase) decrease in tax credits related to tax loss carryforwards and deductions	(30,605)	1,952
Deferred for temporary differences	(36,509)	(33,086)
Other	774	(10,302)
	(64,875)	14,706

'Other' includes, among others, the tax effects derived from amortization and other accounting revaluation adjustments as a result of the business combinations carried out in recent years.

Income tax payable amounts at 2,043 thousand euros at December 31, 2020 (17,904 thousand euros at December 31, 2019) and mainly corresponds to the current income tax accrued in the several jurisdictions net of withholdings and payments on account for the period.

18.3 Analysis of tax expense

(Thousands of euros)	2020	2019
Profit before tax	(333,618)	26,286
Tax rate prevailing in Spain	25%	25%
Theoretical income tax expense	(83,405)	6,572
Adjustments – Effect of:		
Different tax rates prevailing in other countries	(1,963)	5,399
Impairment losses on assets and goodwill recognized solely for consolidation purposes	2,911	2,000
Revaluation of assets and recorded solely for consolidation purposes	-	(22,220)
Utilization of tax credits and deductions for the year	5,106	(4,010)
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	17,867	27,088
Other non-deductible expenses and other	(5,391)	(122)
	(64,875)	14,706

At December 31, 2020 and 2019 the effect of corrections in different tax rates mainly corresponds to the higher taxes applied in Mexico and Perú.

At December 31, 2020 and 2019 the effect of the impairment of assets recorded for consolidated purposes is due to impairment losses on Peruvian intangible assets and to the income from the revaluation of the ownership interest in Sportium as a result of the business combination carried out during the year.

At December 31, 2020 and 2019 there is a limitation on the deductibility of finance costs with a negative effect on the tax expense.

18.4 Deferred tax assets and liabilities

(Thousands of euros)	2020	2019
Assets		
Tax loss carryforwards from the consolidated tax group represented by Cirsa Gaming Corporation, S.A.	51,464	35,039
Tax loss carryforwards from the consolidated tax group whose parent is Orlando Play, S.A.	1,518	939
Tax loss carryforwards from the consolidated tax group whose parent is Sportium Apuestas Deportivas, S.A.	-	4,490
Tax loss carryforwards from other group companies	18,719	142
Related to deductible temporary differences:		
--- Impaired receivables	305	233
--- Impaired securities portfolio	16	11
--- Goodwill impaired in individual books	1,311	1,060
--- Intragroup margin write-off	28	7
--- Non-accounting impairment for tax purposes	-	528
Non-deductible amortization for accounting purposes	373	531
--- Leases	-	1,790
--- Other	24,849	16,567
	98,584	61,337
Liabilities		
Related to taxable temporary differences:		
--- Tax provision for maximum gaming prizes	-	(86)
--- Difference between tax depreciation and accounting depreciation	(49)	-
--- Non-accounting impairment for tax purposes	-	(732)
--- Margin write-offs	(2,096)	(2,039)
--- Business combinations (initial statement of non-current assets at fair value)	(250,625)	(303,205)
--- Other	(402)	(536)
	(248,078)	(306,597)

The Group estimates the taxable profits which it expects to obtain within the utilization period based on budgets. It also analyzes the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards may be used, considering the application of the Royal Decree-Law mentioned above. Based on this analysis, the Group has recorded deferred tax assets for unused tax loss carryforwards as well as unused deductions and deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized within a reasonable period of time.

The breakdown of unused tax losses carryforwards at December 31, 2020 for the two tax groups represented by Cirsa Gaming Corporation, S.A. and Orlando Play, S.A. is as follows:

(Thousands of euros)	Unused tax loss carryforwards	
	Arising in	Tax group represented by Cirsa Gaming Corporation, S.A.
1997	80	-
1998	128	-
1999	138	-
2000	175	-
2001	2,097	-
2003	5,210	-
2004	10,527	-
2005	23,909	-
2006	636	937
2007	11,790	396
2008	3,288	372
2009	11,616	1,241
2010	11,766	-
2011	40,356	-
2012	9,788	-
2013	6,218	-
2014	30,779	-
2015	3,132	596
2016	199	908
2017	23	-
2018	16,829	2,251
2019	959	-
2020	59,064	2,318
	248,707	9,019

Tax group represented by Cirsa Gaming Corporation, S.A.

At December 31, 2020 and 2019 said tax group recognized deferred tax assets amounting to 48,761 and 35,039 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax loss carryforwards (which at December 31, 2020 amount to 26,723 thousand euros; 20,412 thousand euros at December 31, 2019), since their future application is uncertain within a reasonable period of time.

In addition to tax credits for tax loss carryforwards, the tax group whose parent is Cirsa Gaming Corporation, S.A. holds additional tax credits amounting to 42,922 thousand euros at December 31, 2020 (2019: 45,393 thousand euros), for unused tax deductions that were not capitalized for not meeting the terms to be utilized.

(Thousands of euros)	Last year for utilization	Unused deductions at December 31, 2020
	2020	2,486
	2021	6,591
	2022	865
	2023	903
	2024	1,290
	2025	566
	2026	419
	2027	1,675
	2028	717
	2029	252
	2030	284
	2031	268
	2032	228
	2033	188
	2034	192
	2035	209
	2036	141
	2037	177
	No time limit for utilization	25,472
		42,922

Tax group whose parent is Orlando Play, S.A.

In 2010 the tax group 502/10 whose parent is Orlando Play, S.A. was constituted.

At December 31, 2020 the tax group had recognized deferred tax assets amounting to 1,518 thousand euros (939 thousand euros at prior year end) corresponding to unused tax loss carryforwards.

Additionally, said tax group has unused deductions amounting to 714 thousand euros (717 thousand euros at prior year end) for which the corresponding deferred tax assets have not been recognized, since the requirements established by the applicable framework for financial information are not met.

18.5 Other information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities, or until the corresponding inspection period has expired.

On March 7, 2018 the Group was notified of the start of general verification and investigation proceedings regarding the corporate income tax for the years 2013 to 2016 of the 26/94 tax consolidation group and, on a separate basis, of the companies Cirsa Gaming Corporation, S.A., Cirsa International Gaming Corporation, S.A., Global Game Machine Corporation, S.A., Juegomatic, S.A., Uniplay, S.L. and Universal de Desarrollos Electrónicos, S.A.

On the same date, the Group was also notified of the start of partial verification and investigation proceedings regarding the Value Added Tax, of the group of entities included in the regime of entities for that tax, for the periods comprised between February 2014 and December 2016. Additionally, for these companies, the Group was also notified of the start of general verification proceedings, for the periods comprised between February 2014 and December 2016, regarding withholdings of employees and professionals.

On June 17, 2019 all inspections were concluded. Agreement assessments were signed and a total expense of 244 thousand euros was recorded (and paid).

In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns. Group Management considers that no significant contingencies exist that would arise as a result of a tax review of the years open to inspection.

19. LEASES

19.1 Group as lessee

The Group has entered into leases on several buildings and vehicles for an average term between three and ten years, with no renewal clauses.

The Group has also entered into leases on machines with contracts that can be extended annually or which expire within less than 12 months, and on other office equipment of low value.

The table below shows the book values of the right-of-use assets recognized and the movements during the period:

2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Currency translation differences and other changes	Balance at December 31, 2020
COST					
Buildings	340,921	340,921	(14,457)	(28,837)	329,555
Vehicles	11,050	3,645	(1,278)	(91)	13,326
	351,971	35,573	(15,735)	(28,928)	342,881
DEPRECIATION					
Buildings	(43,542)	(43,683)	2,084	4,328	(80,812)
Vehicles	(3,291)	(4,470)	1,258	24	(6,480)
	(46,833)	(48,153)	3,342	4,353	(87,292)
Impairment losses	-	-	-	-	-
Net carrying amount	305,137	(12,580)	(12,394)	(24,575)	255,589

2019

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Currency translation differences and other changes	Balance at December 31, 2019
COST					
Buildings	259,632	82,518	(1,382)	153	340,921
Vehicles	8,415	2,682	(58)	10	11,050
	268,047	85,200	(1,439)	163	351,971
DEPRECIATION					
Buildings	-	(44,100)	616	(58)	(43,542)
Vehicles	-	(3,305)	16	(3)	(3,291)
	-	(47,405)	632	(61)	(46,833)
Impairment losses	-	-	-	-	-
Net carrying amount	268,047	37,795	(807)	102	305,137

The book value of lease liabilities and movements during the period are as follows:

(Thousands of euros)	2020	2019
Balance at January 1	314,261	268,047
Additions	32,861	85,200
Disposals	(10,931)	(166)
Interest accrued on finance leases	16,163	16,966
Exchange gains (losses)	(20,144)	2,598
Payments	(48,743)	(58,384)
Balance at December 31	283,467	314,261

In turn, the annual maturity of finance lease liabilities is as follows:

(Thousands of euros)	2020	2019
Within 1 year	45,877	60,200
Between 1 and 2 years	40,970	33,692
Between 2 and 3 years	32,996	29,246
Between 3 and 4 years	26,178	31,786
Between 4 and 5 years	21,185	24,550
More than 5 years	116,261	134,787
	283,467	314,261

The amounts recognized in the income statement are as follows:

(Thousands of euros)	2020	2019
Depreciation of right-of-use assets	48,624	47,405
Interest accrued on finance leases	16,163	16,966
Expenses from low-value, short-term and variable leases	15,597	28,052
Gains/(losses) on derecognition of right-of-use assets	462	641
	80,846	93,064

The Group made lease payments amounting to 48,743 thousand euros in 2020 (58,384 thousand euros in 2019).

20. INCOME AND EXPENSES

20.1 Employee benefits expense

(Thousands of euros)	2020	2019
Wages and salaries	150,202	205,534
Social Security	35,703	44,090
Termination benefits	10,440	7,980
Other	5,870	10,294
	202,215	267,898

Remunerations pending payment at December 31, 2020 and 2019 (14,355 and 21,835 thousand euros, respectively) are included in *Other non-trade payables - Sundry creditors* (Note 16).

20.2 Utilities and external services

(Thousands of euros)	2020	2019
Publicity, advertising, and public relations	27,648	52,266
Leases and royalties	20,010	36,475
Professional services	34,044	35,283
Utilities	21,566	28,852
Repairs and maintenance	16,546	20,204
Postal services, communications and telephone	12,069	10,800
Bank services et al.	6,155	9,675
Security services	7,198	9,201
Other services	19,391	9,098
Cleaning services	5,185	8,585
Travel expenses	3,255	8,457
Insurance premiums	5,407	4,875
Transportation	1,061	1,691
Development costs and patents (Note 6.2)	7	12
	179,542	235,474

20.3 Exchange gains (losses)

(Thousands of euros)	2020	2019
Gains	37,357	24,286
Losses	(5,962)	(24,652)
	31,395	(366)

Net exchange gains/(losses) from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that decreases shareholders' equity at December 31, 2020 by 2,368 thousand euros (2019: it increased shareholders' equity by 9,361 thousand euros), since they are considered as exchange gains/(losses) arising from monetary components of a net investment in a foreign business.

21. RELATED PARTIES

No Cirsa Group-related companies have entered into any transactions or have any outstanding balances with other subsidiaries of LHMC Topco, S.a.r.l. or the Blackstone Group.

22. CONTINGENCIES

The Group has litigation proceedings, claims and other administrative procedures underway as a result of the normal course of business in the countries where it carries out its activity. However, the Group does not expect that any unprovisioned significant liabilities will arise as a result of the above proceedings.

23. INFORMATION ON ENVIRONMENTAL ISSUES

Given the characteristics of the activities performed by the group companies, at year end it was not necessary to record any expenses and/or investments related to transactions for preventing, reducing or repairing environmental damage.

24. AUDIT FEES

Fees and expenses paid for the audit services provided by the main auditors and other firms belonging to the auditor's international network amounted to 895 thousand euros in 2020 (2019: 1,057 thousand euros).

In addition, fees and expenses paid for other services provided by the main auditors or other related entities amounted to 184 thousand euros in 2020 (869 thousand euros in the year ended December 31, 2019).

25. OTHER RELATED PARTIES

The breakdown of the remuneration earned by the key executives of Group Management is as follows:

(Thousands of euros)	2020	2019
Short-term employee benefits	4,177	4,021
Other long-term benefits	3,246	3,603
	7,423	7,624

No additional transactions have been carried out and no other outstanding balances exists with group-related parties.

26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, interest risk, exchange risk and liquidity risk during the normal development of its activities.

The Group's main financial instruments include bonds, bank loans, credit and discount lines, financing obtained through the deferral of gaming taxes, financial leases, deferred payments for purchase of businesses, and cash and current deposits.

The Group's policy establishes that no trading in derivatives (exchange rates insurance) to manage exchange rate risks arising from certain fund sources in U.S. dollars will be undertaken. The Group does not use financial derivatives to cover fluctuations in interest rates, either.

26.1 Credit risk

Most of the operations carried out by the Group are in cash. For receivables from other activities, the Group has established a credit policy and risk exposure in collection is managed in the ordinary course of business. Credit assessments are carried out for all customers who require a limit higher than 60 thousand euros.

Guarantees on loans and credit risk exposure are shown in Note 9.

26.2 Interest rate risk

External finance is mainly based on the issuance of corporate bonds at fixed and floating interest rate. Bank borrowings (credit policies, trading discounts, financial lease agreements) as well as deferred payments with public administrations and other long-term non-trade payables have a variable interest rate that is reviewed annually. Previous Notes show interest rates of debt instruments.

The breakdown of liabilities that accrue interests at 2020 and 2019 year end is as follows:

(Thousands of euros)	2020		2019	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	1,435,181	482,549	1,462,278	484,116
Bank borrowings	20,544	333,555	-	91,789
Sundry creditors	80,208	18,603	-	19,901
Finance lease liabilities	283,467	-	314,261	-
	1,819,400	834,707	1,776,539	595,806

At December 31, 2020 financial liabilities at a fixed interest rate represented 69% of total liabilities (75% at 2019 year end). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 8,347 thousand euros in 2020 and 5,959 thousand euros in 2019.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for that indicated in Note 14.

The breakdown of assets that accrue interests at 2020 and 2019 year end is as follows:

(Thousands of euros)	2020		2019	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Loans to joint ventures and associates	1,705	-	3,408	-
Loans to third parties	10,164	13,277	13,768	16,105
Guarantees and deposits	16,893	-	28,989	-
Fixed income securities and deposits	341	-	12,551	-
	29,103	13,277	58,716	16,105

The Group estimates that the fair value of the assets' financial instruments does not differ significantly from the net book value.

26.3 Foreign currency risk

The Group is exposed to foreign currency risk in businesses located in Latin America, which affect significantly sales and expenses, Group results and the value of certain assets and liabilities in currencies other than the euro. It is also affected to a lesser extent by granted and received loans. The currency that basically generates exchange risks is the US dollar, since a portion of the corporate bonds is issued in US dollars.

In order to reduce risks, the Group conducts policies aimed to keep balanced collection and payments in cash of assets and liabilities in foreign currency.

The following study on sensitivity shows the foreign currency risk:

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate US dollar/euro

Change	Thousands of euros	Thousands of euros
	2020	2019
+ 10%	1,986	(2,520)
+ 5%	1,040	(1,320)
- 5%	(1,150)	1,459
-10%	(2,428)	3,080

26.4 Liquidity risk

The exposure to unfavorable situations of debt markets can make difficult or prevent from hedging the financial needs required for the appropriate development of Group activities.

At December 31, 2020 the Group shows negative working capital amounting to 198,295 thousand euros (27,543 thousand euros positive at December 31, 2019). Nonetheless, Group Management considers that cash flow generated by the business and available credit lines will allow the Company to cover its current liabilities. Furthermore, it should be noted that one of the revolving credit facilities (RCF) amounting to 200 million euros, even though it matures in the short term, can be renewed on a recurring basis at the Group's request for maximum periods of six months until its maturity (June 2023).

Additionally, to manage liquidity risk, the Group applies different measures:

- Diversification of financing sources through the access to different banking and capital markets. In this regard, the Group has an additional borrowing capacity (see quantitative data in Note 15).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to approximately 246 million euros at December 31, 2020 (123 million euros at December 31, 2019), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

In this regard, the Group's liquidity police ensure to meet its payment obligations without requiring the access to funds in costly terms.

Additionally, it is noteworthy that both at Group and individual business level, the Group performs projections regularly on the generation and expected cash needs, in order to determine and monitor the Group's liquidity position.

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 14, 15 and 16.

27. CAPITAL MANAGEMENT POLICY

The main objectives of the Group's capital management are to ensure financial stability in the short and long terms, appropriate return rates, increased business value and ensure proper and adequate financing of investments and projects to be conducted in a framework of controlled expansion.

The Group's strategy in 2021 will consist in preserving the Group's cash position by implementing measures to reduce costs and investments, increase liquidity and establishing cash management action plans. Additionally, in terms of operations, the objective will be to continue keeping operating centers a safe place for customers and employees and be prepared to operate at full capacity, once restrictions are lifted, through promotion campaigns and communication plans.

As stated in Note 14, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium terms given that the Group policy is not to distribute dividends.

28. SUBSEQUENT EVENTS

No significant events have occurred after the reporting date, other than those already mentioned in the notes, that may condition the information included in the 2020 consolidated financial statements of Cirsa Enterprises Group.

The undersigned, whose positions are indicated under their names, hereby CERTIFY the accuracy and integrity of the Consolidated Financial Statements of Cirsa Enterprises Group for year ended December 31, 2020.

Terrassa, March 19, 2021

Mr. Joaquin Agut
Chair

Mr. Lionel Yves Assant
Vice-Chair

Mr. Haide Hong
Vice-Secretary

Mr. Miguel García
Board member

Mr. Antonio Hostench
Board member

List of subsidiaries

Company	Activity	Ownership Percentage 2020	Ownership Percentage 2019	Investment holder	Business address	City	Province/Country
Administradores De Personal En Entrenamiento, SA de CV	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camanera, 660 Piso 8	México D.F.	México
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.	Av. Muñoz Vargas, 18	Huelva	Huelva
Alfematic, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Amical Trading, S.L.	Operacional	76,76%	76,76%	Global Game Machine Corporation, S.A.	C/ Pi i Margall, 201	Terrassa	Barcelona
Ancon Entertainment, INC.	Casinos	50,00%	50,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Apple Games 2000, S.L.	Operacional	49,50%	49,50%	Egartronic, S.A.	Sequia de Favara, 11	Picanya	Valencia
Apuestas Electrónicas, S.L.	Operacional	75,50%	75,50%	Comercial de Recreativos Salamanca, S.A.	C/ 19 y 21 , modulo 12 , nave 2 P.I. El Nevero	Badajoz	Badajoz
Automáticos Essan, S.A.	Operacional	100,00%	100,00%	Recreativos Ergosa, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Automáticos Manchegos, S.L.	Operacional	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, km 286	Alcazar de San Juan	Ciudad Real
Automaticos Maxorata, S.A.	Operacional	55,00%	55,00%	Comercial Jupama, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Azibi Horta, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Pl. Ibiza, 21	Barcelona	Barcelona
Badamatic, S.A.	Operacional	50,00%	50,00%	Radiamon, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
Bar Juegos, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Barnabing, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	C/ Calaf, 23	Igualada	Barcelona
Barna-Center, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Barnaplay, S.A.	Operacional	100,00%	100,00%	Miky, S.L.	Paseo Maragall, 103 - 105	Barcelona	Barcelona
Bema - Euromatic, S.A.	Operacional	60,71%	60,71%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bicondal, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Avenida Paralelo, 91-93	Barcelona	Barcelona
Billares Valencia, S.L.	Operacional	100,00%	100,00%	Coinland, S.A.	C/ Convento Santa Clara, 11	Valencia	Valencia
				Global Bingo Corporation, S.A. y Global Bingo			
Binale, S.A.	Bingos	100,00%	100,00%	Madrid, S.A.	General Ricardos, 176	Madrid	Madrid
Bincamex, S.A. de C.V.	Bingos	100,00%	100,00%	International Mex Business, S.L.	Cantú, 9 - 601. Colonia Nueva Anzures	México D.F.	México
Bincano, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Elcano, 30-32	Bilbao	Vizcaya
Bingo Santven, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Ctra. N-340 Km. 1189	El Vendrell	Tarragona
Bingos Andaluces, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Asunción, 3	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Plaza Doctor Fleming, s/n	Benidorm	Alicante
Bingos de Madrid Reunidos, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S.A.	Casinos	100,00%	100,00%	Gaming & Services De Panamá, S.A.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Bis Line, S.L.	Operacional	87,60%	87,60%	Giga Game System Operation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Bumex Land, S.L.	Bingos	-	100,00%	Global Bingo Corporation, S.A.	Elcano, 30-32	Bilbao	Vizcaya
Calpe Leisure, S.A.	Operacional	85,00%	85,00%	Elevel, Electronicos Valencia, S.A.	c/ German Bernacer, 22 P.I. Elche	Elche	Alicante
Candan, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	C/ Colom , 495 bis	Terrassa	Barcelona
Candijoc, S.L.	Operacional	100,00%	100,00%	Giga Game System Operation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Casino Cirs Valencia, S.A.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.	Avda. de las Cortes Valencianas, 59	Valencia	Valencia
Casino Nueva Andalucía Marbella, S.A.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
				Cirsa International Business Corporation, S.L.	Avda. George Washinton, 367 2º Piso Hotel	Santo Domingo de Guzmán	R. Dominicana
Casinos del Caribe, S.R.L.	Casinos	100,00%	100,00%		Jaragua		
Cat Games, S.L.	Operacional	50,00%	50,00%	Bis Line, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
				Cirsa International Business Corporation, S.L.			
Cirsa Brasil Participacoes, LTDA.	Casinos	100,00%	100,00%		Rua Gertrudes de Lima, nº 53 - Sala 42 Centro	Santo André	Brasil
Cirsa Finance International, S.A.R.L.U.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.U.	Rue Eugene Rupert, 2 - 4	Luxemburgo	Luxemburgo
Cirsa Gaming Corporation, S.A.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Interactive Corporation, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Intenational Business Corporation, S.L.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	C/ Fermina Sevillano, 5 -7	Madrid	Madrid
Cirsa Italia Holding, S.p.A.	Operacional	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italia
Cirsa Italia, S.p.A.	Operacional	100,00%	100,00%	Cirsa Italia Holding, S.p.A.	Centro Direzionale Milanofiori, Strada 2	Assago (Milan)	Italia
Cirsa Retail, S.R.L.	Bingos	100,00%	100,00%	Cirsa Italia Holding, S.p.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italia
Cirsa Servicios Corporativos, S.L.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S.A.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsaigest, S.P.A.	Operacional	100,00%	100,00%	Cirsa Italia Holding, S.p.A.	Centro Direzionale Milanofiori, Strada 2	Assago	Italia
Club Privado De Fumadores Nuestro Espacio	Bingos	100,00%	100,00%	Bingos de Madrid Reunidos, S.A.	C/ Bravo Murilo, 309	Madrid	Madrid
Coinland, S.A.	Operacional	100,00%	100,00%	Elevel, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Valencia	Valencia
Comdibal 2000, S. L.	B2B	100,00%	75,50%	Universal de desarrollos Electronicos, S.A.	Pl. Els Bellots, c/ del Aire, 1	Terrassa	Barcelona
Comercial de Desarrollos Electrónicos, S. A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
						Carbajosa de la	
Comercial de Recreativos Salamanca, S.A.	Operacional	75,50%	75,50%	Tecnoappel, S.L.	C/ Cuarta, 17 P.I. El Montalvo	Sagrada	Salamanca
Comercial Jupama, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Cotecnic 2000, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Digital Gaming México, S.A.P.I.de C.V.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Boulevard Luis Donaldo Colosio, SA-1	Hidalgo	México
Egartronic, S.A.	Operacional	75,50%	75,50%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Electrónicos Radisa, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Elevel, Electronicos Valencia, S.A.	Operacional	100,00%	100,00%	Giga Game System Operation, S.L.	C/ Guadalquivir, 84	Homo de Alcedo	Valencia
First Game, S.L.	Operacional	100,00%	100,00%	Uniplay, S.A.	C/ Fermina Sevillano, 5 -7	Madrid	Madrid

List of subsidiaries

Company	Activity	Ownership Percentage 2020	Ownership Percentage 2019	Investment holder	Business address	City	Province/Country
Flamingo Euromatic-100, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	P.I. La Juaida, C/Sierra Telar, 40	Viator	Almería
Fomento Advenio 1, S.A. DE C.V.	Bingos	100,00%	100,00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	Guillermo González Camarena 600, Piso 7, Santa Fe	México D.F.	México
Gaming & Services de Panamá, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Calle 50, PH. Torre Global, piso 40	Ciudad de Panamá	Panamá
Gaming & Services, S.A.C.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. Ricardo Palma, 341 Miraflores	Lima	Perú
Garbimatic, S.L.	Operacional	50,00%	50,00%	Alfematic, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Garrido Player, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ferrina Sevillano, 5-7	Madrid	Madrid
Gema, S.r.l.	Bingos	100,00%	100,00%	Cirsa International Business Corporation, S.I.	Centro Direzionale Milanofiori, Strada 2, Pal D4	Assago (Milán)	Italia
Genper, S. A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Giga Game System Operation, S.L.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. De Castellar, 298	Terrassa	Barcelona
Gimar Jocs, S.L.	Operacional	100,00%	100,00%	Miky, S.L.	Paseo Maragall, 103	Barcelona	Barcelona
Gimemca, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Gran Via Corts Catalanes, 642	Barcelona	Barcelona
Global Betting Aragón, S.L.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	C/ Jaime Ferran, 5 Pol. Ind. La Cogullada	Zaragoza	Zaragoza
Global Bingo Corporation, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. Castellar. 298	Terrassa	Barcelona
Global Bingo Madrid, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ferrina Sevillano, 5-7	Madrid	Madrid
Global Bingo Stars, S.A.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ferrina Sevillano, 5-7	Madrid	Madrid
Global Casino Technology Corporation, S.A.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. de Castellar, 298	Terrassa	Barcelona
Global Game Machine Corporation, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Global Real State, S.A.S.	Casinos	100,00%	100,00%	Winner Group, S.A.	Calle 90 No. 19C-32 P.4	Bogota	Colombia
Global TC Corp., S.A.	Casinos	100,00%	100,00%	Gaming & Services de Panamá, S.A.	C/ Cuarta, Casa 39 - Urbanización Parque Lefevre	Panamá	Panamá
Goldenplay, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Grael, S.L.	Operacional	100,00%	100,00%	Barna-Center, S.A.	Crta. de Castellar, 298	Terrassa	Barcelona
Gran Casino Costa Brava, S.L.	Casinos	90,00%	90,00%	Giga Game System Operation, S.L.	Crta. de Castellar, 298	Terrassa	Barcelona
Gran Casino de las Palmas, S.A.	Casinos	51,00%	51,00%	Global Casino Technology Corporation, S.A.	c/ Simón Bolívar, 3	Las Palmas	Gran Canaria
Grasplai, S.A.	Bingos	100,00%	100,00%	Teima Enea, S.L.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Grevaloflal, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Avda. de la Constitució, 134	Castelldefels	Barcelona
Grupo Cirsa De Costa Rica, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Hostelería 1000, S.L.	Bingos	-	100,00%	Inversiones Zental, S.L.	Plaza Ibiza, 21	Barcelona	Barcelona
Iber Matic Games, S.L.	Operacional	75,50%	75,50%	Cirsa Slot Corporation, S.A.	C/ Jaime Ferran, 2-4	Zaragoza	Zaragoza
Illa Valles Hostelería, S.L.	Operacional	100,00%	100,00%	Barna-Center, S.A.	Crta. de Castellar, 298	Terrassa	Barcelona
Instalaciones Recreativas Mallorca, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Mallorca, 209	Barcelona	Barcelona
Integración Inmobiliaria World de Mexico, S.A. De C.V.	Bingos	100,00%	100,00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	c/ Guillermo Gonzalez Camarena 600 Piso 8	México D.F.	México
International Bingo Technology, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
International Mex Business, S.L.	Bingos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Crta. Castellar, 298	Terrassa	Barcelona
Interplay, S.A.	Operacional	75,50%	75,50%	Egartronic, S.A.	C/ Francia, 26 y 27	Puerto Real	Cádiz
Interservi, S.A.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.	Crta. Nacional 420, km 289	Alcázar de San Juan	Ciudad Real
Inversiones Interactivas, S.A.	Casinos	70,00%	70,00%	Orbis Development, S.A.	C/ 57 y Avenida Obarrio	Ciudad de Panamá	Panamá
Inversiones Pacanoas, S.A.	Casinos	70,00%	-	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Pañanitas, S.A.	Casinos	70,00%	-	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Vertiago, S.A.	Casinos	70,00%	-	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Zental, S.L.	Bingos	100,00%	100,00%	Giga Game System Operation, S.L.	Crta. de Castellar, 298	Terrassa	Barcelona
Investment & Securities Iberica, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Crta. Castellar, 298	Terrassa	Barcelona
Juegomatic, S.A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Juegos De Azar Oliva Rodon, S.L.	Operacional	100,00%	100,00%	Barna-Center, S.A.	Crta. de Castellar, 298	Terrassa	Barcelona
Juegos Del Oeste, S.L.	Operacional	75,50%	75,50%	Apuestas Electrónicas, S.L.	C/ 19 y 21 , modulo 12 , nave 2 P.I. El Nevero	Badajoz	Badajoz
Juegos San José, S. A.	Bingos	-	47,50%	Global Bingo Corporation, S.A.	General Mas De Gaminde, 47 Bajos	Las Palmas G.C.	Gran Canaria
La Barra Ancon, S.A.	Casinos	50,00%	50,00%	Ancon Entertainment, Inc.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Barra Panama, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Cafetería del Bingo, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Asunción, 3	Sevilla	Sevilla
La Selva Inversiones, S.A.C.	Casinos	100,00%	100,00%	Gaming And Services, S.A.C.	C/ Jr. Loreto, 228	Tambopata	Perú
Les Loisirs Du Paradis, S.A.R.L.	Casinos	82,00%	82,00%	Resort Paradise AB	Hotel Atlantic Palace Secteur balneaire et touristique	Agadir	Marruecos
L&G Bussines, S.L.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. Castellar, 338	Terrassa	Barcelona
Lightmoon International 21, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Crta. Castellar, 298	Terrassa	Barcelona
Lista Azul, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Gran Passeig de Ronda, 87	Lleida	Lleida
Macrojuegos, S.A.	Bingos	51,00%	51,00%	International Bingo Technology, S.A.	Dionisio Guardiola, 34	Albacete	Albacete
Majestic 507 Corp, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Maquilleiro, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ferrina Sevillano, 5-7	Madrid	Madrid
Maqui-Ter, S.A.	Operacional	51,00%	51,00%	Elevat, Electronicos Valencia, S.A.	Miguel de Cervantes, 12	Teruel	Teruel
Marchamatic Indalo, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almería
MCA Automatics, S.L.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Crta. Castellar, 298	Terrassa	Barcelona

List of subsidiaries

Company	Activity	Ownership Percentage 2020	Ownership Percentage 2019	Investment holder	Business address	City	Province/Country
Merengue Bar Gran Casino Jaragua, GCJ, S.R.L.	Casinos	100,00%	100,00%	Casinos Del Caribe, S.R.L.	Avda. George Washinton, 367 2º Piso	Sto. Domingo de Guzmán	R. Dominicana
Miky, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	c/ Paseo Maragall, 103 - 105	Barcelona	Barcelona
Montri, S.A.	Operacional	75,50%	75,50%	Iber Matic Games, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
New Laomar, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almería
New York Game, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Nightfall Construccions, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
Nortia Real Estate Colombia, S.L.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Oper Ibiza, S.L.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.	C/ dels Llauradors, 45	Sant Antoni de Portmany	Baleares
Operadora de Entretenimiento Manzanillo, S.A. de C.V.	Bingos	60,00%	60,00%	Bincamex, S.A. de CV.	c/ Guillermo Gonzalez Camarena 600 Piso 8	México D.F.	México
Operadora Internacional de Recreativos, S.A.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.	c/ Cervantes, 14 1	Gijón	Asturias
Orbis Development, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Swiss Tower, 16th floor, World Trade Center	Ciudad de Panamá	Panamá
Orlando Italia, S.r.l.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italia
Orlando Play, S.A.	Operacional	51,00%	51,00%	Global Game Machine Corporation, S.A.	Sierra Telar, 40 P.I. La Juaida	Viator	Almería
Palabingo, S.R.L.	Bingos	100,00%	56,00%	Cirsa Retail, S.R.L.	Milano Fiori, Strada 2, Palazzo D4	Milán	Italia
Playcat, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Cádiz, 1	Terrassa	Barcelona
Playspace, S.L.	Apuestas	100,00%	-	Cirsa Interactive Corporation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Princesa 31, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A. y Bingos de Madrid Reunidos, S.A.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camarena, 600 P8 Col. Sfe	México D.F.	México
Promociones Sol Ibiza, S.A.	Operacional	51,00%	51,00%	Oper Ibiza, S.L.	C/ dels Llauradors, 45	Sant Antoni de Portmany	Baleares
Radiamon, S.L.	Operacional	50,00%	50,00%	Giga Game System Operation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recrea, S.L.	Operacional	80,00%	80,00%	Giga Game System Operation, S.L.	C/ C-k, P.I. Cami dels Frares	Lleida	Lleida
Recreativos Arranz, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Ergosa, S.L.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Recreativos Hatuey, S.A.	Operacional	100,00%	100,00%	Bema - Euromatic, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Manchegos, S.L.	Operacional	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, Km 286	Alcazar de San Juan	Ciudad Real
Recreativos Martos, S.L.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Ociomar Levante, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Sortia, S.L.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recreativos Xativa, S.A.	Operacional	55,00%	55,00%	Elevel, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Red de Interconexión de Andalucía, S.L.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Martillo, 26	Sevilla	Sevilla
Red de salones de Aragón, S.L.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
Redeye Games, S.L.	Operacional	100,00%	100,00%	Uniplay, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Resort Paradise AB	Casinos	82,00%	82,00%	Cirsa International Business Corporation, S.L.	Box, 1432	Estocolmo	Suecia
Romgar, S.L.	Bingos	100,00%	100,00%	Teima Enea, S.L.	Cayetano del Toro, 23	Cádiz	Cádiz
S.A. Explotadora de Recreativos	Operacional	90,00%	90,00%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Sadeju, S.L.	Bingos	65,00%	65,00%	Teima Enea, S.L.	c/ Carlota Alexandre, 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A. y Global Bingo	Cuenca, 20	Valencia	Valencia
Sala Versailles, S.A.	Bingos	100,00%	100,00%	Stars, S.A.	Bravo Murillo, 309	Madrid	Madrid
Sant Cugat Desarrollo de Tecnologias, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Sena, nº 2	Sant Cugat del Valles	Barcelona
Saturno 5 Conexión, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
SCB Almirante Dominicana, S.R.L	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln , 403, La Julia	Santo Domingo	R. Dominicana
SCB Anil Dominicana, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Grand Victoria Dominicana, SRL	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Hispaniola Dominicana, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln /Correa y Cidron	Santo Domingo	R. Dominicana
SCB Malecón Dominicana, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. George Washington, centro comercial	Malecón	R. Dominicana
Sertebi, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Avda. Sarria, 47	Barcelona	Barcelona
Servi D´Aro, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Avda. Estrasburgo, 11	Castell - Platja D´Aro	Girona
Servicios Especializados Del Juego, S.A. De C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Guillermo González Camarena 600, Piso 8, Santa Fe	México D.F.	México
Servicios y Distribucion de Recreativos, S.A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Servi-Joc, S.A.	Operacional	85,00%	85,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Sobima, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S. A.	Av. Los Vegas, 27	Málaga	Málaga

List of subsidiaries

Company	Activity	Ownership Percentage 2020	Ownership Percentage 2019	Investment holder	Business address	City	Province/Country
Social Games Online, S.L.	Apuestas	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. Castellar, 338	Terrassa	Barcelona
Societe Du Casino Le Mirage, S.A.	Casinos	51,00%	51,00%	Cirsa International Business Corporation, S.L.	Club Valtur STB, Parcelle nº 31	Agadir	Marruecos
Sodemar, S.L.	Bingos	100,00%	100,00%	Telma Enea, S.L.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sportium Apostes Catalunya, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Andalucia, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Sportium Apuestas Aragon, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Asturias, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ B, Parcela 45B pol. Ind Asipo	Cayes - Llanera	Asturias
Sportium Apuestas Baleares, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Gremi des Sabaters, 21	Palma de Mallorca	Mallorca
Sportium Apuestas Canarias, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Garcia Morato, 1	Telde	Gran Canaria
Sportium Apuestas Castilla La Mancha, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Santa María Magdalena, 10 -12	Madrid	Madrid
Sportium Apuestas Ceuta, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Colombia, S.A.S.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Carrera 12 N° 93 - 78 Oficina 501	Bogotá	Colombia
Sportium Apuestas Deportivas, S.A.	Apuestas	100,00%	100,00%	Cirsa Slot Corporation, S.A.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Digital, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Galicia, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	El Grove - Isla de la Toja	Pontevedra
Sportium Apuestas Levante, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Sportium Apuestas Melilla, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Avda. Candido Lobera, 5 Atico 3	Melilla	Melilla
Sportium Apuestas Navarra, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Avda. Barañain, 27 1º A	Pamplona	Navarra
Sportium Apuestas Oeste, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Nevero Doce, Parcela 21	Badajoz	Badajoz
Sportium Apuestas Panama, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Corregimiento de San Francisco, calle 50 y 73 Este	Panamá	Panamá
Sportium Global Investments, SGI, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Sportium Servicios de Gestión, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat del Valles	Barcelona
Sportium Zona Norte, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Logroño	Logroño
Tallunxe, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Pseo. Miramar, s/n	Salou	Tarragona
Talzen Inversions, S.L.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Tecnijoc, S.L.	Operacional	75,50%	75,50%	Egartronic, S.A.	Gremio de Jaboneros, 3B Pol.I. Son Castello	Palma de Mallorca	Mallorca
Tecnoappel, S.L.	Operacional	75,50%	75,50%	Cirsa Slot Corporation, S.A.	Pol Ind Campollano, calle B1	Albacete	Albacete
Tecnología y Sistemas, S.A.	Operacional	100,00%	100,00%	Elevel, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Tefe, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Tenor Fleta, 57	Zaragoza	Zaragoza
Telma Enea, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Sevilla, 10-14	Jerez de la Frontera	Cádiz
Tres Rios Hotel la Carpintera, S.A.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Unidesa Operations Services, S.I.	B2B	100,00%	100,00%	Universal de desarrollos Electronicos, S.A.	C/ Sena, 2	Sant Cugat del Valles	Barcelona
Uniplay, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Universal de Desarrollos Electrónicos, S. A. De C.V.	B2B	100,00%	100,00%	International Mex Business, S.L.	Guillermo Gonzalez Camanera, 660 Piso 9 Of. 5	México D.F.	México
Urban Leisure, S.L.	Operacional	75,00%	75,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Verneda 90, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Guipuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50,01%	50,01%	Investments & Securities Iberica, S.A.	Calle 90, nº 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Salle Fernando, 48	Santander	Cantabria

List of associates

Company	Activity	Ownership Percentage 2020	Ownership Percentage 2019	Investment holder	Business address	City	Province/Country
AOG, S.r.l.	Bingos	50,00%	50,00%	Gema Srl. U.	Vía Langhena, 1	San Vendemiano	Italia
Automáticos Quintana, S.L.	Operacional	50,00%	50,00%	Comercial Jupama, S.A.	C/ Parque de la libertad, 30	Santa Lucía de Tirajana	Gran Canaria
Audiovisual Fianzas, S.G.R.	Estructura	35,23%	35,23%	Varios	c/ Luis Buñuel, 2 2ª	Madrid	Madrid
Bingo Amico, S.r.l.	Bingos	50,00%	50,00%	Gema, S.r.l.U.	Vía Langhena, 1	San Vendemiano	Italia
Binsavo, S. A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Ruiz Morote, 5	Ciudad Real	Ciudad Real
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation, S.A.	Isla de La Toja	El Grove	Pontevedra
Cludeen, S.L.	B2B	50,00%	50,00%	Universal de Desarrollos Electrónicos, S.A.	C/ Enrique Mariñas, 36 planta 5 local 1B	A Coruña	A Coruña
Compañía Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universal de Desarrollos Electronicos, S.A.	C/ Toledo, 137	Madrid	Madrid
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50 y 73 Este San Francisco Avda. de los Trabajadores, 12 P.I. La Atalaya	Panamá	Panamá
Felix Jimenez Morante, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.		Torrijos	Toledo
Majestic Food Services, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Montecarlo Andalucía, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Torricella, 11 Avda. de los Trabajadores, 12 P.I. La Atalaya	Roma	Italia
Recreativos Oropesa, S.L.	Operacional	50,00%	50,00%	Felix Jimenez Morante, S.A.		Torrijos	Toledo
Serdisga 2000, S. L.	B2B	50,00%	50,00%	Universal de Desarrollos Electronicos, S.A.	Av. Finisterre, 283	La Coruña	La Coruña
Unión de Operadores Reunidos, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	C/ Severo Ochoa, 3	A Coruña	A Coruña

Independent Audit Report in accordance with
International Standards on Auditing

Cirsa Enterprises Group
Special-purpose consolidated financial statements
at December 31, 2019



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INDEPENDENT AUDIT REPORT ON SPECIAL-PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Finance Management of Cirsa Enterprises, S.L.:

Opinion

We have audited the accompanying special-purpose consolidated financial statements of Cirsa Enterprises, S.L. (the Parent) and its Subsidiaries (the Group or Cirsa Enterprises Group), which comprise the consolidated statement of financial position at December 31, 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the explanatory notes thereto, which include a summary of the significant accounting policies (together known as "the consolidated financial statements"). The special-purpose consolidated financial statements have been prepared by the Finance Management of Cirsa Enterprises, S.L. on the basis of the financial reporting criteria described in Note 2, since these were the criteria that the Parent Company considers most adequate to achieve the purpose for which they were prepared.

In our opinion, the accompanying consolidated financial statements have been prepared, in all material respects, in conformity with the financial reporting criteria described in Note 2.

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Furthermore, we have complied with other ethical requirements in compliance with IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of matter paragraph - Basis of accounting and restrictions on distribution and utilization

We draw attention to the accompanying explanatory Note 2, which describes the basis of the accounting principles and criteria used. As indicated in said note, the special-purpose consolidated financial statements have not been prepared to meet legal requirements and have been mainly prepared to show, for comparative purposes, the 12-month activity of the Cirsa Enterprises Group in 2018, instead of the 6-month comparative figures that would result from the preparation of consolidated financial statements. Consequently, the consolidated financial statements may not be suitable for other purposes. Our report is intended solely for the Group's Finance Management and must not be distributed to or used by any other parties. Our audit opinion is not further qualified in respect of this matter.

Emphasis of matter paragraph - Subsequent events

We draw attention to Note 29 to the accompanying financial statements, which deals with the impact on the Group of the recent global health emergency situation caused by the coronavirus (COVID-19). Our opinion is not qualified in respect of this matter.

Other matters

The special-purpose consolidated financial statements have been audited applying International Standards on Auditing. This report can under no circumstances be considered an audit report in the terms established by prevailing audit regulations in Spain.

Responsibilities of Finance Management for the consolidated financial statements

Finance Management are responsible for the preparation of the accompanying special-purpose consolidated financial statements in accordance with the financial reporting criteria described in Note 2, and for the internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Finance Management is responsible for assessing the ability of Cirsa Enterprises Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Finance Management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.



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3

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Finance Management.
- Conclude on the appropriateness of the Finance Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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working world**

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We communicate with the Company's Finance Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERNST & YOUNG, S.L.

Joan Tubau Roca

March 27, 2020

Cirsa Enterprises Group

Special-Purpose Consolidated Financial Statements for the year ended December 31, 2019

*(Translation of financial statements originally issued in Spanish. In the event of discrepancy,
the Spanish-language version prevails)*

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Special-purpose consolidated financial statements

- Consolidated statements of financial position at December 31, 2019 and 2018
- Consolidated statements of comprehensive income for the years ended December 31, 2019 and 2018
- Consolidated statements of changes in equity for the years ended December 31, 2019 and 2018
- Consolidated cash flow statements for the years ended December 31, 2019 and 2018
- Notes to the consolidated financial statements for the year ended December 31, 2019

Appendix - Detail of subsidiaries at December 31, 2019 and 2018

Cirsa Enterprises Group
Consolidated financial statement of financial position at December 31

ASSETS

(Thousands of euros)	Notes	2019	2018
Non-current assets		3,272,195	2,533,233
Goodwill	5	1,219,064	968,100
Other intangible assets	6	1,206,949	1,103,676
Property, plant and equipment	7	397,569	297,461
Right-of-use assets	20	305,137	-
Investments accounted for using the equity method	8	32,887	78,990
Financial assets	9	49,252	39,426
Deferred tax assets	18.4	61,337	45,580
Current assets		341,369	307,546
Inventories	11	20,029	17,903
Trade and other receivables	9	117,344	112,509
Other financial assets	9	34,877	14,886
Other current assets		9,450	10,056
Cash and cash equivalents	12	159,669	152,192
Total assets		3,613,564	2,840,779

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	2019	2018
Equity		642,682	666,757
Issued capital	13.1	70,663	70,663
Share premium	13.1	635,390	635,940
Retained earnings	13.2	(190,756)	125,103
Currency translation differences		2,859	(1,201)
Profit/(loss) for the year attributable to the Parent		(6,668)	(284,009)
Non-controlling interests	13.3	131,194	120,261
Non-current liabilities		2,601,970	1,907,553
Corporate bonds	14	1,943,222	1,521,952
Bank borrowings	15	40,423	52,122
Other non-trade payables	16	42,932	31,971
Provisions	17	14,735	12,094
Finance lease liabilities	20	254,061	-
Deferred tax liabilities	18.4	306,597	289,414
Current liabilities		368,912	266,469
Corporate bonds	14	3,172	2,949
Bank borrowings	15	51,366	33,938
Trade payables		40,066	42,761
Other non-trade payables	16	196,204	173,757
Finance lease liabilities	20	60,200	-
Current income tax payable	18.2	17,904	13,064
Total equity and liabilities		3,613,564	2,840,779

Cirsa Enterprises Group
Consolidated statements of comprehensive income for the years ended December 31

(Thousands of euros)	Notes	2019	2018
CONTINUING OPERATIONS			
Income from gaming activities		1,971,912	1,824,138
Other operating income		151,949	142,923
Bingo prizes		(234,811)	(226,869)
Total operating income		1,889,050	1,740,192
Variable rent		(274,490)	(271,068)
Total operating income net of variable rent	3.1	1,614,560	1,469,124
Cost of sales		(68,134)	(71,276)
Employee benefits expense	21.1	(267,898)	(281,850)
Utilities and external services	21.2	(235,474)	(276,669)
Gaming taxes and other similar taxes		(570,360)	(511,044)
Charge to depreciation and amortization and impairment of assets	6, 7 & 20	(297,828)	(192,338)
Change in operating provisions		(3,843)	(3,249)
Finance income		1,943	2,249
Finance costs		(148,998)	(136,470)
Finance lease expenses		(16,966)	-
Change in financial provisions		929	3
Gains/(losses) on investments in associates	8	4,322	4,578
Exchange gains / (losses), net	21.3	(366)	(11,513)
Gains/(losses) on disposal/derecognition of non-current assets		14,399	8,488
Profit before tax		26,286	33
Income tax	18.2	(14,706)	(28,378)
Net profit/(loss) for the year from continuing operations		11,580	(28,345)
DISCONTINUED OPERATIONS			
Net profit/(loss) for the year from discontinued operations	19	-	(240,366)
Net profit/(loss) for the year		11,580	(268,711)
Profit/(loss) for the year attributable to non-controlling interests	13.3	18,248	15,298
Profit/(loss) for the year attributable to the Parent		(6,668)	(284,009)

Cirsa Enterprises Group
Consolidated statements of comprehensive income for the years ended December 31

(Thousands of euros)	Notes	2019	2018
Net profit/(loss) for the year		11,580	(268,711)
Currency translation differences		4,430	(1,201)
Tax effect		-	-
Total other comprehensive income that will be reclassified to profit or loss in subsequent years		4,430	(1,201)
Total other comprehensive income that will not be reclassified to profit or loss in subsequent years		-	-
Total other comprehensive income for the year, net of tax		16,010	(269,912)
<i>Comprehensive income attributable to:</i>			
<i>Parent Company</i>		(2,608)	(285,210)
<i>Non-controlling interests</i>		18,618	15,298
Total other comprehensive income for the year, net of tax		16,010	(269,912)

Cirsa Enterprises Group
Consolidated statements of changes in equity for the years ended December 31

(Thousands of euros)	Issued capital (Note 13.1)	Share premium	Treasury shares	Profit for the year			Total
				and Retained earnings (Note 13.2)	Currency translation differences	Non-controlling interests (Note 13.3)	
At December 31, 2017	24,577	9,500	(184)	105,002	(362,632)	236,679	12,942
Net profit/(loss) for the year 2018 (including effect of sale of Argentinean companies)	-	-	-	(284,009)	391,735	(92,660)	15,066
Other comprehensive income	-	-	-	-	(1,201)	-	(1,201)
Total 2018 comprehensive income	24,577	9,500	(184)	(179,007)	27,902	144,019	26,807
Other movements:							
Contribution by the Sole Shareholder, net of the purchase and sale transaction of the Cirsa Group	46,086	626,440	184	20,101	(29,103)	2,484	666,192
Dividends paid	-	-	-	-	-	(26,242)	(26,242)
At December 31, 2018	70,663	635,940	-	(158,906)	(1,201)	120,261	666,757
Net profit/(loss) for the year 2019	-	-	-	(6,668)	-	18,248	11,580
Other comprehensive income	-	-	-	-	4,060	370	4,430
Total 2019 comprehensive income	-	-	-	(6,668)	4,060	18,618	16,010
Other movements:							
Dividends paid	-	-	-	-	-	(10,783)	(10,783)
Other movements	-	(560)	-	(31,850)	-	3,098	(29,302)
At December 31, 2019	70,663	635,390	-	(197,424)	2,859	131,194	642,682

Cirsa Enterprises Group
Consolidated cash flow statements for the years ended December 31

(Thousands of euros)	Notes	2019	2018
Cash flows from operating activities			
Profit/(loss) for the year before tax		26,286	33
Adjustments to profit/(loss) due to:			
Change in operating provisions		3,843	2,506
Depreciation and amortization and impairment losses on non-current assets	5, 6 & 7	297,828	193,082
Gains/(loss) on disposals/derecognition of non-current assets		(14,399)	(8,487)
Finance income (costs)		158,770	129,640
Exchange gains / (losses), net	21.3	366	11,513
Other		3,721	14,406
Change in:			
Inventories		(1,799)	(2,007)
Trade and other receivables		4,836	3,759
Suppliers and other accounts payable		(10,228)	6,428
Gaming taxes payable		(8,539)	(4,991)
Other operating assets and liabilities, net		(14,216)	2,444
Income tax paid		(68,835)	(23,995)
Net cash from continuing operations		377,634	324,330
Net cash from discontinued operations	19	-	21,419
Net cash from operating activities		377,634	345,750
Cash flows from/(used in) investing activities			
Acquisition of property, plant, and equipment		(108,405)	(107,684)
Acquisition of intangible assets		(44,946)	(52,504)
Proceeds from disposal of property, plant and equipment		7,109	29,354
Acquisition of investments in other companies		(395,446)	(55,058)
Other financial investments		(28,104)	(14,480)
Interest received and income from financial investments		1,943	2,280
Net cash used in investing activities from continuing operations		(567,849)	(198,092)
Net cash used in investing activities from discontinued operations	19	-	(28,942)
Net cash used in investing activities		(567,849)	(227,034)
Cash flows from/(used in) financing activities			
Cash inflows from bank loans		1,466,735	1,450,220
Cancelation of bank loans		(1,462,907)	(1,470,600)
Bond issues		880,000	-
Cancelation of bonds		(480,075)	(977,600)
Contribution by the Sole Shareholder, net of the purchase and sale transaction of the Cirsa Group and new bond issue		-	948,664
Lease liability principal payments	20	(58,384)	(400)
Interest paid		(137,400)	(92,743)
Dividends paid and other payments		(11,069)	(25,344)
Net cash from/(used in) financing activities from continuing operations		196,900	(167,803)
Net cash used in financing activities from discontinued operations	19	-	(7,449)
Net cash from/(used in) financing activities		196,900	(175,252)
Net increase/(decrease) in cash and cash equivalents		6,685	(56,536)
Net effect of exchange gains/(losses) on cash		792	(3,459)
Cash and cash equivalents at January 1		152,192	212,189
Cash and cash equivalents at December 31, from continuing operations		159,669	152,192

Cirsa Enterprises Group

Notes to the consolidated financial statements for the year ended December 31, 2019

1. GROUP INFORMATION

1.1 Group activity

Cirsa Enterprises, S.L. (hereinafter *the Company or the Parent Company*) and its subsidiaries (hereinafter *the Group or the Cirsa Group*) consist of a set of companies operating in the gaming and leisure sector, carrying out the following activities:

- the design, manufacture and marketing of slot machines that are sold to both group companies and third parties, and the development of interactive gaming mechanisms and systems.
- Operation of slot machines, bingo halls and casinos, in both Spain and abroad.

Until December 31, 2017 the Cirsa Group parent company was Cirsa Gaming Corporation, S.A. On July 3, 2018 the company Cirsa Enterprises, S.L. acquired 100% of the shares of Cirsa Gaming Corporation, S.A. from the former shareholders. Cirsa Enterprises, S.L. formerly LHMC Bidco, S.L. was incorporated on November 15, 2017. Information about this transaction is provided in Note 4.3.

Therefore, the new consolidatable group was born on July 3, 2018 with the inclusion of the Cirsa Gaming Corporation, S.A. subgroup and the bond-issuing company, Cirsa Finance International, S.a.r.l., which was incorporated on May 22, 2018. As indicated in sections 1.2 and 2.1, the consolidated financial statements of the Cirsa Group will be prepared under International Financial Reporting Standards by its ultimate parent company in Luxembourg, LHMC Topco, S.a.r.l. They will be translated and filed with the Mercantile Registry in due time and form. Consequently, the Company meets the criteria for exemption from preparing consolidated financial statements under article 43 of the Commercial Code.

As a result of the foregoing, the accompanying consolidated financial statements cannot be considered consolidated financial statements under Spanish GAAP, but special-purpose consolidated financial statements, whose purpose and basis of presentation are disclosed in section 2.1 below. Although these consolidated financial statements have been prepared on a voluntary basis, they have been authorized for issue by the Board of Directors as if it were a legal requirement.

The 2019 financial statements of the companies comprising the Group have yet to be approved by the corresponding General Meetings of Shareholders or Owners. However, the Board of Directors of the Group Parent expect that the aforementioned financial statements will be approved without significant modification and, therefore, they will have no impact on the special-purpose consolidated financial statements.

1.2 Group structure

The Parent Company, which is domiciled in Madrid, at Calle Fermina Sevillano, 5-7, is a subsidiary of its Sole Shareholder LHMC Midco, S.a.r.l., which is in turn a subsidiary of LHMC, Topco, S.a.r.l. (both domiciled in Luxembourg, at Rue Eugène Ruppert, 2-4). The fund that holds the shares of the new Cirsa Enterprises Group is ultimately controlled by The Blackstone Group.

The details of the Company's subsidiaries at December 31, 2019 and 2018 are shown on Appendix I, classified into the following categories:

- **Subsidiaries:** Subsidiaries are companies controlled either directly or indirectly by the Company so that it can manage the financial and operating policies in order to obtain profit from the investment.
- **Joint ventures:** The jointly controlled companies are entities ruled by a contractual arrangement between the partners whereby they establish joint control on the business, and which requires the unanimous consent of the venturers regarding the operating decisions.
- **Associates:** The associates are enterprises not included in the previous two categories and in which there is an ownership interest on a long-term basis that favors their activity, but with limited influence over their management and control.

(NOTA: The 'Ownership percentage' column in Appendix I is obtained by multiplying the successive percentages over the ownership chain and, therefore, shows the final ownership at Company level).

1.3 Changes in the scope of consolidation

The changes in the scope of consolidation are summarized as follows:

2019

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2019	Operating revenue in the 2019 consolidated statement of comprehensive income
First Game, S.L.U.	100%	Full	782	758
Fomento Advenio 1, S.A. DE C.V. (*)	100%	Full	10,836	663
Palabingo, S.R.L.	56%	Full	3,641	4,059
Recreativos Sortia, S.L.U.	100%	Full	1,069	1,450
Redeye Games, S.L.U.	100%	Full	1,079	1,313
Subgrupo Giga Games (**)	100%	Full	302,740	66,147
			320,147	74,390

(*) Fomento Advenio 1, S.A. de C.V. is the owner of Casino Central, a 7 casino hall business in Mexico.

(**) On July 31 the Giga Games subgroup was acquired as a result of gaining control of 100% of the company Giga Games System Operation, S.L., the parent of the subgroup, which includes 30 other companies.

All acquisitions shown in the table above have given rise to a business combination.

The information on the business combinations carried out during the year is shown in Note 4.

- Incorporation of companies

During the current year the company Sportium Servicios de Gestión, S.L.U. was incorporated. Its activity consists in the provision of corporate services to the Sportium subgroup companies. The assets and revenue of this company at December 31, 2019 are not material.

- Sale of companies resulting in loss of control

During the current year, the following companies have been sold resulting in a loss of control and/or significant influence on their businesses:

	Ownership % at prior year end	Consolidation method at prior year end	Ownership % after the sale	Consolidation method after the sale
Ferrojuegos, S.A.	100%	Full	-	-
Metroservi Andaluza de Salones, S.L.	25%	Equity	-	-

The gains/(losses) that said sales have generated in the consolidated financial statements are not material, nor have they generated any change in non-controlling interests.

- Changes in the consolidation method

The changes in the ownership percentage during 2019 are as follows:

	Consolidation method		Percentage	
	2019	2018	At December 31, 2019	At December 31, 2018
Sportium subgroup	Full	Equity	100%	50%

In October 2019 the group company Cirsa Slot Corporation, S.A. Acquired the remaining 50% of Sportium Apuestas Deportivas, S.A., gaining effective control of the Sportium subgroup. Consequently, at December 31, 2019 the Sportium subgroup has been integrated into the consolidated financial statements using the full consolidation method. The gaining of control of 100% of Sportium has given rise to a business combination. Its effects are shown in Note 4.

- Changes in the ownership percentage

The changes in the ownership percentage during 2019 are as follows:

	Consolidation method		Percentage	
	2019	2018	At December 31, 2019	At December 31, 2018
Apuestas Electrónicas, S.L.U.	Full	Full	75.5%	51.0%
Comdibal 2000, S. L.	Full	Full	75.5%	51.0%
Comercial de Recreativos Salamanca, S.A.U.	Full	Full	75.5%	51.0%
Egartronic, S.A.	Full	Full	75.5%	51.0%
Iber Matic Games, S.L.	Full	Full	75.5%	51.0%
Interplay, S.A.U.	Full	Full	75.5%	51.0%
Juegos Del Oeste, S.L.U.	Full	Full	75.5%	51.0%
Montri, S.A.U.	Full	Full	75.5%	51.0%
S.A. Explotadora de Recreativos	Full	Full	90.0%	61.4%
Servi-Joc, S.A.	Full	Full	85.0%	51.0%
Tecnijoc, S.L.U.	Full	Full	75.5%	51.0%
Tecnoappel, S.L.	Full	Full	75.5%	51.0%
Yumbo San Fernando, S.A.	Full	Full	100.0%	60.0%

The changes in the table above correspond to several acquisition of additional ownership interests. However, the consolidation method has not changed since the full consolidation method was already used in the prior year.

- Other changes in equity

In 2019, the following companies have been dissolved or wound up:

(thousands of euros)	At December 31, 2018		
	% held by the Group	Consolidation method	Total Assets in the consolidated statement of financial position
Bingaser, A.I.E.	100%	Full	28
Gironina de Bingos, S.L.	21%	Equity	223
Losimai, S.A.U.	100%	Full	508
Red de Bingos Andaluces, A.I.E.	54%	Full	29
Red de Juegos y Apuestas de Madrid, S.A.	40%	Equity	23
Servicios Integrales del Juego, A.I.E.	100%	Full	108

Said transactions have not generated significant results for the Group.

Additionally, the following changes in the scope due to mergers between group companies have occurred, without affecting the consolidated figures.

Acquired Group company	Acquiring Group company
Cirsa+, S.R.L.	Cirsagest, S.P.A.U.
Eletronolo Firenze, S.R.L.U.	Cirsagest, S.P.A.U.
Inmobiliaria Rapid, S.A.C.	Gaming and Services, S.A.C.
Salón de Juegos Portal, S.A.U.	Gaming and Services, S.A.C.
Sierra Machines, S.A.C.	Gaming and Services, S.A.C.
Casino El Cacique, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Casinos Pájaro Trueno, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Cirsa Estrellas del Caribe, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Cirsa Gran Entretenimiento De Costa Rica, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Operación Banshai, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Patterson Lake Business Services, S.A.U.	Grupo Cirsa De Costa Rica, S.A.U.
Recreativos Miami, S.A.U.	Unión de Operadores Reunidos, S.A.

Finally, several changes to the corporate names of group companies have been made: Italtronic, S.r.l. is now Cirsa Retail, S.r.l. and Cirsa Digital, S.A. is now Sportium Apuestas Digital, S.A.

2018

- Acquisition of companies (excluding the transaction disclosed in Note 4.3)

(Thousands of euros)	% voting rights	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2018	Operating revenue in the 2018 consolidated statement of comprehensive income
SGB 2 SRLU (*)	100%	Full	-	-
Casinos del Caribe, S.R.L. (**)	100%	Full	14,868	1,261
<i>Acquisitions of Nortia Group companies (***)</i>				
Unión de Operadores Reunidos, S.A. (****)	50%	Equity	16,146	-
Société du Casino Le Mirage, S.A.	51%	Full	2,339	2,239
Felix Jimenez Morante, S.A.	50%	Equity	827	-
Recreativos Oropesa, S.L.U.	50%	Equity	62	-
Talluntxe, S.A.U.	100%	Full	1,783	1,973
			36,025	5,473

(*) The company SGB2 was acquired in January 2018 by the group company Cirsagest, S.p.a. During October 2018 it merged with said company. Consequently, total assets and operating income contributed to the consolidated group is included in the financial statements of Cirsagest.

(**) At the date of gaining control, Casinos del Caribe, S.R.L. wholly owned the company Merengue Bar Gran Casino Jaragua, G.C.J, S.R.L.U.

(***) Companies acquired from the Nortia Group during 2018, in addition to the Cirsa subgroup as a result of the purchase and sale transaction carried out on July 3, 2018.

(****) At the date of gaining control Unión de Operadores Reunidos, S.A. wholly owned the company Recreativos Miami, S.A.U.

All acquisitions shown in the table above have given rise to a business combination. Additionally, another business combination has been carried out in Mexico, which has been integrated into the financial statements of Promociones e Inversiones de Guerrero, S.A.P.I de C.V., whereby a gambling hall was acquired, agreeing to the purchase of fixed assets (slot machines) and intangible assets (exclusive rights over the activity and portfolio of customers) for an overall amount of 16,306 thousand euros.

The information on the business combinations carried out during the year is shown in Note 4.

- Incorporation of companies

During 2018 the following companies have been incorporated:

(Thousands of euros)	% held by the Group	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2018	Operating revenue in the 2018 consolidated statement of comprehensive income
Cirsa Finance International, S.A.R.L.U.	100%	Full	75	-
Cirsa International Business Corporation, S.L.U	100%	Full	3,360	62
Nortia Real State Colombia, S.L.U	100%	Full	-	-
Unidesa Operations Services, S.L.U.	100%	Full	-	-
Sportium Global Investments, SGI, S.A.	60%	Equity	-	-
			3,435	62

The information on the percentages of voting rights, consolidation methods and other information on the companies above is shown in Appendix I.

- Sale of companies resulting in loss of control

During the current year, the following companies have been sold resulting in a loss of control and/or significant influence on their businesses:

	Ownership % at prior year end	Consolidation method at prior year end	Ownership % after the sale	Consolidation method after the sale
Recreativos Trece, S.L.	50%	Equity	-	-
<i>Disposals of Nortia Group companies (*)</i>				
Complejo Hotelero Monte Picayo, S.A.U.	100%	Full	-	-
Jesali, S.A.U.	100%	Full	-	-
Casino de Asturias, S.A.	40%	Equity	-	-
Gestión del Juego Integral, S.A.U.	100%	Full	-	-
Cirsa Panamá, S.A.U.	100%	Full	-	-
Silver Cup Gaming, Inc.	50%	Equity	-	-
Las Perlas Beach Resort, Co	17%	Equity	-	-
Cirsa Venezuela, C.A.U.	100%	Full	-	-
Cirsa Caribe, C.A.	70%	Full	-	-
Cirsaecuador, S.A.U.	100%	Full	-	-
Ariv, S.A (ARG)	50%	Equity	-	-
Casino Buenos Aires, S.A. (ARG)	100%	Full	-	-
CBA-CIESA, UTE	50%	Proportional	-	-
Casino Rosario (ARG)	50%	Full	-	-
Ivisa- Casino Buenos Aires, U.T.E. (ARG)	100%	Full	-	-
Traylon, S.A. (ARG)	55%	Full	-	-
Magic Star, S.A. (ARG)	50%	Proportional	-	-
Sobreaguas, S.A. (ARG)	100%	Full	-	-
Alavera, S.A. (ARG)	50%	Equity	-	-
Emjucasa, S.A. (ARG)	50%	Equity	-	-
Binbaires, S.A. (ARG)	33%	Equity	-	-
Bingames, S.A.U.	100%	Full	-	-
Cirsa International Gaming Corporation, S.A.U.	100%	Full	-	-

(*) Companies sold to the Nortia Group during 2018, as a result of the purchase and sale transaction carried out on July 3, 2018.

The results from these sales in the consolidated financial statements are detailed in the following table:

(Thousands of euros)	Change in non- controlling interests	Results from the sale
Recreativos Trece, S.L.	-	(286)
Companies sold to Grupo Nortia Business Corporation, S.L.	(107,958)	(240,366)
	(107,958)	(240,652)

The impact of the disposal of the group of companies of which Cirsa Gaming Corporation, S.A. was the parent to Grupo Nortia Business Corporation, S.A. after the sale includes the change in non-controlling interests and the results from the sale, that is, the year-on-year results of the companies sold plus the results from the sale of said companies.

- Change in the ownership percentage or consolidation methods

The changes in the ownership percentage or consolidation method during 2018 are as follows:

(Thousands of euros)	Consolidation method		Consolidation method	
	2018	2017	2018	2017
New York Games, S.L.U.	Full	Full	100%	50%
Cirsa +, S.R.L.	Full	Full	100%	51%

The changes in the table above correspond to the acquisition of ownership interests in said companies until reaching 100%. However, the consolidation method has not changed since the full consolidation method was already used in the prior year.

- Other changes in equity

During the current year Global Manufacturing Corporation, S.A., Sternal Bay Venezuela, C.A. and Cirsa Funding Luxembourg, S.A. were dissolved and wound up. The first two companies were dormant or showed low activity and their dissolution and wind-up have generate no significant results for the Group. The third company was the holding of the previously issued bonds, which have been early repaid during the current year.

Additionally, during the current year, the company Cirstage, SPAU has taken over the company SGB 2 SRLU, which has also become a Cirsa group company during the current year (see section *Acquisition of companies*). Logically, this take-over transaction has had no impact on the Group's consolidated financial statements.

Additionally, in 2017 there were changes in the corporate names of several companies that belonged to the Group; Madrileña de Servicios para Bingo, S.L. became International Mex Business, S.L., Global Gaming became Global Real State SAS and, lastly, Caballo 5, S.L. became Sant Cugat Desarrollos de Tecnologías, S.L.

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation of the special-purpose financial statements

The Group prepares consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European (IFRS-EU) Union published by the International Accounting Standards Board (IASB) and further interpretations. At the date these consolidated financial statements were authorized for issue, the consolidated financial statements of the Cirsa Group in Luxembourg had not yet been prepared by LHMC Topco, S.a.r.l.

Except for that indicated below and Notes 2.1.1 and 2.1.2, the accounting policies used in the preparation of these special-purpose consolidated financial statements meet every prevailing standard at the date they were authorized for issue. The International Financial Reporting Standards as adopted by the European Union establish application alternatives in some cases. The options applied by the Group are described in the several accounting policies detailed in these Notes.

The special-purpose consolidated financial statements have been prepared in order to present information on the consolidated financial position and results of the Cirsa Group's gaming business for a whole financial year, and for comparative purposes, to present fair and useful information to the users of the special-purpose consolidated financial statements, mainly, the holders of the bonds issued by the Group in Luxembourg. In this regard, certain premises are included herein, which are indicated in the subnotes below, that do not agree with the International Financial Reporting Standards as adopted by the European Union, only in relation to said additional premises.

Specifically, although the Group the parent of which is Cirsa Enterprises, S.L. was born on July 3, 2018 as a result of the acquisition of the Cirsa Gaming Corporation, S.A. subgroup, the 2019 consolidated financial statements show the 12-month comparative figures for the year 2018 of the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes there to for comparative purposes.

This matter is described in greater detail in Notes 2.1.1 and 2.1.2 below.

2.1.1 Premises used in the preparation of the special-purpose consolidated financial statements

The adjustments introduced by the Group's Finance Management to prepare the accompanying consolidated financial statements are summarized as follows:

- The 2018 financial information presented for comparative purposes has been prepared from Cirsa Gaming Corporation, S.A. and Subsidiaries for the first six months of the current year, and from then on includes the effects of the business combination that Cirsa Enterprises, S.L. (the acquiring company) carried out on the Cirsa Group, as well as the integration of the new financial debt (and finance cost) related to the corporate bonds issued by Cirsa Finance International, S.a.r.l. in 2018. Consequently, the special-purpose consolidated financial statements include a consolidated statement of comprehensive income, a consolidated statement of changes in equity and a consolidated cash flow statement with comparative figures for a 12-month period, instead of those corresponding to the period of almost 6 months that would be presented considering that the parent company, Cirsa Enterprises, S.L., acquired the shares of the Cirsa Gaming Corporation Group and gained control over it on July 3, 2018.
- Both the statement of changes in equity and the cash flow statement include a line called 'Contribution by the Sole Shareholder, net of the purchase and sale transaction of the Cirsa Group and the new bond issue' for the effect on the Cirsa Group's equity and cash of the capital increase, the issue of new corporate bonds and the (paid) purchase and sale transaction of the Group.
- The income statement of the gaming business in Argentina was discontinued as a result of the purchase and sale transaction described in Note 1, since the companies included in said scope were transferred to Nortia Business Corporation, S.L., and classified in the 2018 income statement as 'Discontinued operations'.

The business combination for the purchase of Cirsa Gaming Corporation, S.A. by Cirsa Enterprises, S.L. and its accounting effects (in relation to the aforementioned consolidation adjustments and those derived from the application of the 'Purchase Price Allocation' of IFRS 13 *Business Combinations*) remained at the date of acquisition (July 3, 2018).

2.1.2 Other basis of presentation of the special-purpose consolidated statement of financial position

- Information to be disclosed in the Notes

The International Financial Reporting Standards as adopted by the European Union require that the presentation of the Notes help the users understand the financial statements and compare them with those presented by other entities. For this purpose, the information disclosed in these Notes has been considered appropriate and sufficient, and therefore, it was not deemed relevant to include any other disclosures required by Spanish legislation but not required by the International Financial Reporting Standards.

- Comparative information

Under International Financial Reporting Standards as approved by the European Union a new consolidatable group should present comparative information for the period of almost 6 months between the date of acquisition of Cirsa Gaming Corporation, S.A. and the 2018 year end. As mentioned above, and since this information is necessary for the users of these consolidated financial statements, (i.e. the bond holders), 12-month comparative information has been presented for all statements and notes, except for the exemptions indicated in Note 2.1.1 above.

Except for the aforementioned premises and those indicated in Note 2.1.1, the accounting principles and criteria used in the measurement and presentation of the assets and liabilities of the Cirsa Enterprises Group at December 31, 2019 agree with the principles and criteria set forth in the International Financial Reporting Standards as adopted by the European Union. In any case, due to the aforementioned exceptions, the financial statements are not presented in accordance with Financial Reporting Standards as adopted by the European Union but with the specific accounting bases described in Note 2.

2.2 Estimates and judgments

The preparation of the consolidated financial statements requires Group Management to exercise judgment and to make estimates and assumptions that affect the application of the accounting policies and the recorded assets, liabilities, income and expenses. The estimates and assumptions taken into account have been based upon historical experience and other factors which were considered to be reasonable in the light of the circumstances. Consequently, the results obtained could differ from those assumptions

The estimates and assumptions are continuously reviewed. Any changes to accounting estimates are recognized in the period they are made if they apply solely to that period, or for that period and subsequent periods if they affect both. The key estimates and judgments are as follows:

- Business combinations and goodwill

The Group assesses for each business combination, the fair value of assets, liabilities and acquired contingent liabilities, allocating the cost of the business combination to the identified elements. Likewise, goodwill arising from the acquisition is assigned to its corresponding cash-generating unit, based on expected synergies, for subsequent impairment tests (Notes 4 and 10).

- Impairment of assets

The Group assesses for impairment at year end for all non-financial assets which carrying amount could be unrecoverable. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually, or when there is evidence of impairment, based on financial projections and estimates of future operating cash flows. During 2019 and 2018 the Group has not recorded any impairment losses on goodwill, whereas it has recognized impairment on intangible assets in 2019 amounting to 8,000 thousand euros (Note 10).

- Useful life of non-current assets with finite lives.

The Group regularly reviews the useful lives of its items of property, plant and equipment and intangible assets. If its estimates of useful life are changed, it prospectively adjusts allocations to depreciation or amortization. During the years 2019 and 2018 it was not necessary to readjust the useful life of any non-current asset with finite life.

- Recoverability of deferred tax assets

When the Group, or any of the companies included in it, recognizes deferred tax assets, the estimated taxable profits that will be generated in future years are reviewed at year end in order to assess their recoverability, and any impairment loss is recognized accordingly. At December 31, 2019 the Group has recorded deferred tax assets amounting to 61,337 thousand euros (45,580 thousand euros at December 31, 2018), as indicated in Note 18.4.

- Provision for taxes and other risks

Provisions are recognized for taxes and risks that will probably arise based on related studies carried out regarding the likelihood that these risks may occur, and the amounts they would entail, recognizing a provision when they are assessed as probable. At December 31, 2019 the Group has recorded provisions for taxes and other risks amounting to 14,735 thousand euros (12,094 thousand euros at December 31, 2018), as detailed in Note 17.

- Consolidation methods

The assessment of whether control is exercised when the Group does not have absolute majority of voting rights, but agreements with the other shareholders have been reached, requires the Group to make estimates and judgments to determine whether it has unilateral rights to manage relevant activities in accordance with IFRS 10. Additionally, in order to establish the consolidation method of certain entities over which control is not exercised also requires Group Management to make judgments and estimates to determine whether they are considered jointly controlled companies, joint operations or associates.

2.3 Standards and interpretations approved by the European Union applied for the first time in 2018

The accounting policies used in the preparation of these special-purpose consolidated financial statements comprise all applicable standards at the beginning of the period, including those that came into force in the current year:

IFRS 16 – Leases

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC 15 *Operating leases - Incentives* and SIC 27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, and requires lessees to record all leases under a single lessee accounting model. On the contrary, this standard does not substantially change the lessor accounting in comparison with IAS 17. Consequently, IFRS 16 has had no significant impact on the leases in which the Group acts as lessor.

The Group has adopted IFRS 16 with initial application date January 1, 2019 using the modified retrospective approach. Under this method, the cumulative effect of initially applying IFRS 16 has been recorded as an adjustment to the opening balance of right-of-use assets and finance lease liabilities. The comparative figures for the prior year have not been restated.

For transition purposes, at initial application date, the Group has chosen the practical expedient of applying IFRS 16 only to the leases that were already identified as such in accordance with the old standards (IAS 17 and IFRIC 4). The impact of the adoption of IFRS 16 is as follows:

Impact on the statement of financial position (increase/decrease) at January 1, 2019:

(thousands of euros)	Balance at 12/31/2018	Impact of IFRS 16	Balance at 1/1/2019
Non-current assets	2,533,233	268,047	2,801,280
Current assets	307,546		307,546
TOTAL ASSETS	2,840,779	268,047	3,108,826
Equity	(666,757)	-	(666,757)
Non-current liabilities	(1,907,553)	(229,716)	(2,137,269)
Current liabilities	(266,469)	(38,331)	(304,800)
TOTAL EQUITY AND LIABILITIES	(2,840,779)	(268,047)	(3,108,826)

In addition to the lease liabilities recorded at initial application, January 1, 2019, the Group held lease liabilities amounting to 1,381 thousand euros corresponding to lease liabilities previously classified as finance leases.

Nature of the impact of IFRS 16

The Group acts as the lessee of several plants, machinery, vehicles and other equipment. Prior to the adoption of IFRS 16, at the commencement of these arrangements the Group assessed whether they were operating or finance leases. The lease was classified as a finance lease if all the risks and rewards incidental to ownership of the asset were transferred. Otherwise, it was classified as an operating lease.

In finance leases a fixed asset at the fair value of the item was recorded, or if lower, at the present value of the minimum payments of the arrangement. The financial liability was subsequently recorded at amortized cost.

In operating leases, no asset was recorded in the balance sheet, but expensed in the income statement on a straight-line basis over the duration of the arrangement. Any advanced payment or accrued rent was recorded as a prepaid expense or an account payable, respectively.

On the contrary, as a result of the adoption of IFRS 16, the Group applies a single recognition and measurement model for all leases in which it acts as the lessee, except for leases of low-value assets and short-term leases.

The standard determines the practical expedients and transition requirements that have been applied by the Group:

Leases previously classified as finance leases

The Group has not modified the carrying amount of the lease assets and liabilities recognized at the date of initial application that had been previously classified as finance leases. That is, right-of-use assets and lease liabilities are the same as the lease assets and liabilities recognized under IAS 17. Therefore, the IFRS 16 requirements for this type of leases will be applied as from January 1, 2019.

Leases previously classified as operating leases

The Group has recognized the right-of-use assets and lease liabilities for the leases previously classified as operating leases, except for short-term leases and leases of low-value assets.

The lease liabilities have been calculated at the present value of outstanding payments, using the incremental interest rate at the date of initial application. For all leases, right-of-use assets have been calculated at the same amount as lease liabilities.

The Group has also applied the following available practical expedients:

- Applying the same discount rate for a portfolio of arrangements with similar characteristics. In this regard, An incremental borrowing rate has been applied by homogeneous portfolio of leases, country and lease term. Incremental interest rates at the date of initial application have been around 2% in Spain and Italy, and between 4% and 13% in Latin America.
- Using the assessment of onerous contracts of IAS 37 instead of reviewing impairment at the date of initial application.
- In order to determine the lease term as the non-cancelable period of the lease the Group has considered the initial term of each lease, considering that it is not reasonably certain whether the unilateral option to extend or terminate the lease, if any, will be exercised.
- Considering as short-term leases those that end within 12 months or less since the date of initial application.
- Using updated information.
- Not including incremental direct costs in the measurement of the right-of-use asset.

As for presentation, right-of-use assets and lease liabilities have been presented separately from other assets and liabilities in the statement of financial position.

The impact of the IFRS 16 implementation on profit/(loss) before tax for the year 2019 is as follows:

(Thousands of euros)	2019
Capitalization of operating leases	58,384
Depreciation of right-of-use assets	(47,405)
Profit/(loss) from derecognition of assets	(641)
Finance costs from the discount of borrowings from right-of-use assets	(16,966)
Impact of IFRS 16 implementation on Profit/(Loss) before tax for the year 2019	(6,628)

IFRIC 23 *Uncertainty over income tax treatments*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following aspects:

- whether an entity considers uncertain tax treatments separately.
- the assumptions an entity makes about the examination of tax treatments by taxation authorities.
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- how an entity considers changes in facts and circumstances.

an entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty.

Neither the Group nor its subsidiaries have uncertain tax treatments whose acceptance by the tax authorities is considered not probable. This interpretation has had no significant effect on the Group's consolidated financial statements.

Annual improvements to IFRS – 2015-2017 Cycle

The IASB has made the following amendments to the standards:

IFRS 3 Business combinations – Previously held interest in a joint operation

The amendments to IFRS 3 clarify that when an entity obtains control of a business that previously was a joint operation, it shall apply the requirements for business combinations achieved in stages, remeasuring previously held interests in the assets and liabilities of the joint operation at the fair value. This amendment has had no significant impact on the consolidated financial statements.

IAS 12 Income Tax – Consequences of Payments on Instruments Classified as Equity

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. This amendment has had no significant impact on the consolidated financial statements.

IAS 23 Borrowings costs – Borrowing costs eligible for capitalization

The amendments clarify that an entity considers as part of its borrowing costs any borrowing cost originally incurred for the purpose of obtaining a qualifying asset when substantially all the activities necessary to prepare that asset for its intended use or sale are complete. This amendment has had no significant impact on the consolidated financial statements.

2.4 Standards and interpretations published by the IASB, but not applicable in the current year

The Group intends to adopt the standards, interpretations and amendments issued by the IASB, whose application is not mandatory in the European Union as at the date of authorizing the accompanying special-purpose consolidated financial statements for issue, when they are effective, to the extent applicable to the Group.

IFRS 17 Insurance contracts

In May 2017 the IASB issued IFRS 17 *Insurance contracts*, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among insurance companies. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general approach, supplemented by:

- A specific adaptation for all contracts with direct participation features (variable fee approach).
- A simplified approach (premium allocation approach) mainly for contracts with shorter duration.

IFRS 17 is effective for periods beginning on January 1, 2022 (taking into account the delay in its coming into effect) or after, and comparative figures must be included. Early application is permitted for entities that apply IFRS 9 and IFRS 15 on or before the date of initial application of IFRS 17. This standard is not applicable to the Group.

Revised version of the Conceptual Framework for Financial Reporting underpinning IFRS Standards

The Conceptual Framework sets out the fundamental concepts of financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction.

The revised Conceptual Framework includes: a new chapter on measurement; improved definitions and guidance; and clarifications in important areas, such as prudence and measurement of uncertainty. The IASB will start using the revised Conceptual Framework immediately, whereas issuers that develop accounting policies based on the Conceptual Framework will use it from periods beginning on or after January 1, 2020.

Amendments to IFRS 3 *Business combinations*

The IASB has issued amendments to the definition of a business in IFRS 3. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an acquisition of a group of assets. Distinguishing between a business and a group of assets is important because an acquirer recognizes goodwill only when acquiring a business.

The amended definition emphasizes that the output of a business is to provide goods and services to customers, which generate revenue from the investment (such as dividends or interest) or generate other revenue from ordinary activities; whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and other owners, members or beneficiaries.

Companies are required to apply the amended definition of a business to acquisitions that occur on or after January 1, 2020. Earlier application is permitted.

Amendments to IAS 1 and IAS 8 *Definition of Material*

The IASB has issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their consolidated financial statements. The amendments clarify the definition of material and how it should be applied. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The Group will assess the contents of its consolidated financial statements in accordance with the amended definition of material, although no significant changes are expected.

2.5 Consolidation methodology

Consolidation methodology is described in the following sections:

Consolidation methods

The methods applied to obtain these consolidated financial statements were as follows:

- Full consolidation method for subsidiaries
- Equity method for associates and jointly controlled companies

Harmonization

The financial year of the companies within the consolidation perimeter ends on December 31. For consolidation purposes the corresponding 2019 financial statements of each company have been used.

The accounting principles applied by the companies comply with Group policies and, accordingly, no harmonization adjustments were necessary.

Elimination of internal transactions

The intercompany balances arising from financial operations, rental agreements, payment of dividends, financial assets and liabilities, purchase and sale of inventories and non-current assets and rendering of services have been eliminated. In regard with purchase and sale transactions, the unrealized margin on assets, as well as depreciation, has been adjusted in order to show the assets at their original cost to the Group.

Translation of financial statements in foreign currency

The financial statements of foreign companies have been translated into euros prior to their consolidation following the year-end rate method. Accordingly, the assets and liabilities are translated at the exchange rate prevailing at December 31, capital and reserves are translated at the historical exchange rate, and income and expenses at the average exchange rate of the year. Differences arisen from this process have been recorded directly under Translation differences in net equity.

2.6 Business combinations

When Group gains control over one constituted business, or directly over a business' net assets, the consideration transferred is assigned to assets, liabilities and contingent liabilities, measured at fair value. The difference between the sum of fair values and the sum of the consideration transferred plus the amount of any non-controlling interest in the acquiree at acquisition date is recognized as goodwill where it is positive or as income in the consolidated statement of comprehensive income where the difference is negative.

The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree, and the equity interests issued by the acquirer.

The costs related to the acquisition, such as finder's fees, advice, legal, accounting valuation and other professional or consulting fees, are recognized as expenses in the years when they are incurred and the services are provided.

2.7 Intangible assets

Intangible assets are initially measured at acquisition cost less accumulated amortization and any impairment loss.

Goodwill is not amortized as it is considered to have an indefinite useful life. Instead, it is tested for impairment at least annually as well as intangible assets with indefinite useful lives. Likewise, the net carrying amount of intangible assets having finite useful life is tested for impairment when there is evidence or changes of not recovering the carrying amount, similar to the criteria established for property, plant and equipment.

Research expenses are charged to expenses when incurred, while development costs related to an individual project are capitalized when the Group can demonstrate the technical feasibility and profitability, the availability of financing resources, and incurred costs can be measured reliably. Development expenses to be capitalized, including the cost of materials, personnel expenses directly attributable and a fair proportion of overheads, are amortized using a declining method (50% the first year) over the period for which they expect to obtain profits or income from such project, which generally comprises three years.

Amounts paid to the owners of the sites where the slot machines are located on an exclusivity basis are capitalized as installation rights. They are amortized on a straight-line basis over the contract term.

Administrative concessions are amortized on a straight-line basis, according to the concession term, as well as transfer rights of leased premise.

Software is amortized on a straight-line basis over three years.

2.8 Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any recognized impairment loss.

The Group assesses whether there is an indication that the net carrying amount of property, plant and equipment may be impaired. If any indication exists, assets or cash-generating units are recorded at their recoverable amount.

Expenses for repairs which do not prolong the useful life of the assets, as well as maintenance expenses, are taken to the income statement in the year incurred. Expenses incurred for expansion or improvements which prolong the useful life of the asset are capitalized. Future expenses for restoring and retirement are recognized, at present value, as a cost component, with a liability provision as counterpart.

Depreciation charges are calculated over the estimated useful lives of the assets. Property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful life. A declining basis is used alternatively for some assets, basically slot machines, since it better follows the actual pattern of income related to these assets.

	Method	Rate
Commercial buildings (new/used) and plant	Straight-line	2-4%
Production installations (new/used)	Straight-line	8-16%
Other installations	Straight-line	8-12%
Production machinery	Straight-line	10%
Other production equipment	Straight-line	20%
New slot machines ("A" and "B" / "V" and "C")	Declining/Straight line	20%
Used slot machines	Straight-line	40%
Furniture (new/used)	Straight-line	10-20%
Vehicles (new/used)	Declining/Straight line	10-32%
Tools and furniture (new/used)	Straight-line	30-60%
Data processing equipment (new/used)	Declining/Straight line	25-50%
Molds and dices	Straight-line	25%
Other PP&E Items	Straight-line	16%

The finite useful life of slot machines is necessarily subject to exogenous factors (mainly market and competence) of difficult forecast. In the event that such equipment completes its useful life before the base period used for depreciation, the net balance of the related good at the removal date is charged as depreciation for the year, given its recurrent and typical features, as well as its corrective nature of systematic depreciation performed on related goods.

2.9 Investments in associates

Investments are accounted for under the proportional consolidation method or the equity method, that is, they are accounted initially at cost and its carrying amount is increased or decreased in order to recognize the part of the result of the invested company attributed to the Group from the acquisition date.

Part of the profit (loss) for the year of the invested company is recorded in the Group consolidated statement of comprehensive income. Dividends received reduce the amount of the investment.

Changes in the invested company's equity different than those generated by income of the period are directly recorded as changes in the Group's net equity.

2.10 Financial assets

Financial assets are initially recorded at fair value. For investments not measured at fair value with changes in results, directly attributable transaction costs are added. The Group establishes the classification of financial assets at the initial recognition, and, when appropriate and allowed, the classification is assessed again at each year end.

Loans and receivables

The Group recognizes in this category trade and non-trade receivables, which include financial assets with fixed or determinable payments not quoted on active markets and for which the Group expects to recover the full initial investment, except, where applicable, in cases of credit deterioration.

Following initial recognition, these financial assets are measured at amortized cost.

Nevertheless, trade receivables which mature within less than one year with no contractual interest rate, as well as prepayments and loans to personnel, the amount of which is expected to be recovered in the short term, are carried at nominal value both at initial and subsequent measurement, when the effect of not discounting cash flows is not significant.

2.11 Derecognition of financial assets and liabilities

Financial assets (or, when applicable, part of a financial asset or part of a group of similar financial assets) are derecognized when:

- Rights to related cash flows have expired;
- The Group has retained the right to receive related cash flows, but has assumed the liability of fully paying them within the established terms to a third party under a transfer agreement;
- The Group has transferred the rights to receive related cash flows and (a) has substantially transferred the risks and rewards incidental to the ownership of the financial asset, or (b) has not transferred or retained the asset's risks and rewards, but has transferred the control over the asset.

Financial liabilities are derecognized when the related liability is settled, cancelled or expired. When a financial liability is replaced for other from the same borrower but with substantially different terms, or the conditions of the existing liability are substantially modified, such change or modification is recorded as a disposal of the original liability and an addition of a new liability. Difference of related carrying amounts is recognized in the consolidated statement of comprehensive income.

2.12 Inventories

Inventories are accounted for at the lower of the acquisition cost and the recoverable amount.

The recoverable amount of raw materials is the replacement cost. Nevertheless, no provision is set aside for raw materials and other consumables used in production, if the finished products in which they are to be incorporated will be sold above cost. The recoverable value of finished products corresponds to the estimated sales price less related selling expenses.

The cost value of finished products includes materials measured at the weighted average acquisition price, third-party work, labor and production overhead.

2.13 Cash and cash equivalents

This heading includes cash, current accounts, bank deposits and other financial investments maturing within less than three months from the acquisition date, provided that risks of the substantial alteration of their value are not significant.

In terms of the consolidated statement of cash flows, cash and cash equivalents include the abovementioned concepts, net of bank overdrafts, if applicable.

2.14 Impairment of assets

Non-financial assets

The Group assesses at each year end whether there is an indication that a non-current asset may be impaired. If any indication exists, and when an annual impairment test is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the cash-generating unit (CGU) fair value less cost to sell and value in use, and it is established for each separate asset, unless for assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and its carrying amount is reduced to the recoverable amount. To assess value in use, expected cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. Impairment losses from continuing activities are recognized in the consolidated statement of comprehensive income.

The Group assesses at year end indicators of impairment losses previously recorded in order to verify whether they have disappeared or decreased. If there are indicators, the Group estimates a new recoverable amount. A previously recognized impairment loss is reversed only if the circumstances giving rise to it have disappeared, since the last loss for depreciation was recognized. In this regard, the asset's carrying amount increases to their recoverable amount. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

The reversal is recognized in the consolidated statement of comprehensive income. Upon such reversal, the depreciation expense is adjusted in the following periods to amortize the asset's revised book value, net of its residual value, systematically over the asset's useful life.

Financial assets

The Group assesses at year end if financial assets or group of financial assets are impaired. To assess the impairment of certain assets, the following criteria are applied:

- Assets measured at amortized cost

If there is objective evidence that there is an impairment loss of loans and other receivables recorded at amortized cost, the loss is measured as the difference between the book value and the present value of estimated cash flows, discounted at the current market rate upon initial recognition. The book value is reduced by an allowance, and the loss is recorded in the consolidated statement of comprehensive income.

Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

In regard with trade and other receivables, when there is objective evidence of not collecting them, an adjustment is made based on identified bad debts risk.

2.15 Provisions

Provisions are recognized when:

- the Group has a present obligation either legal, contractual or constructive as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation can be reliably measured.

When the effect of the cash temporary value is significant, the provision is estimated as the present value of the future cash flows required to settle the obligation.

The discount rate applied in the assessment of the obligation's present value only corresponds to the temporary value of money and does not include the risks related to the estimated future cash flows related to the provision. The increase of the provision derived from the aforementioned discount is recorded as a financial expense.

2.16 Interest yield loans and credits

Loans and credits are initially measured at cost value, which is the fair value of the contribution received, net of issuance costs related to the debt.

Upon initial recognition, interest yield loans and credits are recognized at amortized cost using the effective interest rate method, including any issuance cost and discount or settlement premium.

2.17 Translation of balances in foreign currency

Transactions in foreign currency are translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the closing date. Unrealized exchange gains or losses are recognized in the consolidated statement of comprehensive income. As an exception, exchange gains or losses arising from monetary assets and liabilities that reflect investments in foreign subsidiaries are recorded in *Translation differences* in equity, with no impact on the consolidated statement of comprehensive income.

2.18 Leases

At inception of a contract, the Group assess whether the contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for leases of low-value assets and short-term leases. The Group recognizes the lease liabilities representing its obligation to make lease payments and the assets representing the right to use the underlying leased asset.

i) Right-of-use assets

The Group recognizes the right-of-use assets at the commencement of the lease (that is, the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciated and impairment losses, and adjusted for any remeasurement of the lease liabilities. The cost of the right-of-use asset comprises the amount of recognized lease liabilities, initial direct costs incurred and lease payments made at or before the commencement of the lease, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shortest lease term and the useful lives of the assets.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost shows the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are also subject to impairment. Accounting policies are described in Note 2.14.

ii) Lease liabilities

At the commencement of the lease, the Group recognizes a lease liability at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease. Variable lease payments that depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers those payments occurs.

To calculate the present value of the lease payments, the Group uses its incremental borrowing rate at the commencement of the lease because the interest rate implicit in the lease cannot be readily determined. Subsequent to the commencement of the lease, the carrying amount of lease liabilities is increased to reflect interest thereon and reduced to reflect the lease payments made. Additionally, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (ie changes in future lease payments resulting from a change in an index or rate used to determine those payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the recognition exemption for short-term leases to its short-term leases on machinery and equipment (that is, leases that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to office equipment leases that are considered of low value. Lease payments associated with short-term leases or leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

2.19 Income

Revenues are recognized when it is probable that the economic benefits from the transaction will flow to the Group and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenues from exploiting slot machines are measured at the collected amount. The percentage of the amount collected from slot machines attributable to the owner of the premises where the machine is located is included as operating expense under *Variable rent*.

Revenues from bingo cards are recognized for the total amount of sold cards, based on their face value, while recognizing the prizes granted to players as a decrease in operating revenues. The card cost is recorded in *Consumptions*, and the gaming tax rate over purchased bingo cards is included under *Gaming taxes*.

Revenue from casinos and sporting bets is recorded for the net amount from the game ("win"), after deducting prizes removed by players.

Revenue from sale of finished products is measured when risks and significant benefits incidental to the ownership of the assets have been transferred to the buyer and the outcome can be estimated reliably, circumstance that generally arises with the effective goods delivery.

Interest income is recorded based on the time passed, including the asset's effective yield.

2.20 Restructuring expenses

Expenses incurred in restructuring processes, mainly indemnities to personnel, are recognized when a formal and detailed plan exists to perform such process by identifying the main parameters (i.e. main locations, functions and approximate number of affected employees, estimated payments and the implementation schedule) and creating a real and valid expectation among affected employees in regard with the process.

2.21 Income tax

Deferred income tax is recognized on all temporary differences at the closing date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position.

Deferred tax liabilities are recognized for all temporary differences, except for taxable temporary differences arisen from an acquired goodwill, which amortization is not tax deductible and those arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Likewise, a deferred tax liability is recognized for all taxable temporary differences from investments in subsidiaries, associates or jointly controlled companies, except when both the following conditions are met: (a) the Group is able to manage the reversal date of the temporary difference and (b) the temporary difference will not be reversed in the future. In this regard, when the results are generated in subsidiaries in countries where there is not an agreement to avoid double taxation and the Group's policy is the repatriation of dividends, the Group records a deferred tax related to the effective amount that would be filed when profits are repatriated.

Deferred tax assets are recognized for all deductible temporary differences, tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable profit will be available against which these assets may be utilized, except for deductible temporary differences arisen upon the initial recognition of an asset or liability in a transaction, other than a business combination, and that at the transaction date did not affect the accounting or the tax result.

Furthermore, only a deferred tax asset is recognized for all deductible temporary differences from investments in subsidiaries, associates or jointly controlled companies when both the following conditions met: (a) the temporary difference will be reversed in the future, and (b) it is probable that future taxable profit will be available against which these temporary differences may be utilized.

The recovery of deferred tax assets is reviewed at year end, reducing the amount in assets to the extent that it is probable that future taxable benefits will not be available and consequently these assets could not be utilized.

Deferred taxes are measured based on the tax legislation and charge rates enacted or to be enacted, at the date of consolidated statement of financial position.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

2.22 Contingencies

When unfavorable outcome of a situation that leads to a potential loss is likely to occur (i.e. more than 50% of possibilities), the Group establishes a provision which is recorded based on the best estimate of present value of expected future disbursement. On the other hand, if expectations of favorable resolution are more likely, no provision is recorded, which is reported in the notes of existing risks, unless the possibility of a negative outcome is clearly considered remote.

2.23 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the consolidated statement of financial position as current and non-current according to their maturity date. Current assets mature within one year from the closing date, and non-current assets mature in more than such period.

3. FINANCIAL INFORMATION BY OPERATING SEGMENT

The Group's activities are organized and managed separately based on the nature of the services and products provided. Each segment represents one strategic business unit that provides different services and offers products to different markets whose operating profit or loss are examined on a regular basis by the Group's ultimate operating decision-making body in order to decide on the resources to be allocated to the segment and assess its performance.

An operating segment has been considered to be an identifiable unit of the Group responsible for supplying a unique product or service, or alternatively a set of these which are inter-related, and which is characterized by being subject to risks and yields of a different nature from those which correspond to other operating segments within the Group.

Assets, liabilities, income and expenses by segment include those directly attributable, together with those which may be reasonably attributed. Unallocated captions by the Group correspond to deferred tax assets and liabilities balances.

Transfer prices between segments are determined based on the actual costs incurred increased by a reasonable trade margin.

3.1 Operating segments

The distribution of the operating segments on which information is disclosed coincides with the information usually handled by Management. The operating segments defined by the Group are as follows:

Slots:

It owns and operates slot machines in bars, cafés, restaurants and amusement arcades in Spain and Italy. It also provides machine interconnection services in Italy.

B2B:

It designs, manufactures and distributes slot machines and gaming kits for the Spanish and international markets. The division sells directly or through distributors to other divisions of the Group, mainly slot division, and third parties

Casinos:

The Group operates with two types of casinos, traditional casinos, which include table games and casino slot machines, and electronic casinos which only operate with casino slot machines.

Bingos:

Operation of bingo halls mainly in Spain and, to a lesser extent, in Italy and Mexico. These halls operate through the sale of bingo cards to customers and, to a lesser extent, through slot machines and restaurant services.

Bets:

The Group's corporate purpose consists in the marketing and operation of bets at own or third-party halls, performance of related activities and manufacture of gaming material for bets. Additionally, the Group operates online bets in Spain through the website "sportium.es".

Other segments:

Segments that aggregately represent less than 10% of total external and internal revenue, less than 10% of the combined result of all segments with aggregated benefits, and less than 10% of total assets have been considered as irrelevant. Thus, no specific information thereon is provided and they have been grouped together under this generic heading.

The table below shows information on the income and results, certain information on assets and liabilities, and other information regarding these business segments at December 31, 2019 and 2018.

2019

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Eliminations and other	Total
Assets by segment							
Allocated non-current assets	1,072,518	27,863	1,647,288	567,966	175,836	(280,613)	3,210,858
Unallocated non-current assets	-	-	-	-	-	61,337	61,337
Allocated current assets	119,570	53,148	140,022	41,301	28,521	(41,193)	341,369
Total Assets	1,192,088	81,011	1,787,310	609,267	204,357	(260,469)	3,613,564
Liabilities by segment							
Allocated liabilities	(821,674)	(31,811)	(371,257)	(198,620)	(40,593)	(1,200,330)	(2,664,285)
Unallocated liabilities	-	-	-	-	-	(306,597)	(306,597)
Total Liabilities	(821,674)	(31,811)	(371,257)	(198,620)	(40,593)	(1,506,927)	(2,970,882)
Operating income net of variable rent							
Sales to external customers	773,760	47,603	537,223	246,674	31,336	(22,036)	1,614,560
Intragroup revenue	7,537	43,513	1,907	4,986	-	(57,943)	-
Total operating income net of variable rent	781,297	91,116	539,130	251,660	31,336	(79,979)	1,614,560
Profit/(loss)							
EBITDA (*)	169,554	14,011	232,439	76,687	5,112	(25,109)	472,694
Finance income	1,637	585	3,748	1,797	72	(6,896)	1,943
Finance costs	(29,876)	(577)	(6,534)	(5,503)	(22)	(123,452)	(165,964)
Profit/(loss) before tax	34,650	7,272	74,024	15,146	25,978	(130,784)	26,286
Income tax	(9,382)	(1,951)	(16,049)	(3,267)	(16)	15,959	(14,706)
Profit / (loss) after tax	25,268	5,321	57,975	11,879	25,962	(114,825)	11,580
Non-monetary expenses							
Charge to depreciation and amortization and impairment of assets	(100,795)	(6,200)	(144,375)	(51,039)	(3,109)	7,690	(297,828)
Change in operating provisions	(2,838)	(441)	43	-	-	(607)	(3,843)
Other significant expenses							
Employee benefits expense	(77,011)	(21,705)	(97,796)	(50,296)	(4,880)	(16,210)	(267,898)
Utilities and external services	(69,213)	(12,272)	(111,872)	(57,348)	(16,478)	31,709	(235,474)
Gaming taxes	(422,783)	(186)	(87,802)	(54,930)	(4,461)	(198)	(570,360)
Other segment information							
Investment in non-current assets (cash flow)	66,569	4,900	60,784	18,051	1,804	1,243	153,351
Investments in associates (balance sheet)	20,661	-	-	12,226	-	-	32,887
Non-controlling interests (profit and loss)	6,958	175	9,953	712	-	450	18,248

(*) EBITDA is defined for financial reporting purposes, as profit or loss before income tax, finance income or costs, profit or loss from investments in associates, profit or loss from sale/derecognition of non-current assets, change in operating provisions and depreciation and amortization charges and impairment.

2018

	Slots	B2B	Casinos	Bingos	Eliminations and other	Total
Assets by segment						
Allocated non-current assets	683,385	33,859	1,485,706	468,954	(184,251)	2,487,653
Unallocated non-current assets	-	-	-	-	45,580	45,580
Allocated current assets	118,015	49,412	86,875	28,729	24,515	307,546
Total Assets	801,400	83,271	1,572,581	497,683	(114,156)	2,840,779
Liabilities by segment						
Allocated liabilities	(551,235)	(30,135)	(184,153)	(99,403)	(1,019,683)	(1,884,609)
Unallocated liabilities	-	-	-	-	(289,413)	(289,413)
Total Liabilities	(551,235)	(30,135)	(184,153)	(99,403)	(1,309,096)	(2,174,022)
Operating income net of variable rent						
Sales to external customers	707,468	47,017	505,248	227,351	(17,960)	1,469,124
Intra-group revenue	674	42,485	1,644	4,708	(49,511)	-
Total operating income net of variable rent	708,142	89,502	506,892	232,059	(67,471)	1,469,124
Profit/(loss)						
EBITDA (*)	141,080	12,681	182,973	55,696	(64,146)	328,284
Finance income	10,533	2,607	4,254	1,261	(16,406)	2,249
Finance costs	(26,051)	(2,273)	(11,839)	(4,815)	(91,492)	(136,470)
Profit/(loss) before tax	29,815	(2,467)	106,880	26,134	(160,329)	33
Income tax	(1,496)	(2,473)	(31,540)	(8,790)	15,921	(28,378)
Profit / (loss) after tax	28,319	(4,940)	75,340	17,344	(144,408)	(28,345)
Non-monetary expenses						
Charge to depreciation and amortization and impairment of assets	(88,482)	(4,430)	(80,003)	(27,289)	7,866	(192,338)
Change in operating provisions	(3,027)	(46)	(178)	2	-	(3,249)
Other significant expenses						
Employee benefits expense	(71,344)	(20,168)	(89,300)	(45,633)	(55,405)	(281,850)
Utilities and external services	(77,479)	(15,387)	(144,360)	(66,638)	27,195	(276,669)
Gaming taxes	(376,087)	(150)	(82,091)	(52,532)	(184)	(511,044)
Other segment information						
Investment in non-current assets (cash flow)	70,044	4,227	47,480	37,940	497	160,188
Investments in associates (balance sheet):	67,042	-	-	11,948	-	78,990
Non-controlling interests (profit and loss)	4,779	228	8,388	1,903	-	15,298

(*) EBITDA is defined for financial reporting purposes, as profit or loss before income tax, finance income or costs, profit or loss from investments in associates, profit or loss from sale/derecognition of non-current assets, change in operating provisions and depreciation and amortization charges and impairment.

3.2 Information on geographical segments

In the presentation of information by geographic segments, sales are based on the destination country and the assets on their location. The table below shows this information at December 31, 2019 and 2018:

2019

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in Non-current assets
Spain	657,059	88,534	745,593	1,175,934	74,318
Latin America	575,695	796	576,491	1,757,775	69,008
Italy	381,806	-	381,806	138,945	9,699
Eliminations and other	-	(89,330)	(89,330)	540,910	326
	1,614,560	-	1,614,560	3,613,564	153,351

2018

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in Non-current assets
Spain	586,584	85,134	671,718	737,314	80,780
Latin America	532,987	664	533,651	1,506,303	74,784
Italy	349,553	2	349,555	124,504	4,131
Eliminations and other	-	(85,800)	(85,800)	472,658	493
	1,469,124	-	1,469,124	2,840,779	160,188

4. BUSINESS COMBINATIONS AND ACQUISITIONS OF SUBSIDIARIES

4.1 Significant acquisitions in 2019

The breakdown of amounts related to the acquisition of Giga Group, 50% of the Sportium subgroup, and Casino Central is as follows:

Name and description of the entities and business	Acquisition date	(Millions of euros)				
		Acquisition cost	Fair value of the assets acquired	Non-controlling interests arisen in the business combination	Fair value of the previous ownership interest	Goodwill generated (Note 5)
Giga Group	July 2019	283	82	(9)	-	191
Sportium subgroup	October 2019	73	107	-	73	38
Casino Central	November 2019	36	24	-	-	12
		392	213	(9)	73	242

The values of the identifiable assets and liabilities at the date of gaining control over the business combinations, excluding resulting goodwill, were as follows:

(Millions of euros)	Recognized on acquisition	Book value
Property, plant and equipment	79	28
Intangible assets	169	72
Other non-current assets	15	15
Current assets	55	55
Deferred tax liabilities arisen	(39)	(1)
Other current and non-current liabilities	(66)	(66)
	213	103

Had the acquisitions taken place at the beginning of the year, consolidated operating income in 2019 would have increased by 204,813 thousand euros and consolidated profit/(loss) for the year 2019 would have increased by 15,691 thousand euros. Additionally, since their acquisition date these companies have contributed profit to the Group amounting to 13,790 thousand euros.

4.2 Other acquisitions in 2019

The breakdown of the companies constituting a business over which unilateral and exclusive control was gained in 2019 is summarized as follows:

Name and description of the entities and business	Acquisition date	(Thousands of euros)				
		Acquisition cost	Fair value of the assets acquired	Non-controlling interests arisen in the business combination	Fair value of the previous ownership interest	Goodwill generated (Note 5)
Recreativos Sortia, S.L.U.	January 2019	1,087	1,087	-	-	-
First Game, S.L.	January 2019	414	414	-	-	-
Redeye Games, S.L.	January 2019	692	692	-	-	-
Palabingo S.r.l.	September 2019	5,559	5,536	(23)	-	-
		7,752	7,729	(23)	-	-

The values of the identifiable assets and liabilities at the date of gaining control over the business combinations were as follows:

(Thousands of euros)	Recognized on acquisition	Book value
Property, plant and equipment	841	841
Intangible assets	12,992	2,050
Other non-current assets	250	250
Current assets	1,675	1,675
Liabilities (including deferred taxes generated)	(8,029)	(5,070)
	7,729	(254)

Had the acquisitions taken place at the beginning of the year, consolidated operating income in 2019 would have increased by 3,525 thousand euros and consolidated profit/(loss) for the year 2019 would have increased by 26 thousand euros. Additionally, since their acquisition date these companies have contributed net profit to the Group amounting to 533 thousand euros.

4.3 Acquisition of the Cirsa Group

On April 27, 2018 Nortia Business Corporation, S.L. (owner of 52.43% of the share capital of Cirsa Gaming Corporation, S.A.) and private capital (owner of the other 46.65%) signed the agreement for the sale of the Grupo Cirsa Gaming Corporation, S.A. and subsidiaries to the Company (whose ultimate owner is Blackstone). This purchase and sale agreement included several clauses whereby the transaction was subject to a set of obligations by both parties to be considered fully effective. Final closing between the parties was signed on July 3, 2018, the date on which Blackstone gained effective control over the Cirsa Group through the purchase of 100% of the shares of Cirsa Gaming Corporation, S.A.

The breakdown of the amounts related to the acquisition of the Cirsa Group over whose business the Parent Company has gained control, effective from July 3, 2018, is as follows:

Name and description of the entities and business	Acquisition date	(Millions of euros)			
		Acquisition cost	Fair value of the assets acquired	Non-controlling interests arisen in the business combination	Goodwill generated (Note 5)
Grupo Cirsa Gaming Corporation	July 3, 2018	1,453	476	105	968

The values of the identifiable assets and liabilities at the date of gaining control over the business combinations, excluding resulting goodwill, were as follows:

(Millions of euros)	Recognized on acquisition	Book value
Property, plant and equipment	295	266
Intangible assets	1,134	132
Non-current financial assets (ownership interests accounted for using the equity method)	74	12
Other non-current assets	195	195
Current assets	563	563
Deferred tax liabilities arisen	(303)	(15)
Other current and non-current liabilities	(1,482)	(1,482)
	476	(329)

Operating income from ordinary activities, operating profit/(loss) and net profit/(loss) for the year already correspond to a whole year in accordance with the premises for the special-purpose consolidated financial statements.

As a result of the transaction, all the Group's rights and obligations, including the agreements and contracts that it held with third parties, continued to be in force subsequently. The only relevant business of the Cirsa Gaming Corporation Group, prior to the transaction, that did not continue under the new scope of consolidation is the one corresponding to the gaming activities in Argentina, which is presented as a discontinued operation in the accompanying consolidated financial statements.

4.4 Other acquisitions in 2018

The breakdown of the companies constituting a business over which unilateral and exclusive control was gained in 2018 is summarized as follows:

Name and description of the entities and business	Acquisition date	(Thousands of euros)				
		Acquisition cost	Fair value of the assets acquired	Non-controlling interests arisen in the business combination	Fair value of the previous ownership interest	Goodwill generated (Note 5)
Talluntxe, S.A.U.	July 2018	1,443	1,443	-	-	-
Casinos del Caribe, S.R.L. and Merengue Bar Gran Casino Jaragua, GCJ, S.R.L.U.	November 2018	13,557	13,557	-	-	-
		15,000	15,000	-	-	-

The values of the identifiable assets and liabilities at the date of gaining control over the business combinations were as follows:

(Thousands of euros)	Recognized on acquisition	Book value
Property, plant and equipment	4,770	4,770
Intangible assets	10,447	93
Other non-current assets	202	202
Current assets	1,843	1,843
Liabilities (including deferred taxes generated)	(2,784)	(2,389)
	14,478	4,519

Had the acquisitions taken place at the beginning of the year, consolidated operating income in 2018 would have increased by 10,477 thousand euros and consolidated profit/(loss) for the year 2018 would have increased by 785 thousand euros. Additionally, since their acquisition date these companies have contributed profit to the Group amounting to 525 thousand euros.

5. GOODWILL

The breakdown of and movements in goodwill by operating segment is as follows:

(Thousands of euros)	2018	Additions	Other	2019
Slots	358,197	191,310	3,391	552,898
Casinos	464,688	12,252	4,399	481,339
Bingos	145,215	-	1,375	146,590
Bets	-	38,237	-	38,237
	968,100	241,799	9,165	1,219,064

Goodwill has arisen in the last two years, mainly due to the acquisition of the Cirsa Gaming Corporation, S.A. Group and subsidiaries (Note 4.3) and significant acquisitions carried out in 2019 (Note 4.1). The *Other* column corresponds to a price adjustment made in 2019 to the acquisition of Cirsa in the prior year.

At December 31, 2019 and 2018 there have been no impairment losses on goodwill (Note 10.1).

The evolution of the book value of goodwill, net of impairment losses, is as follows:

(Thousands of euros)	2019	2018
Balance at January 1	968,100	92,912
Derecognition due to business combinations of PPAs prior to 2018	-	(92,912)
Business combination (PPA 2019)	250,964	968,100
Balance at December 31	1,219,064	968,100

Note 10 below shows the several items related to the potential impairment test conducted on the Group's assets.

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2019

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2019
COST						
Development costs and patents	66,527	5,457	(1,443)	-	431	70,972
Service concession arrangements	98,511	4,115	(34,745)	-	1,031	68,912
Installation rights	1,272,443	256,969	(14,425)	1,322	21,566	1,537,875
Transfer rights	13,375	1,463	(285)	(1,322)	387	13,618
Software	32,357	14,793	(2,657)	358	482	45,333
Prepayments and other	32	10	-	-	-	42
	1,483,245	282,807	(53,555)	358	23,897	1,736,752
AMORTIZATION						
Development costs and patents	(52,331)	(5,663)	1,280	-	(172)	(56,886)
Service concession arrangements	(67,459)	(7,578)	34,656	-	(795)	(41,176)
Installation rights	(219,885)	(163,678)	11,459	(1,129)	(101)	(373,334)
Transfer rights	(7,761)	(2,044)	60	1,129	(145)	(8,761)
Software	(27,264)	(11,507)	2,581	-	(327)	(36,517)
	(374,700)	(190,470)	50,036	-	(1,540)	(516,674)
Impairment losses	(4,869)	(9,360)	1,102	-	(2)	(13,129)
Net carrying amount	1,103,676	82,977	(2,417)	358	22,355	1,206,949

2018

(Thousands of euros)	Balance at January 1, 2018	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2018
COST						
Development costs and patents	56,355	11,638	(1,624)	-	158	66,527
Service concession arrangements	120,968	567	(25,158)	-	2,134	98,511
Installation rights	643,668	1,047,154	(418,486)	54	53	1,272,443
Transfer rights	10,817	2,797	(405)	-	166	13,375
Software	34,211	5,269	(7,561)	294	144	32,357
Prepayments and other	151	-	(119)	-	-	32
	866,170	1,067,425	(453,353)	348	2,655	1,483,245
AMORTIZATION						
Development costs and patents	(50,080)	(3,786)	1,624	-	(90)	(52,331)
Service concession arrangements	(69,232)	(7,586)	10,899	-	(1,540)	(67,459)
Installation rights	(294,489)	(90,516)	165,133	-	(12)	(219,885)
Transfer rights	(4,652)	(3,042)	-	-	(67)	(7,761)
Software	(28,802)	(2,002)	3,602	-	(62)	(27,264)
	(447,255)	(106,932)	181,258	-	(1,771)	(374,700)
Impairment losses	(19,727)	(1,047)	15,906	-	(1)	(4,869)
Net carrying amount	399,188	959,446	(256,189)	348	883	1,103,676

The *Additions* column in 2019 includes the effect of the other business combinations (Note 4), which has amounted to an overall gross value of 237,775 thousand euros (27,828 thousand euros in the prior year) and accumulated amortization of 55,250 thousand euros (912 thousand euros in the prior year). These amounts related almost entirely to *Installation rights*, just like in 2018.

Most of the rest of additions in 2019 and 2018 included in *Installation rights* mainly relate to the non-refundable payment in exchange for the exclusive rights to operate the halls where the slot machines were located. The disposals in this caption for both years mainly relate to installation rights pending amortization in halls which had been closed, or it was decided not to operate the machines for profitability reasons.

6.2 Development costs and patents

They mainly correspond to:

- Industrial companies: Creation of new models of slot machines and technological innovation for them. The net value at December 31, 2019 and 2018 is 6,958 and 6,127 thousand euros, respectively.
- Companies engaged in lotteries and interactive products: Software development for online gaming applications. The net value at December 31, 2019 and 2018 is 3,125 thousand euros and 3,068 thousand euros, respectively.

The internal cost of developing new models of slot machines and software for on-line games by the B2B division of the Group is recorded as development costs and patents with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. Said work performed by the Group for its intangible assets in 2019 and 2018 amounts to 4,857 and 3,573 thousand euros, respectively.

Research and development costs recognized as an expense in 2019 amount to 12 thousand euros (66 thousand euros at December 31, 2018) (Note 21.2).

6.3 Service concession arrangements

The most significant items in the gross balance of service concession arrangements at December 31, 2019 are as follows:

- Official contract to manage and operate slot machine halls in the Republic of Panama for an amount of 13,316 thousand euros (46,869 thousand euros at December 31, 2018). The net value of this concession at December 31, 2019 amounts to 11,984 thousand euros (12,419 thousand euros at December 31, 2018).
- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,768 thousand euros at December 31, 2019 (40,807 thousand euros at December 31, 2018). The net value of this concession at December 31, 2019 amounts to 8,257 thousand euros (12,360 thousand euros at December 31, 2018).

6.4 Installation rights

This caption includes the amount given in exchange for the exclusive rights to operate in the halls where the slot machines are located, and the effect of the business combination indicated in Note 4.

6.5 Impairment losses

The impairment losses recorded during 2019 mainly correspond to the impairment of installation rights for an amount of 8,000 thousand euros, which have been registered as a result of the impairment test made on the Group's assets (Note 10).

6.6 Other information

At 2019 year end, the net value of intangible assets in foreign companies amounts to 851,672 thousand euros (877,775 thousand euros at 2018 year end).

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2019

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Transfers	Translation differences and other changes	Balance at December 31, 2019
Cost						
Land and buildings	99,645	17,912	(15,988)	2,772	1,688	106,029
Technical installations	80,770	60,164	(1,281)	4,755	1,390	145,798
Machinery	561,050	139,071	(68,623)	11,295	8,479	651,272
Data processing equipment	60,449	14,852	(612)	550	560	75,799
Transport equipment	3,492	686	(202)	-	22	3,998
Other installations, tools, furniture, and other PP&E	297,541	72,163	(3,795)	4,315	3,749	373,973
Property, plant and equipment under construction	12,237	23,543	(431)	(24,045)	(10)	11,294
	1,115,184	328,391	(90,932)	(358)	15,878	1,368,163
Depreciation						
Buildings	(34,093)	(7,327)	1,747	-	(597)	(40,270)
Technical installations	(61,821)	(31,054)	1,103	(198)	(1,016)	(92,986)
Machinery	(435,242)	(99,791)	52,054	198	(6,417)	(489,198)
Data processing equipment	(53,745)	(13,293)	552	1	(366)	(66,851)
Transport equipment	(2,992)	(679)	197	-	(16)	(3,490)
Other installations, tools, furniture, and other PP&E	(225,119)	(49,315)	5,039	(1)	(2,911)	(272,307)
	(813,012)	(201,459)	60,692	-	(11,323)	(965,102)
Impairment losses	(4,711)	(13,020)	12,328		(89)	(5,492)
Net carrying amount	297,461	113,912	(17,912)	(358)	4,466	397,569

2018

(Thousands of euros)	Balance at January 1, 2018	Additions	Disposals	Transfers	Translation differences and other changes	Balance at December 31, 2018
Cost						
Land and buildings	257,555	33,592	(191,702)	102	98	99,645
Technical installations	81,727	5,158	(7,750)	1,089	546	80,770
Machinery	616,379	39,772	(114,970)	16,258	3,611	561,050
Data processing equipment	65,857	4,492	(10,803)	662	241	60,449
Transport equipment	10,850	205	(7,584)	-	21	3,492
Other installations, tools, furniture, and other PP&E	294,730	23,712	(32,043)	5,886	5,256	297,541
Property, plant and equipment under construction	16,043	29,238	(9,500)	(24,345)	801	12,237
	1,343,141	136,169	(374,352)	(348)	10,574	1,115,184
Depreciation						
Buildings	(105,026)	(9,736)	80,262	485	(78)	(34,093)
Technical installations	(58,933)	(10,300)	7,750	39	(377)	(61,821)
Machinery	(447,695)	(64,979)	80,544	(9)	(3,103)	(435,242)
Data processing equipment	(56,603)	(4,528)	7,571	-	(185)	(53,745)
Transport equipment	(8,676)	(610)	6,271	-	23	(2,992)
Other installations, tools, furniture, and other PP&E	(221,788)	(19,579)	20,916	(514)	(4,154)	(225,119)
	(898,721)	(109,732)	203,314	1	(7,874)	(813,012)
Impairment losses	(13,370)	(2,264)	10,949		(26)	(4,711)
Net carrying amount	431,050	24,173	(160,089)	(347)	2,674	297,461

The *Additions* column in 2019 mainly shows:

- The effect of the other business combinations (Note 4.2), which has amounted to an overall gross value of 189,702 thousand euros (12,939 thousand euros in the prior year) and accumulated depreciation of 110,322 thousand euros (7,127 thousand euros in the prior year).
- Investments in assets in Spain (35,782 thousand euros), Colombia (15,986 thousand euros), Mexico (10,067 thousand euros), Peru (15,533 thousand euros) and Panama (21,786 thousand euros) mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 23,543 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

Additions in 2018 also included investments in assets in Spain (41,076 thousand euros), Colombia (14,575 thousand euros), Mexico (16,419 thousand euros), Peru (7,389 thousand euros) and Panama (20,472 thousand euros) mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 29,238 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

The *Disposals* column in 2019 and 2018 includes sales of several assets and other disposals, basically due to the replacement of slot machines, which in 2019 resulted in losses of 5,028 thousand euros (gains of 13,025 thousand euros in the prior year).

7.2 Work performed by the Group and capitalized

The cost value of the machines manufactured by group companies that after being sold to operational companies of the Cirsa Group are operated by them is recorded as property, plant and equipment with a charge to the corresponding expenses according to their nature in the consolidated statement of comprehensive income. The work performed by the Group and capitalized as property plant and equipment in 2019 and 2018 amounts to 47,795 and 46,438 thousand, respectively.

7.3 Assets used as guarantees

Several property, plant and equipment items, whose net value at December 31, 2019 and 2018 was 785 and 210 thousand, respectively, were used as guarantee for mortgage loan debts.

7.4 Assets subject to charges and limitations

All assets can be freely used, except for the assets used as guarantees indicated in Note 7.3 and those acquired under finance lease arrangements, whose net carrying amount is 168 thousand euros at December 31, 2019 (681 thousand euros at December 31, 2018).

7.5 Assets located outside of Spain

The net value of the assets located outside of Spain amounts to 215,199 thousand euros at December 31, 2019 (186,242 thousand euros at December 31, 2018).

7.6 Investment commitments

Firm investment commitments amount to 7,225 thousand euros at December 31, 2019 (10,018 thousand euros at December 31, 2018).

8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

2019

(Thousands of euros)	Book value of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the period
AOG, S.R.L.	12,226	21,833	12,754	100,976	434
Unión de Operadores Reunidos, S.A.	18,693	11,081	2,713	23,992	5,094
Other	1,968	20,957	18,678	39,871	1,428
	32,887				

2018

(Thousands of euros)	Book value of the investment	Assets	Liabilities	Operating revenue	Profit/(loss) for the period
AOG, S.R.L.	11,948	21,131	(12,028)	104,207	461
Unión de Operadores Reunidos S.A.	16,146	10,008	(1,842)	23,310	4,700
Sportium Apuestas Deportivas, S.A. and Subsidiaries.	48,678	161,115	(65,331)	635,383	11,542
Other	2,218	14,862	(12,069)	40,084	920
	78,990				

The associates consolidated using the equity method had no contingent liabilities or capital commitments at December 31, 2018 and 2019.

The annual variation in the 'Investments in associates' caption is as follows:

(Thousands of euros)	2019	2018
Balance at January 1	78,990	57,820
Share in profit/(loss) for the year	4,322	4,578
Revaluation due to PPA Cirsa Group (Note 4.3)	-	16,592
Business combination Sportium subgroup (Nota 4.1)	(50,425)	-
Balance at December 31	32,887	78,990

The transactions carried out during the 2019 and 2018 between the above-listed companies and the companies accounted for using the full and/or proportional consolidation method are not relevant.

9. FINANCIAL ASSETS

This caption consists of the following balances:

(Thousands of euros)	2019			2018		
	Non-current	Current	Total	Non-current	Current	Total
<u>Loans and receivables</u>						
Joint ventures and associates	1,659	1,749	3,408	2,854	2,909	5,763
Loans to third parties	29,873	-	29,873	19,125	-	19,125
Guarantees and deposits	9,689	19,300	28,989	10,064	14,762	24,826
Fixed income securities and deposits	-	12,551	12,551	-	1,198	1,198
Trade and other receivables	-	152,155	152,155	-	142,069	142,069
Other	8,465	3,892	12,357	7,832	1,434	9,266
	49,686	189,647	239,333	39,875	162,372	202,247
Impairment losses	(434)	(37,426)	(37,860)	(449)	(34,977)	(35,426)
	49,252	152,221	201,473	39,426	127,395	166,821

The Group considers that the fair values of these do not differ significantly from the amounts recorded.

The accumulated balance of impairment losses on non-current financial assets mainly relates to loans to third parties, whereas the amount of impairment losses on current financial assets mainly relates to trade and other receivables (36,560 and 32,468 thousand euros at December 31, 2019 and 2018, respectively). The remainder of the balance amounting to 866 thousand euros corresponds to impairment losses on current financial investments.

9.1 Loans and receivables

Balances to joint ventures and associates

This caption breaks down as follows:

(Thousands of euros)	2019	2018
Current accounts with joint ventures and associates and loans	1,659	5,763
Trade transactions	1,749	-
	3,408	5,763

(*) The amounts receivable from the joint ventures included in the table above are the remaining balances after the eliminations upon consolidation.

The annual maturity of these assets is as follows:

(Thousands of euros)	2019	2018
Within 1 year	1,749	2,911
Between 1 and 2 years	-	713
Between 2 and 3 years	1,659	713
Between 3 and 4 years	-	713
Between 4 and 5 years	-	713
	3,408	5,763

The average interest rate of these assets in 2019 was 6.91% (2018: 5.82%).

Loans to third parties

The breakdown of non-current loans to third parties is as follows:

(Thousands of euros)	2019	2018
Mortgage loan in US dollars to a company that owns a hotel in Dominican Republic where a casino operated by the Group is located. It earns an annual interest of 5%.	8,190	-
Accounts receivable from the industrial division.	3,322	2,852
Deferred collection for the sale of a non-controlling interest in an Italian company of the operational division	287	498
Deferred collection for the sale of a non-controlling interest in a Spanish company of the operational division	948	1,843
Current accounts with third parties for Group purposes, at an interest rate of 2%	1,021	-
Other	16,105	13,932
	29,873	19,125

The breakdown of maturity dates for non-current loans to third parties is as follows:

(Thousands of euros)	2019	2018
Between 1 and 2 years	14,846	13,806
Between 2 and 3 years	4,426	2,711
Between 3 and 4 years	1,651	790
Between 4 and 5 years	953	779
More than 5 years	7,997	1,039
	29,873	19,125

Trade and other receivables

This caption consists of the following balances:

(Thousands of euros)	2019	2018
Trade receivables	59,576	56,955
Impairment losses	(36,560)	(32,468)
Public administrations	42,116	28,860
Other accounts receivable	50,463	56,254
	115,595	109,601

Receivables from Public administrations mainly correspond to payments on account of income tax, VAT and other tax receivables.

Other receivables mainly relate to loans granted to establishments and suboperators.

The balance of *Trade and other receivables* is shown net of impairment loss. The movements in the impairment loss allowance are as follows:

(Thousands of euros)	2019	2018
Balance at January 1	34,977	39,062
Net charges for the year	2,311	3,011
Utilized	(2,556)	(7,239)
Additions of companies	2,694	143
Balance at December 31	37,426	34,977

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2019 (120 days at December 31, 2018).

10. IMPAIRMENT TEST

10.1 Goodwill

Cash-generating units

Goodwill acquired through business combinations and any other intangible assets with indefinite useful lives have been attributed to cash-generating units for impairment testing. The breakdown of cash-generating units is as follows:

- Operational segment in Spain and Italy.
- Bingo groups in Spain and Mexico.
- Casinos in Spain, Panama, Colombia, Mexico, Dominican Republic, Peru, Costa Rica and Morocco.
- Bets in Spain and other countries (Sportium).

Note 5 indicates the distribution of Goodwill at December 31, 2019 and 2018.

Key assumptions

Budgeted gross margins - the bases for determining the value allocated to the budgeted gross margins is the average of the gross margins obtained in the year, increased by expected efficiency improvements. The period used in said projections is 5 years. From year five onwards projections are extrapolated using a growth rate similar to the growth rate equivalent to expected inflation.

Increase in costs - the basis for determining the value allocated to the increase in costs is the price index expected during the year for the different countries and segments. The values allocated to the key assumptions are consistent with external information sources.

Discount rates – the basis for determining the discount rate applied in the cash flow projections is determined based on the specific risk of each cash-generating unit, considering the type of activity and countries. The discount rates used by activity and geographical area range between 7% and 14% for the CGUs that have been allocated significant goodwill.

Growth rate - the basis for determining the growth rate used to extrapolate the flows to obtain the terminal value is the expected growth rate of inflation in each geographical area. The growth rate used range between 1.5% and 4%.

Test results

As a result of the impairment tests on goodwill carried out in 2019 and 2018, no impairment adjustments needed to be recorded.

Sensitivity analysis

The Group has done a sensitivity analysis for each of the aforementioned key assumptions. Based on this analysis, the Group has concluded that no reasonably possible change in the assumptions has occurred that would entail the need to record impairment losses on the assets of each cash-generating unit.

10.2 Other assets

Impairment indicators used by the Group to determine the need of an impairment test on other non-current assets, amongst others, are as follows:

- Significant drop of the result over the same period in the prior year, and/or over the budget.
- Legislative changes in progress or planned, which could lead to negative effects.
- Change of strategy or internal expectations regarding a particular business or country.
- Position of competitors and their launches of new products.
- Slowdown of income or difficulties in selling at expected prices.
- Change in habits and attitudes of users, and other elements specific to each division.

At December 31, 2019, based on the results of the impairment tests under discounted cash flows, impairment losses of 8,000 thousand euros have been recorded (corresponding entirely to installation rights in Peru), mainly due to more prudent estimates of future cash flows from Peruvian casinos.

11. INVENTORIES

The breakdown of inventories by category, net of impairment, is as follows:

(Thousands of euros)	2019	2018
Raw and auxiliary materials	4,108	3,660
Spare parts and others	9,224	8,225
Finished goods	1,896	1,555
Work in progress	3,319	3,390
Prepayments to suppliers	1,482	1,073
	20,029	17,903

Inventories correspond mainly to the manufacture and marketing of slot machines carried out by Group companies.

The balance of inventories is shown net of impairment loss. Movements in the impairment loss allowance are as follows:

(Thousands of euros)	2019	2018
Balance at January 1	929	1,145
Net charges for the year	457	425
Write-offs	(364)	(641)
Balance at December 31	1,022	929

The write-off in 2019 and 2018 corresponds to the destruction of several inventories from the industrial division.

12. CASH AND CASH EQUIVALENTS

For consolidated cash-flow statement purposes, cash and cash equivalents include the following items:

(Thousands of euros)	2019	2018
Cash	57,633	42,300
Current accounts	62,595	73,049
Deposits under 3 months	2	66
Cash in hoppers	36,739	36,777
	159,669	152,192

These assets are unrestricted and earn market interest rates.

13. EQUITY

13.1 Subscribed capital and share premium

At December 31, 2019 and 2018 the Parent Company's share capital consisted of 70,663 thousand registered shares with a face value of 1 euro each after a capital increase was carried out on July 2, 2018 with a share premium for an aggregated amount (capital increase plus share capital) of 706,603 thousand euros. In 2019 part of the balance of the share premium has been returned, for an amount of 550 thousand euros. The Sole Shareholder of the Parent Company is LHMC Midco, S.a.r.l. and all shares bear the same obligations and voting and economic rights.

All shares are pledged in favor of six financial institutions as a guarantee of a credit line.

13.2 Retained earnings

The balance of this caption includes reserves of the Parent Company, which are non-distributable.

Legal reserve

In accordance with the Spanish Corporate Enterprises Act, Spanish companies obtaining profit will assign 10% of profit to the legal reserve, until its balance is equivalent to at least 20% of share capital. As long as it does not exceed this limit, the legal reserve can only be used to offset losses if no other reserves are available. This reserve can also be used to increase capital by the amount exceeding 10% of the new capital after the increase.

At December 31, 2019 and 2018 the Parent Company's legal reserve has not been set aside.

Additionally, the Group Spanish subsidiaries have provided the legal reserves at the amount required by the prevailing legislation.

13.3 Non-controlling interests

The balances related to non-controlling interests are as follows:

(Thousands of euros)	Balance in statement of financial position		Share in profit/(loss)	
	2019	2018	2019	2018
Division				
Casinos	109,453	102,910	9,964	8,388
Slots	4,345	(2,277)	7,324	4,779
B2B	1,336	2,356	175	228
Bingos	16,060	17,272	785	1,903
	131,194	120,261	18,248	15,298

The inter-annual variation of balances in the consolidated statement of financial position is as follows:

(Thousands of euros)	2019	2018
Balance at January 1	120,261	236,679
Share in profit/(loss) for the year	18,248	15,298
Currency translation differences	370	-
Net impact due to business combinations	9,255	2,484
Dividends paid	(10,783)	(26,242)
Sale of Argentinean companies	-	(107,958)
Other disposals	(6,157)	-
Balance at December 31	131,194	120,261

The movements in 2019 correspond to the non-controlling interests' share in the profit/(loss) of companies, to dividends paid and to additions and disposals due to changes in scope. The main movement in 2018 corresponds to the exclusion of non-controlling interests of Argentinean companies from the scope of consolidation.

14. CORPORATE BONDS

At December 31, 2018 this caption mainly related to a bond issue carried out by a group company domiciled in Luxembourg, Cirsa Finance International, S.a.r.l., on July 2, 2018 for an approximate amount of 1,560 million euros, which were partially used for the early repayment of previously issued bonds by the Cirsa Gaming Corporation Group, for an amount of 950 million euros.

During 2019 two additional issues of corporate bonds, amounting to 880 million euros, have been made. These funds have been partially used to early redeem a portion of the previous bond issue.

Current corporate bonds consist of 4 issues, divided into two tranches: the first tranche amounts to 663 million euros and 495 million US dollars, which mature in 2023 and accrue interest at a rate of 6.25% and 7.875%, respectively. The second tranche amounts to 390 and 490 million euros, which mature in 2025 and accrue interest at a rate of 4.75% and 3-month Euribor plus 362.5 basis points, respectively.

The issues for the first tranche were both made below par at a price of 97.75%.

Contracts subscribed in relation to the bonds issued by the subsidiaries in Luxembourg regulate certain obligations and commitments by the Group, which include, among others, the supply of periodic information, the maintenance of titles of ownership in subsidiaries, the restriction on disposal of significant assets, the compliance with certain debt ratios, the limitation on payment of dividends, the limitation on starting-up new businesses, and the restriction on the Group granting guarantees and endorsements to third parties. The Parent Company's Directors consider that all contractual obligations have been met. The shares of several Group companies have been assigned as security for these liabilities.

At December 31, 2019 the quoted price of the bonds recognized in the liabilities side of the Cirsa Group's balance sheet is 106.0%, 106.0%, 105.1% and 101.3% of their par value, for each of the four tranches.

15. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2019 and 2018 is as follows:

(Thousands of euros)	2019			2018		
	Non-current	Current	Total	Non-current	Current	Total
Mortgage and pledge loans	14	84	98	99	82	181
Other loans	40,194	44,550	84,744	51,571	26,967	78,538
Finance lease arrangements	215	448	663	452	929	1,381
Credit and discount lines	-	6,284	6,284	-	5,960	5,960
	40,423	51,366	91,789	52,122	33,938	86,060

Average interest rates accrued by these borrowings are as follows:

	Percentage	
	2019	2018
Loans	3.57%	3.57%
Finance lease arrangements	5.87%	3.23%
Credit and discount lines	2.30%	2.27%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2019	2018
Within 1 year	51,366	33,937
Between 1 and 2 years	16,586	18,011
Between 2 and 3 years	13,163	14,591
Between 3 and 4 years	9,427	11,065
Between 4 and 5 years	1,163	7,871
More than 5 years	84	585
	91,789	86,060

At December 31, 2019 part of these liabilities, equal to 444 thousand euros is denominated in U.S. dollars (718 thousand euros at December 31, 2018).

At December 31, 2018 and 2019, the shares of several subsidiaries are pledged in favor of six financial institutions as a guarantee for the credit line (RCF), whose utilization limit amounts to 200 million euros. At December 31, 2019 the Group has drawn down a total of 25 million euros from this credit line (no amount drawn down at prior year end). This drawdown accrues interest at an annual rate of 3% and matures in June 2020. This facility drawdowns are subject to the fulfilment of certain leverage covenants.

At December 31, 2019 the undrawn amount of credit and discount lines is 18,947 and 1,290 thousand euros, respectively, without considering the credit line commented in the paragraph above. These figures amounted to 18,126 and 3,439 thousand euros, respectively, at 2018 year end.

Finally, at December 31, 2019 and 2018 the guarantees given by credit institutions and insurance companies to the Group, in connection with official concessions were 149,128 and 100,713 thousand euros, respectively.

16. OTHER NON-TRADE PAYABLES

The breakdown of this caption is the following:

(Thousands of euros)	2019			2018		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	-	67,549	67,549	5	73,380	73,385
Bills payable	1,617	4,439	6,056	268	2,528	2,796
Other payables	41,315	124,216	165,531	31,698	97,849	129,547
	42,932	196,204	239,136	31,971	173,757	205,728

The current portion corresponds to gaming taxes with a short-term maturity (2019: 29,133 thousand euros, 2018: 35,771 thousand euros), outstanding settlements (not due) for the personal income tax, VAT, social security contributions and similar concepts.

Bills payable correspond mainly to debts arising from the acquisition of companies and operations of slot machines with deferred payment, discounted at market interest rate.

The caption *Non-current sundry creditors* mainly includes:

- Asset suppliers amounting to 9,138 thousand euros (8,206 thousand euros at prior year end).
- Non-current payable amount related to certain investments in Panama corresponding to a payable balance related to an investment agreement amounting to 6,264 thousand euros. The debt derived from this investment will be settled through 239 equal monthly instalments of 71 thousand dollars, including interest, the first payment being in February 2018 until February 2038. At December 31, 2019 the payable amount classified as non-current amounts to 5,713 thousand euros (5,935 thousand euros at December 31, 2018).

- Several payables for common transactions amounting to 13,056 thousand euros, with an undetermined maturity (11,061 thousand euros at prior year end).
- Non-current payable amount related to the acquisition of companies in Spain and the Dominican Republic at year end amounting to 6,247 thousand euros and 979 thousand euros, respectively (1,849 thousand euros and 2,124 thousand euros, respectively, at prior year end).

The caption *Current sundry creditors* mainly includes:

- Asset suppliers amounting to 32,627 thousand euros (23,454 thousand euros at 2018 year end).
- Payables for the rendering of services amounting to 41,036 thousand euros (26,566 thousand euros at December 31, 2018).
- Current borrowings amounting to 6,779 thousand euros (9,380 thousand euros at prior year end), notably including the payable portion in 2019 for the investments in Peru and the Dominican Republic mentioned above.
- Employee benefits payable amounting to 21,835 thousand euros (23,241 thousand euros in the prior year) (Note 21.1).

17. NON-CURRENT PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2019	2018
Personnel commitments	11,760	9,407
Tax contingencies	2,393	1,357
Other	582	1,330
Balance at December 31	14,735	12,094

The amount recognized in *Obligations in relation to employees* mainly consists of probable contingencies with the personnel in Italy, the incentive plan for the Group's executives, and retirement incentives.

At December 31, 2019 and 2018 the amount shown under the caption 'Others' mainly consists of provisions for several risks and fines that are individually irrelevant.

The inter-annual variation of the balance is as follows:

(Thousands of euros)	2019	2018
Balance at January 1	12,094	18,396
Net charges for the year	5,922	5,179
Provisions utilized	(3,705)	(10,062)
Additions due to acquisition of companies	248	-
Exchange gains (losses)	176	198
Disposals due to sale of companies	-	(1,617)
Balance at December 31	14,735	12,094

18. TAXES

18.1 Tax group

In Spain, Cirsa Enterprises, S.L., together with 65 Spanish group companies, meets the requirements set by tax regulations to form a consolidated tax group, represented by the subsidiary Cirsa Gaming Corporation, S.A. There are two more consolidated tax groups in Spain: the first one of them consists of 7 companies, the parent of which is the subsidiary Orlando Play, S.A.; and the second one consists of 17 companies, the parent of which is the subsidiary Sportium Apuestas Deportivas, S.A.

The other Group companies file income tax returns separately in accordance with applicable tax legislation in each country.

18.2 Accrued and payable income tax

The annual tax expense that has been entirely recorded in the consolidated profit and loss account, since the Group has direct tax impacts on equity, is broken down as follows:

(Thousands of euros)	2019	2018
Current	56,142	39,073
Deferred for (increase) decrease in tax credits related to tax loss carryforwards and deductions	1,952	2,676
Deferred for temporary differences	(33,086)	1,029
Other	(10,302)	(14,400)
	14,706	28,378

'Other' includes, among others, the tax effects derived from amortization and other accounting revaluation adjustments as a result of the business combination of the Cirsa Group in 2018.

Income tax payable amounts at 17,904 thousand euros at December 31, 2019 (13,064 thousand euros at December 31, 2018) and mainly corresponds to the current income tax accrued in the several jurisdictions net of withholdings and payments on account for the period.

18.3 Analysis of tax expense

(Thousands of euros)	2019	2018
Profit before tax	26,286	33
Tax rate prevailing in Spain	25%	25%
Theoretical income tax expense	6,572	8
Adjustments – Effect of:		
Different tax rates prevailing in other countries	5,399	5,261
Impairment losses on assets and goodwill recognized solely for consolidation purposes	2,000	-
Revaluation of assets and recorded solely for consolidation purposes	(22,220)	-
Utilization of tax credits and deductions for the year	(4,010)	-
Utilization of (capitalized and uncapitalized) tax credits and deductions in prior years	-	3,705
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	27,088	9,708
Other non-deductible expenses and other	(122)	9,696
	14,706	28,378

At December 31, 2019 and 2018 the effect of corrections in different tax rates mainly corresponds to the higher taxes applied in Mexico and Colombia.

At December 31, 2019 the effect of the impairment of assets recorded for consolidated purposes is due to impairment losses on Peruvian intangible assets and to the income from the revaluation of the ownership interest in Sportium as a result of the business combination carried out during the year.

At December 31, 2019 and 2018 there is a limitation on the deductibility of finance costs with a negative effect on the tax expense. Additionally, at December 31, 2019 and 2018 non-deductible expenses consist, among others, of portfolio charges carried out by subsidiaries in Latin American countries.

18.4 Deferred tax assets and liabilities

(Thousands of euros)	2019	2018
Assets		
Tax loss carryforwards from the consolidated tax group represented by Cirsa Gaming Corporation, S.A.	35,039	26,431
Tax loss carryforwards from the consolidated tax group whose parent is Orlando Play, S.A.	939	1,169
Tax loss carryforwards from the consolidated tax group whose parent is Sportium Apuestas Deportivas, S.A.	4,490	-
Tax loss carryforwards from other group companies	142	1,254
Related to deductible temporary differences:		
--- Impaired receivables	233	480
--- Impaired securities portfolio	11	10
--- Goodwill impaired in individual books	1,060	743
--- Intragroup margin write-off	7	5,628
--- Non-accounting impairment for tax purposes	528	1,924
Non-deductible amortization for accounting purposes	531	759
--- Leases	1,790	-
--- Other	16,568	7,182
	61,337	45,580
Liabilities		
Related to taxable temporary differences:		
--- Tax provision for maximum gaming prizes	(86)	(8,173)
--- Difference between tax depreciation and accounting depreciation	-	-
--- Non-accounting impairment for tax purposes	(732)	(2,364)
--- Margin write-offs	(2,039)	(1,974)
--- Business combinations (initial statement of non-current assets at fair value)	(303,205)	(275,133)
--- Other	(536)	(1,770)
	(306,597)	(289,414)

The Group estimates the taxable profits which it expects to obtain within the utilization period based on budgets. It also analyzes the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards may be used, considering the application of the Royal Decree-Law mentioned above. Based on this analysis, the Group has recorded deferred tax assets for unused tax loss carryforwards as well as unused deductions and deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized within a reasonable period of time.

The breakdown of unused tax loss carryforwards at December 31, 2019 for the three tax groups represented by Cirsa Gaming Corporation, S.A., the subsidiary Orlando Play, S.A., and Sportium Apuestas Deportivas, S.A. is as follows:

(Thousands of euros)	Unused tax loss carryforwards			
	Arising in	Tax group represented by Cirsa Gaming Corporation, S.A.	Tax group whose parent is Orlando Play, S.A.	Tax group whose parent is Sportium Apuestas Deportivas, S.A.
2000	34	-	-	-
2001	1,890	-	-	-
2003	5,191	-	-	-
2004	10,523	-	-	-
2005	23,894	-	-	-
2006	276	937	-	-
2007	11,790	396	-	-
2008	564	372	2,605	-
2009	7,241	1,241	4,376	-
2010	10,889	-	1,021	-
2011	38,155	-	1,714	-
2012	9,381	-	301	-
2013	238	-	5,893	-
2014	24,347	-	4,092	-
2015	221	596	2,760	-
2016	257	908	-	-
2017	3	-	-	-
2018	15,672	2,251	-	-
	160,567	6,701	22,760	

Tax group represented by Cirsa Gaming Corporation, S.A.

At December 31, 2019 and 2018 said tax group recognized deferred tax assets amounting to 35,039 and 26,431 thousand euros, respectively, relating to unused tax loss carryforwards of the tax group. No deferred tax assets were recorded for the rest of unused tax loss carryforwards (which at December 31, 2019 amount to 20,412 thousand euros; 17,098 thousand euros at December 31, 2018), since their future application is uncertain within a reasonable period of time.

In addition to tax credits for tax loss carryforwards, the tax group whose parent is Cirsa Gaming Corporation, S.A. holds additional tax credits amounting to 45,393 thousand euros at December 31, 2019 (2018: 52,534 thousand euros), for unused tax deductions that were not capitalized for not meeting the terms to be utilized.

(Thousands of euros)	
Last year for utilization	Unused deductions at December 31, 2019
2019	2,664
2020	2,486
2021	6,591
2022	865
2023	903
2024	1,290
2025	566
2026	419
2027	1,675
2028	717
2029	252
2030	284
2031	268
2032	228
2033	188
2034	192
2035	209
2036	141
No time limit for utilization	25,456
	45,393

Tax group whose parent is Orlando Play, S.A.

In 2010 the tax group 502/10 whose parent is Orlando Play, S.A. was constituted.

At December 31, 2019 the tax group had recognized deferred tax assets amounting to 939 thousand euros (1,169 thousand euros at prior year end) corresponding to unused tax loss carryforwards.

Additionally, said tax group has deferred tax assets related to unused tax loss carryforwards and unused deductions amounting to 736 and 717 thousand euros, respectively (756 and 744 thousand euros, respectively, at the prior year) for which the corresponding deferred tax assets have not been recognized, since the requirements established by the applicable framework for financial information are not met.

Tax group whose parent is Sportium Apuestas Deportivas, S.A.

In 2012 the tax group 324/12 whose parent is Sportium Apuestas Deportivas, S.A. was constituted. As a result of the purchase of the remaining 50% of Sportium Apuestas Deportivas, S.A. by the Group, mentioned in Notes 1.3 and 4.1, the Sportium subgroup has been accounted for in the consolidated financial statements of the Cirsa Group using the full consolidation method. As a result of this event, from the following year, the tax group was dissolved and integrated into the tax group whose parent is Cirsa Gaming Corporation, S.A.

At December 31, 2019 the tax group had recognized deferred tax assets amounting to 5,690 thousand euros (2,857 thousand euros at prior year end) corresponding to unused tax loss carryforwards. This tax group has no unused tax loss carryforwards or unused deductions for which the corresponding asset has not been recorded.

18.5 Other information

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities, or until the corresponding inspection period has expired.

On March 7, 2018 the Group was notified of the start of general verification and investigation proceedings regarding the corporate income tax for the years 2013 to 2016 of the 26/94 tax consolidation group and, on a separate basis, of the companies Cirsa Gaming Corporation, S.A., Cirsa International Gaming Corporation, S.A., Global Game Machine Corporation, S.A., Juegomatic, S.A., Uniplay, S.L. and Universal de Desarrollos Electrónicos, S.A.

On the same date, the Group was also notified of the start of partial verification and investigation proceedings regarding the Value Added Tax, of the group of entities included in the regime of entities for that tax, for the periods comprised between February 2014 and December 2016. Additionally, for these companies, the Group was also notified of the start of general verification proceedings, for the periods comprised between February 2014 and December 2016, regarding withholdings of employees and professionals.

On June 17, 2019 all inspections were concluded. Agreement assessments were signed and a total expense of 244 thousand euros was recorded (and paid).

In general, the prescription periods for countries where the Group has significant presence are between four and five years after the end of the statutory period for filing tax returns. Group Management considers that no significant contingencies exist that would arise as a result of a tax review of the years open to inspection.

19. DISCONTINUED OPERATIONS

As explained in Notes 1 and 2.1, all the activities of the group's business in Argentina, which was sold in 2018 are shown as discontinued operations.

The income statement of discontinued operations breaks down as follows:

(Thousands of euros)	Notes	2018
Income from gaming activities		131,373
Other operating income		8,633
Bingo prizes		(19)
Total operating income		139,987
Variable rent		(602)
Total operating income net of variable rent		139,385
Cost of sales		(2,906)
Employee benefits expense	21.1	(33,685)
Utilities and external services	21.2	(16,585)
Gaming taxes and other similar taxes		(47,038)
Charge to depreciation and amortization and impairment of assets		(7,419)
Change in operating provisions		(24)
Finance income		1,073
Finance costs		(2,902)
Change in financial provisions		-
Gains/(losses) on investments in associates		582
Exchange gains / (losses), net	21.3	12,779
Gains/(losses) on disposal/derecognition of non-current assets		(70)
Profit before tax		43,190
Income tax		(15,458)
Net profit/(loss) for the year from discontinued operations		27,732
Profit/(loss) attributable to non-controlling interests from discontinued operations		(3,455)
Impact of the sale of companies in Argentina		(264,643)
Profit/(loss) from discontinued operations		(240,366)

The impact of the sale of Cirsa International Gaming Corporation, S.A. and its subsidiaries at the date of sale (mainly Argentinean) derived from the selling price quantified at 136.7 million euros and the impact of the derecognition from equity of the several accumulated effects thereof. This impact consists of a positive effect on equity of 26 million euros and negative effects on equity due to the reclassification to the income statement of translation differences and non-controlling interests for the remaining amount.

The cash flows would break down as follows:

(Thousands of euros)	2018
Cash flows from operating activities	21,419
Cash flows from investing activities	(28,942)
Cash flows from financing activities	(7,449)
Net cash flows	(14,972)

20. LEASES

20.1 Group as lessee

The Group has entered into leases on several buildings and vehicles for an average term between three and ten years, with no renewal clauses.

The Group has also entered into leases on machines with contracts that can be extended annually or which expire within less than 12 months, and on other office equipment of low value.

The table below shows the book values of the right-of-use assets recognized and the movements during the period:

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Translation differences and other changes	Balance at December 31, 2019
COST					
Buildings	259,632	82,518	(1,382)	153	340,921
Vehicles	8,415	2,682	(58)	10	11,050
	268,047	85,200	(1,439)	163	351,971
DEPRECIATION					
Buildings	-	(44,100)	616	(58)	(43,452)
Vehicles	-	(3,305)	16	(3)	(3,291)
	-	(47,405)	632	(61)	(48,833)
Impairment losses	-	-	-	-	-
Net carrying amount	268,047	37,795	(807)	102	305,137

The book value of lease liabilities and movements during the period are as follows:

(Thousands of euros)	2019
Balance at January 1	268,047
Additions	85,200
Disposals	(166)
Interest accrued on finance leases	16,966
Exchange gains (losses)	2,598
Payments	(58,384)
Balance at December 31	314,261

In turn, the annual maturity of finance lease liabilities es as follows:

(Thousands of euros)	2019
Within 1 year	60,200
Between 1 and 2 years	33,692
Between 2 and 3 years	29,246
Between 3 and 4 years	31,786
Between 4 and 5 years	24,550
More than 5 years	134,787
	314,261

The amounts recognized in the income statement are as follows:

(Thousands of euros)	2019
Depreciation of right-of-use assets	47,405
Interest accrued on finance leases	16,966
Expenses from low-value, short-term and variable leases	28,052
Gains/(losses) on derecognition of right-of-use assets	641
	93,064

The Group made lease payments amounting to 58,384 thousand euros in 2019.

21. INCOME AND EXPENSES

21.1 Employee benefits expense

(Thousands of euros)	2019		2018	
	Continuing operations	Continuing operations	Continuing operations	Discontinued operations
Wages and salaries	205,534	228,760		23,653
Social Security	44,090	39,734		7,869
Termination benefits	7,980	3,491		581
Other	10,294	9,865		1,582
	267,898	281,850		33,685

Remunerations pending payment at December 31, 2019 and 2018 (21,835 and 23,241 thousand euros, respectively) are included in *Other non-trade payables - Sundry creditors* (Note 16).

21.2 Utilities and external services

(Thousands of euros)	2019		2018	
	Continuing operations	Continuing operations	Continuing operations	Discontinued operations
Publicity, advertising, and public relations	52,266	45,383		2,182
Leases and royalties	36,475	90,064		1,609
Professional services	35,283	26,052		2,119
Utilities	28,852	26,065		3,532
Repairs and maintenance	20,204	17,491		2,204
Postal services, communications and telephone	10,800	9,809		548
Bank services et al.	9,675	8,387		686
Security services	9,201	8,948		941
Other services	9,098	20,193		1,383
Cleaning services	8,585	7,641		376
Travel expenses	8,457	9,334		239
Insurance premiums	4,875	5,774		120
Transportation	1,691	1,462		646
Development costs and patents (Note 6.2)	12	66		-
	235,474	276,669		16,585

21.3 Exchange gains (losses)

(Thousands of euros)	2019	2018	
	Continuing operations	Continuing operations	Discontinued operations
Gains	24,286	14,013	133,380
Losses	(24,652)	(25,526)	(120,601)
	(366)	(11,513)	12,779

Net exchange gains/(losses) from translation of financial balances in foreign currency between Group companies are recognized in *Translation differences*, as a component that decreases shareholders' equity at December 31, 2019 by 9,361 thousand euros (2018: it decreased shareholders' equity by 594 thousand euros), since they are considered as exchange gains/(losses) arising from monetary components of a net investment in a foreign business.

22. RELATED PARTIES

No Cirsa Group-related companies have entered into any transactions or have any outstanding balances with other subsidiaries of LHMC Topco, S.a.r.l. or the Blackstone Group.

23. CONTINGENCIES

The Group has litigation proceedings, claims and other administrative procedures underway as a result of the normal course of business in the countries where it carries out its activity. However, the Group does not expect that any unprovisioned significant liabilities will arise as a result of the above proceedings.

24. INFORMATION ON ENVIRONMENTAL ISSUES

Given the characteristics of the activities performed by the group companies, at year end it was not necessary to record any expenses and/or investments related to transactions for preventing, reducing or repairing environmental damage.

25. AUDIT FEES

Fees and expenses paid for the audit services provided by the main auditors and other firms belonging to the auditor's international network amounted to 808 thousand euros in 2019 (2018: 740 thousand euros). The fees and expenses for the audit services provided by other auditors amount to 249 thousand euros in 2019 (2018: 228 thousand euros).

In addition, fees and expenses paid for other services provided by the main auditors or other related entities amounted to 869 thousand euros in 2019 (2018: 571 thousand euros).

26. OTHER RELATED PARTIES

The breakdown of the remuneration earned by the key executives of Group Management is as follows:

(Thousands of euros)	2019	2018
Short-term employee benefits	4,021	3,600
Other long-term benefits	3,603	1,000
(Net) payments in LHMC Topco S.à.r.l. shares	-	20,000
	7,624	24,600

No additional transactions have been carried out and no other outstanding balances exists with group-related parties.

27. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, interest risk, exchange risk and liquidity risk during the normal development of its activities.

The Group's main financial instruments include bonds, bank loans, credit and discount lines, financing obtained through the deferral of gaming taxes, financial leases, deferred payments for purchase of businesses, and cash and current deposits.

The Group's policy establishes that no trading in derivatives (exchange rates insurance) to manage exchange rate risks arising from certain fund sources in U.S. dollars will be undertaken. The Group does not use financial derivatives to cover fluctuations in interest rates, either.

27.1 Credit risk

Most of the operations carried out by the Group are in cash. For receivables from other activities, the Group has established a credit policy and risk exposure in collection is managed in the ordinary course of business. Credit assessments are carried out for all customers who require a limit higher than 60 thousand euros.

Guarantees on loans and credit risk exposure are shown in Note 9.

27.2 Interest rate risk

External finance is mainly based on the issuance of corporate bonds at fixed and floating interest rate. Bank borrowings (credit policies, trading discounts, financial lease agreements) as well as deferred payments with public administrations and other long-term non-trade payables have a variable interest rate that is reviewed annually. Previous Notes show interest rates of debt instruments.

The breakdown of liabilities that accrue interests at 2019 and 2018 year end is as follows:

(Thousands of euros)	2019		2018	
	Fixed Interest rate	Floating Interest rate	Fixed Interest rate	Floating Interest rate
Bonds	1,462,278	484,116	1,111,727	413,173
Bank borrowings	-	91,789	-	86,060
Other payables	-	19,901	-	32,091
Finance lease liabilities	314,261	-	-	-
	1,766,539	595,806	1,111,727	531,324

At December 31, 2019 financial liabilities at a fixed interest rate represented 71% of total liabilities (68% at 2018 year end). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 5,959 thousand euros in 2019 and 5,314 thousand euros in 2018.

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for that indicated in Note 14.

The breakdown of assets that accrue interests at 2019 and 2018 year end is as follows:

(Thousands of euros)	2019		2018	
	Fixed interest	Floating interest rate	Fixed interest	Floating interest rate
Loans to joint ventures and associates	3,408	-	5,763	-
Loans to third parties	13,768	16,105	5,193	13,932
Guarantees and deposits	28,989	-	24,826	-
Fixed income securities and deposits	12,551	-	1,198	-
	58,716	16,105	36,980	13,932

The Group estimates that the fair value of the assets' financial instruments does not differ significantly from the net book value.

27.3 Foreign currency risk

The Group is exposed to foreign currency risk in businesses located in Latin America, which affect significantly sales and expenses, Group results and the value of certain assets and liabilities in currencies other than the euro. It is also affected to a lesser extent by granted and received loans. The currency that basically generates exchange risks is the US dollar, since a portion of the corporate bonds is issued in US dollars.

In order to reduce risks, the Group conducts policies aimed to keep balanced collection and payments in cash of assets and liabilities in foreign currency.

The following study on sensitivity shows the foreign currency risk:

- Sensitivity of the profit for the year before tax against fluctuations of the exchange rate US dollar/euro

Change	Thousands of euros	Thousands of euros
	2019	2018
+ 10%	(2,520)	(4,020)
+ 5%	(1,320)	(2,106)
- 5%	1,459	2,328
-10%	3,080	4,914

27.4 Liquidity risk

The exposure to unfavorable situations of debt markets can make difficult or prevent from hedging the financial needs required for the appropriate development of Group activities.

At December 31, 2019 the Group shows negative working capital amounting to 27,543 thousand euros (41,077 thousand euros positive at December 31, 2018). Nonetheless, Group Management considers that cash flow generated by the business and available credit lines will allow the Company to cover its current liabilities. Additionally, the Group obtains very high EBITDA, as shown in the consolidated statement of comprehensive income, which allows it to face debt service without cash difficulties.

Additionally, to manage liquidity risk, the Group applies different measures:

- Diversification of financing sources through the access to different banking and capital markets. In this regard, the Group has an additional borrowing capacity (see quantitative data in Note 15).
- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to approximately 123 million euros at December 31, 2019 (2018: 115 million euros), to meet unexpected payments.
- The length and repayment schedule for financing through debt is established based on the financed needs.

In this regard, the Group's liquidity policy ensure to meet its payment obligations without requiring the access to funds in costly terms.

Additionally, it is noteworthy that both at Group and individual business level, the Group performs projections regularly on the generation and expected cash needs, in order to determine and monitor the Group's liquidity position.

The relevant information on the maturity dates of financial liabilities based on contractual terms is broken down in Notes 14, 15 and 16.

28. CAPITAL MANAGEMENT POLICY

The main objectives of the Group's capital management are to ensure financial stability in the short and long term, appropriate return rates, increased business value and ensure proper and adequate financing of investments and projects to be conducted in a framework of controlled expansion.

The Group's strategy in 2019 is to enhance the more profitable business and to act decisively on the deficit operations, to significantly improve the results and net cash flows. Control of investments and costs restraint have also been established as a priority action, with satisfactory results.

As stated in Note 14, the contracts entered into in relation to corporate bonds issued include limitations on the payment of dividends. The Company does not intend to distribute dividends in the short to medium term given that the Group policy is not to distribute dividends.

29. SUBSEQUENT EVENTS

On March 11, 2020 the World Health Organization labelled the public health emergency situation caused by the coronavirus (COVID-19) outbreak a global pandemic. The rapid escalation of events, in both Spain and worldwide, is resulting in an unprecedented health crisis that will have an impact on the macroeconomic environment and business evolution. To tackle the issue, the Spanish Government declared, among other measures, a state of emergency through Royal Decree 463/2020, of March 14, and approved a set of extraordinary urgent measures to address the economic and social impact of COVID-19, through Royal Decree Law 8/2020 of March 17.

The Group considers that these events do not entail any adjustment to the financial statements for the year ended December 31, 2019, although they could have an impact on the Company's operations and, therefore, results and future cash flows.

Given the complexity and rapid escalation of events, it is not currently practicable to make a reliable quantified estimate of their potential impact on the Group. Should there be an impact, it would be recorded prospectively in the 2020 financial statements.

The Group is taking appropriate action to deal with the events and minimize their impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise the Group's ability to continue as a going concern, so it will be able to meet its financial obligations.

Cirsa's activity will be affected by the temporary close-down of bars, casinos, gaming halls, bingos, sporting bets and our manufacturing facilities as a result of the guidelines set out by the governments of the countries in which Cirsa operates.

We would like to inform that Management is doing its best to minimize and mitigate the interruption of the business and its costs. This includes a cash management emergency plan to ensure Cirsa's cash position through detailed prioritization of all payments and optimization of financing sources.

Due to these recent guidelines, on March 13, 2020 the Group drew down its Revolving Credit Facility (RDF) in full as a precautionary measure. As a result, the Group has over 350 million euros in cash in the balance sheet.

Additionally, from December 31, 2019 to the date these financial statements were authorized for issue, no additional significant events took place that required the extension or modification of the contents of these financial statements.

The undersigned, whose positions are indicated under their names, hereby CERTIFY the accuracy and integrity of the special-purpose consolidated financial statements for the year ended 2019 of Cirsa Enterprises Group.

Terrassa, March 23, 2020

Mr. Joaquin Agut
Chair

Mr. Lionel Yves Assant
Vice-Chair

Mr. Haide Hong
Vice-Secretary

Mr. Miguel García

Mr. Antonio Hostench

List of subsidiaries

Company	Activity	Ownership Percentage 2019	Ownership Percentage 2018	Investment holder	Business address	City	Province/Country
Administradores De Personal En Entrenamiento, SA de CV	Bingos	100,00%	100,00%	Bincamex, S.A. de CV,	Guillermo Gorzalez Camanera, 660 Piso 8	México D.F.	México
Aiar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.U.	Av. Muñoz Vargas, 18	Huelva	Huelva
Alematic, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Rellinars, 345	Terrassa	Barcelona
Antical Trading, S.L.	Operacional	76,76%	76,76%	Global Game Machine Corporation, S.A.U.	C/ Pi Margall, 201	Terrassa	Barcelona
Ancon Entertainment, INC.	Casinos	50,00%	50,00%	Cirsa International Business Corporation, S.L.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Apple Games 2000, S.L.	Operacional	49,50%	49,50%	Egerton, S.A.	Señal de Favara, 11	Picanya	Valencia
Apuestas Electrónicas, S.L.U.	Operacional	75,50%	75,50%	Comercial de Recreativos Salamanca, S.A.U.	C/ 19 y 21, módulo 12, nave 2 P.I. El Nevero	Badajoz	Badajoz
Automáticos Essani, S.A.U.	Operacional	100,00%	100,00%	Recreativos Ergosa, S.L.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Automática Manchegos, S.L.U.	Operacional	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, km 286	Juan	Ciudad Real
Automáticos Maxorata, S.A.	Operacional	55,00%	55,00%	Comercial Júpama, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Azibi Horia, S.A.U.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.U.	Pl. Ibiza, 21	Barcelona	Barcelona
Badamatic, S.A.U.	Operacional	50,00%	50,00%	Radiemon, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
Bar Juegos, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Barnabing, S.A.U.	Bingos	100,00%	100,00%	Inversiones Zentel, S.L.U.	C/ Calif, 23	Igualeda	Barcelona
Barna-Center, S.A.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Barnaplay, S.A.U.	Operacional	100,00%	100,00%	Miky, S.L.	Paseo Maragall, 103 - 105	Barcelona	Barcelona
Bema - Euromatic, S.A.	Operacional	60,71%	60,71%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Bordal, S.A.U.	Bingos	100,00%	100,00%	Inversiones Zentel, S.L.U.	Avenida Paralelo, 91-93	Barcelona	Barcelona
Bilares Valencia, S.L.	Operacional	100,00%	100,00%	Colmad S.A.U.	C/ Convento Santa Clara, 11	Valencia	Valencia
Binale, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	General Ricardos, 176	Madrid	Madrid
Bincamex, S.A. de C.V.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.L.U.	Cantú, 9 - 601, Colonia Nueva Anzures	México D.F.	México
Bincano, S.A.U.	Bingos	100,00%	100,00%	Global Mex Business, S.L.U.	Ecano, 30-32	Bilbao	Vizcaya
Bingaser, A.I.E.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingo Santren, S.A.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Ctra. N-340 Km. 1189	El Vendrell	Tarragona
Bingos Andulces, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asunción, 3	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Plaza Doctor Fleming, s/n	Benidorm	Alicante
Bingos de Madrid Reunidos, S.A.U.	Bingos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S.A.U.	Casinos	100,00%	100,00%	Gaming & Services De Panamá, S.A.U.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Bis Line, S.L.	Operacional	87,60%	87,60%	Giga Game System Operation, S.L.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Bumex Land, S.L.U.	Bingos	100,00%	100,00%	Giga Game System Operation, S.L.U.	Ecano, 30-32	Bilbao	Vizcaya
Calpe Leisure, S.A.	Operacional	85,00%	85,00%	Global Bingo Corporation, S.A.U.	C/ German Bernacer, 22 P.I. Elche	Elche	Alicante
Candan, S.A.	Operacional	100,00%	100,00%	Elevi, Electronicos Valencia, S.A.U.	C/ Colom, 495 bis	Terrassa	Barcelona
Candipac, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Casino Cirsa Valencia, S.A.U.	Casinos	100,00%	100,00%	Giga Game System Operation, S.L.U.	Avda. de las Cortes Valencianas, 59	Valencia	Valencia
Casino El Cacique, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 5, Piso 3	San José	Costa Rica
Casino Nueva Andalucía Marbella, S.A.U.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.U.	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casinos del Caribe, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Avda. George Washington, 367 2º Piso Hotel Jaraguá	Santo Domingo de Guzmán	R. Dominicana
Casinos Pájaro Trueno, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Cat Games, S.L.	Operacional	50,00%	50,00%	Bis Line, S.L. y Tot Palmioni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cisa*, S.R.L.	Operacional	100,00%	100,00%	Cirsa*, S.P.A.U.	Via Toscana, 31	Buchnasco	Milán
Cirsa Brasil Participações, LTDA.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Rua Getulides de Lima, nº 53 - Sala 42 Centro	Santo André	Brasil
Cirsa Estrellas del Caribe, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Cirsa Finance International, S.A.R.L.U.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.U.	Rue Eugene Rupert, 2-4	Luxemburgo	Luxemburgo
Cirsa Gaming Corporation, S.A.U.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa Gran Entretenimiento De Costa Rica, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Cirsa Interactive Corporation, S.L.U.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa International Business Corporation, S.L.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.U.	C/ Fermina Sevillano, 5-7	Madrid	Madrid
Cirsa Italia Holding, S.p.A.U.	Operacional	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Centro Direzionale Milanofori, Strada 2	Assago (Milan)	Italia
Cirsa Italia, S.p.A.U.	Operacional	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Centro Direzionale Milanofori, Strada 2	Assago (Milan)	Italia

List of subsidiaries

Company	Activity	Ownership Percentage 2018	Ownership Percentage 2019	Investment holder	Business address	City	Province/Country
Cirsa Retail, S.R.L.	Bingos	100,00%	100,00%	Cirsa Italia Holding, S.p.A.U.	Milano Fiori, Strada 2, Palazzo D4	Assago	Italia
Cirsa Servicios Corporativos S.L.U.	Estructura	100,00%	100,00%	100,00% Cirsa Gaming Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S.A.U.	Operacional	100,00%	100,00%	100,00% Cirsa Gaming Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsagast, S.P.A.	Operacional	100,00%	100,00%	100,00% Cirsa Italia Holding, S.p.A.U.	Centro Direzionale Milanofiori, Strada 2	Assago	Italia
Club Privado De Fumadores Nuestro Espacio	Bingos	100,00%	100,00%	100,00% Binges de Madrid Reunidos, S.A.U.	C/ Bravo Murillo, 308	Madrid	Madrid
Coliland, S.A.U.	Operacional	100,00%	100,00%	Elevel, Electronicos Valencia, S.A.U.	C/ Guadaquivir, 84	Valencia	Valencia
Comidial 2000, S. L.	B2B	75,50%	100,00%	100,00% Universal de desarrollos Electronicos, S.A.U.	Pl. Els Bellsos, c/ del Aire, 1	Terrassa	Barcelona
Comercial de Desarrollos Electrónicos, S. A.U.	Operacional	100,00%	100,00%	100,00% Global Game Machine Corporation, S.A.U.	Pl i Margall, 201	Terrassa	Barcelona
Comercial de Recreativos Salamanca, S.A.U.	Operacional	75,50%	100,00%	Tecnocappel, S.L.	C/ Cuarta, 17 P.I, El Montalvo	Sagrada	Salamanca
Comercial Japana, S.A.	Operacional	50,00%	100,00%	100,00% Cirsa Slot Corporation, S.A.U.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Cotecn 2000, S.L.U.	Operacional	100,00%	100,00%	100,00% Cirsa Slot Corporation, S.A.U.	Fernina Sevillano, 5-7	Madrid	Madrid
Digital Gaming México, S.A.P. I.de C.V.	Apuestas	100,00%	100,00%	65,00% Sportum Apuestas Deportivas, S.A.	Boulevard Luis Donaldo Colosio, SA-1	Hidalgo	México
Egatronc, S.A.	Operacional	75,50%	100,00%	51,00% Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Els Bellsos	Terrassa	Barcelona
Elevel, Electronica Valencia, S.A.U.	Operacional	100,00%	100,00%	100,00% Cirsa Slot Corporation, S.A.U.	C/ Guadaquivir, 84	Terrassa	Barcelona
Electronicas Radisa, S.L.	Operacional	100,00%	100,00%	100,00% Cirsa Slot Corporation, S.A.U.	Fernina Sevillano, 5-7	Horno de Albedo	Valencia
First Game, S.L.U.	Operacional	100,00%	100,00%	100,00% Unplay, S.A.U.	C/ Fernina Sevillano, 5-7	Madrid	Madrid
Eletronoto Firenze, S.R.L.U.	Operacional	-	100,00%	100,00% Cirsagast, S.P.A.U.	Palazzo D4	Assago	Milán
Ferroluegos, S.A.	Bingos	-	100,00%	100,00% Global Bingo Corporation, S.A.U. y Global Bingo Madrid, S.A.U.	Ferrocarril, 38	Madrid	Madrid
Flemingo Euromatic-100, S.L.U.	Operacional	51,00%	100,00%	51,00% Orlando Play, S.A.	P.I. La Justica, C/Sierra Tejar, 40	Vitor	Almeria
Fomento Avenio 1, S.A. DE C.V.	Bingos	100,00%	100,00%	Bircamex, S.A. de CV.	Monte Caucaso	México D.F.	México
Gaming & Services de Panamá, S.A.U.	Casinos	100,00%	100,00%	100,00% Cirsa International Business Corporation, S.L.U.	Calle 50, PH. Torre Global, piso 40	Ciudad de Panamá	Panamá
Gaming & Services, S.A.C.	Casinos	100,00%	100,00%	100,00% Cirsa International Business Corporation, S.L.U.	Av. Ricardo Palma, 341 Miraflores	Lima	Perú
Garomatic, S.L.U.	Operacional	50,00%	100,00%	50,00% Affematic, S.A.	Ctra. Reñiners, 345	Terrassa	Barcelona
Game Player, S.L.U.	Operacional	100,00%	100,00%	100,00% Cirsa Slot Corporation, S.A.U.	Fernina Sevillano, 5-7	Madrid	Madrid
Gema, S.R.L.U.	Bingos	100,00%	100,00%	100,00% Global Game Machine Corporation, S.A.U.	Centro Direzionale Milanofiori, Strada 2, Pal.D4	Assago (Milán)	Italia
Genper, S. A.	Operacional	100,00%	100,00%	100,00% Global Game Machine Corporation, S.A.U.	Pl i Margall, 201	Terrassa	Barcelona
Giga Game System, Operation, S.L.	Operacional	100,00%	100,00%	100,00% Cirsa Gaming Corporation, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Gimar Jocs, S.L.U.	Operacional	100,00%	100,00%	100,00% Mify, S.L.	Paseo Maragall, 103	Barcelona	Barcelona
Gimenca S.A.U.	Bingos	100,00%	100,00%	100,00% Inversiones Zentil, S.L.U.	Gran Via Corts Catalanes, 642	Barcelona	Barcelona
Global Betting Aragón, S.L.U.	Operacional	100,00%	100,00%	100,00% Global Game Machine Corporation, S.A.U.	C/ Jaime Ferran, 5 Pol. Ind. La Cogullada	Zaragoza	Zaragoza
Global Bingo Corporation, S.A.U.	Bingos	100,00%	100,00%	100,00% Cirsa Gaming Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Madrid, S.A.U.	Bingos	100,00%	100,00%	100,00% Cirsa Gaming Corporation, S.A.U.	Fernina Sevillano, 5-7	Madrid	Madrid
Global Bingo Stars, S.A.U.	Bingos	100,00%	100,00%	100,00% Cirsa Gaming Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Madrid
Global Casino Technology Corporation, S.A.U.	Casinos	100,00%	100,00%	100,00% Cirsa Slot Corporation, S.A.U.	Pl i Margall, 201	Terrassa	Barcelona
Global Game Machine Corporation, S.A.U.	Operacional	100,00%	100,00%	100,00% Winner Group, S.A.	Calle 90 No. 19C-32 P.4	Bogota	Colombia
Global Real State, S.A.S.U.	Casinos	100,00%	100,00%	Gaming & Services de Panamá, S.A.U.	C/ Cuarta, Casa 39 - Urbanización Parque Elévre	Panamá	Panamá
Global TC Corp., S.A.U.	Casinos	100,00%	100,00%	100,00% Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Panamá	Panamá
Goldenplay, S.L.U.	Operacional	51,00%	100,00%	51,00% Cirsa Slot Corporation, S.A.U.	Ctra. de Castellar, 298	Elche	Alicante
Grabel, S.L.U.	Operacional	100,00%	100,00%	100,00% Giga Game System Operation, S.L.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gran Casino Costa Brava, S.L.	Casinos	90,00%	100,00%	100,00% Global Casino Technology Corporation, S.A.U.	C/ Simon Bolivar, 3	Terrassa	Barcelona
Gran Casino de las Palmas, S.A.	Casinos	51,00%	100,00%	51,00% Palma Area, S.L.U.	c/ Simon Bolivar, 3	Las Palmas	Gran Canaria
Grasplai, S.A.U.	Bingos	100,00%	100,00%	100,00% Talzen Inversions, S.L.U.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Gravaloflai, S.A.U.	Bingos	100,00%	100,00%	100,00% Cirsa International Business Corporation, S.L.U.	Avda. de la Constitución, 134	Castelldefels	Barcelona
Grupo Cirsa De Costa Rica, S.A.U.	Casinos	100,00%	100,00%	100,00% Inversiones Zentil, S.L.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Hosteleria 1000, S.L.U.	Bingos	100,00%	100,00%	100,00% Cirsa Slot Corporation, S.A.U.	Plaza Ibiza, 21	Barcelona	Barcelona
IberMatic Games, S.L.	Operacional	75,50%	100,00%	51,00% Cirsa Slot Corporation, S.A.U.	C/ Jaime Ferran, 2-4	Zaragoza	Zaragoza
Illa Valies Hosteleria, S.L.U.	Operacional	100,00%	100,00%	100,00% Barma-Center, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Instalaciones Recreativas Mallorca, S.A.U.	Bingos	100,00%	100,00%	100,00% Talzen Inversions, S.L.U.	Mallorca, 208	Barcelona	Barcelona
Inmobiliaria Rapid, S.A.C.	Casinos	-	100,00%	100,00% Gaming And Services, S.A.C.	Av. Ricardo Palma, 341 Miraflores	Barcelona	Barcelona
Integración Inmobiliaria World de Mexico, S.A. De C.V.	Bingos	100,00%	100,00%	100,00% S.A.P.I. De C.V.	c/ Guillermo Gonzalez Camarena 600 Piso 8	Lima	Perú
International Bingo Technology, S.A.U.	Bingos	100,00%	100,00%	100,00% Global Bingo Corporation, S.A.U.	Pl i Margall, 201	México D.F.	México

List of subsidiaries		Ownership Percentage 2019	Ownership Percentage 2018	Investment holder	Business address	City	Provinces/Country
Company	Activity						
International Mex Business, S.L.U.	Bingos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Interplay, S.A.U.	Operacional	75,50%	51,00%	Egemonic, S.A.	C/ Francia, 26 y 27	Puerto Real	Cádiz
Interevi, S.A.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Nacional 420, km 269	Juan	Ciudad Real
Inversiones Interactivas, S.A.	Casinos	70,00%	70,00%	Orbis Development, S.A.U.	C/ 57 y Avenida Obispo	Terrassa	Panamá
Inversiones Zental, S.L.U.	Bingos	100,00%	-	Giga Game System Operation, S.L.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Investment & Securities Iberica, S.A.U.	Casinos	100,00%	100,00%	Cirsa Internacional Business Corporation, S.L.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Juegomatic, S.A.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Av. Velázquez, 91	Málaga	Málaga
Juegos De Azar Oliva Rodon, S.L.U.	Operacional	100,00%	-	Bama-Center, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Juegos Del Oeste, S.L.U.	Operacional	75,50%	51,00%	Apuestas Electrónicas, S.L.U.	C/ 19 y 21, modulo 12	Badajoz	Badajoz
Juegos San José, S.A.	Bingos	47,50%	47,50%	Global Bingo Corporation, S.A.U.	General Mas De Gaminda, 47 Bajos	Las Palmas G.C.	Gran Canaria
La Barra Arcon, S.A.U.	Casinos	50,00%	50,00%	Arcon Entertainment, Inc.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Barra Panama, S.A.U.	Casinos	100,00%	100,00%	Cirsa Internacional Business Corporation, S.L.U.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Cafetería del Bingo, S.L.	Casinos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Asumción, 3	Sevilla	Sevilla
La Selva Inversiones, S.A.C.U.	Casinos	100,00%	100,00%	Gaming And Services, S.A.C.	C/ Jr. Loreto, 228	Tambopata	Perú
Les Loisirs Du Paradis, S.A.R.L.U.	Casinos	82,00%	82,00%	Resort Paradise AB	Hotel Atlantik Palace Secteur balneaire et touristique	Agadir	Marruecos
LKG Bussines, S.L.U.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.U.	Ctra. Castellar, 398	Terrassa	Barcelona
Lightroom International 21, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Liate Azul, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Gran Passeig de Ronda, 87	Lleida	Lleida
Losimai, S.A.U.	Operacional	-	100,00%	Cirsa Slot Corporation, S.A.U.	Av. De la Albufera, 129	Madrid	Madrid
Macrojuegos, S.A.	Bingos	51,00%	51,00%	International Bingo Technology, S.A.U.	Dionisio Guardiola, 34	Albacete	Albacete
Majestic 507 Corp, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Maquillero, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Femina Sevillano, 5-7	Madrid	Madrid
Maqui-Ter, S.A.	Operacional	51,00%	51,00%	Elevat, Electronicos Valencia, S.A.U.	Miguel de Cervantes, 12	Teruel	Teruel
Marchamatic Indalo, S.L.U.	Operacional	51,00%	51,00%	Orlando Play, S.A.	C/Sierra Telar, 40	Vitor	Almería
MCA Automatics, S.L.U.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Merengue Bar Gran Casino Jaragua, G.C.I, S.R.L.U.	Casinos	100,00%	100,00%	Casinos Del Caribe, S.R.L.	Avda. George Washington, 367 2º Piso	Sto. Domingo de Guzmán	R. Dominicana
Miky, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	c/ Paseo Maragal, 103 - 105	Barcelona	Barcelona
Montri, S.A.U.	Operacional	75,50%	51,00%	Iber Matic Games, S.L.	C/ del Aire, 1 Pol. Ind. Elis Bellot	Terrassa	Barcelona
New Laomar, S.L.U.	Operacional	51,00%	51,00%	Orlando Play, S.A.	c/Sierra Telar, 40	Vitor	Almería
New York Game, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Nightfall Construccions, S.R.L.	Casinos	100,00%	100,00%	Cirsa Internacional Business Corporation, S.L.U.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
Nortia Real Estate Colombia, S.L.U.	Casinos	100,00%	100,00%	Cirsa Gaming Corporation, S.A.U.	Ctra. de Castellar, 298	Terrassa	Barcelona
Oper Ibiza, S.L.	Operacional	51,00%	51,00%	Cirsa Slot Corporation, S.A.U.	C/ dels Llauradors, 45	Portmany	Baleares
Operación Bamshai, S.A.U.	Casinos	-	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Operadora de Entretenimiento Manzanillo, S.A. de C.V.	Bingos	60,00%	60,00%	Bincamex, S.A. de CV.	c/ Guillermo Gonzalez Camarena 600 Piso 8	México D.F.	México
Operadora Internacional de Recreativos, S.A.	Operacional	51,00%	51,00%	Cirsa Internacional Business Corporation, S.L.U.	c/ Cervantes, 14 1	Gijón	Asurias
Orbis Development, S.A.U.	Casinos	100,00%	100,00%	Orlando Play, S.A.	Swiss Tower, 16th floor, World Trade Center	Ciudad de Panamá	Panamá
Orlando Italia, S.r.l.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Milano Fieri, Strada 2, Palazzo D4	Assago	Italia
Orlando Play, S.A.	Operacional	51,00%	51,00%	Global Game Machine Corporation, S.A.U.	Sierra Telar, 40 P.I. La Juaida	Vitor	Almería
Palabingo, S.R.L.	Bingos	56,00%	56,00%	Cirsa Retail, S.R.L.U.	Via Casale, 22	Alessandria	Italia
Patterson Lake Business Services, S.A.U.	Casinos	-	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Playcat, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Cádiz, 1	Terrassa	Barcelona
Princesa 31, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Bingos de Madrid Reunidos, S.A.U.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camarena, 600 PB Col. Sfe	México D.F.	México
Promociones Sol Ibiza, S.A.	Operacional	51,00%	51,00%	Oper Ibiza, S.L.	C/ dels Llauradors, 45	Portmany	Baleares
Radiamon, S.L.	Operacional	50,00%	-	Giga Game System Operation, S.L.U. y Tot Patrimoni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona

List of subsidiaries

Company	Activity	Ownership Percentage 2019	Ownership Percentage 2018	Investment holder	Business address	City	Province/Country
Recrea, S.L.	Operacional	80,00%	-	Giga Game System Operation, S.L.U.	C/ C-k, P.I. Cami dels Freres	Lleida	Lleida
Recreativos Aranz, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Ergasa, S.L.U.	Operacional	100,00%	100,00%	Gblal Game Machine Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Recreativos Hatuey, S.A.	Operacional	100,00%	100,00%	Bema - Euromatic, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Manchegos, S.L.U.	Operacional	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, Km 286	Juan	Ciudad Real
Recreativos Mantos, S.L.U.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Oclomar Levante, S.L.U.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panoramit, S.L.U.	Operacional	51,00%	51,00%	Global Game Machine Corporation, S.A.U.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Sortia, S.L.U.	Operacional	100,00%	100,00%	Elev, Electronica Valencia, S.A.U.	C/ de Castellar, 298	Terrassa	Barcelona
Recreativos Xativa, S.A.	Bingos	55,00%	-	Varios	C/ Guadalquivir, 84	Homo de Albedo	Valencia
Red de Bingos Andalucés, A.I.E.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Marilla, 26	Sevilla	Sevilla
Red de interconexión de Andalucía, S.L.U.	B2B	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Marilla, 26	Sevilla	Sevilla
Red de salones de Aragón, S.L.U.	Operacional	100,00%	100,00%	Unplay, S.A.U.	Ctra. De Castellar, 298	Terrassa	Barcelona
Redeýe Games, S.L.U.	Operacional	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Fermina Sevillano, 5-7	Madrid	Madrid
Resort Paradise AB	Casinos	82,00%	82,00%	Cirsa International Business Corporation, S.L.U.	Box, 1432	Estocolmo	Suecia
Romgar, S.L.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Cayetano del Toro, 23	Cádiz	Cádiz
S.A. Explotadora de Recreativos	Operacional	80,00%	81,40%	Cirsa Slot Corporation, S.A.U.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Sadeji, S.L.U.	Bingos	65,00%	65,00%	Telma Enea, S.L.U.	c/ Carles Alexandre, 108	Torremolinos	Malaga
Sala Valencia, S.A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Cuenca, 20	Valencia	Valencia
Sala Versailles, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U. y Global	Bravo Mufillo, 309	Madrid	Madrid
Salón de Juegos Portal, S.A.U.	Casinos	-	100,00%	Gaming And Services, S.A.C.	C/ Mercaderes, 303	Avequiba	Perú
Sant Cugat Desarrollo de Tecnologías, S.L.U.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.U.	Sena, nº 2	Sant Cugat del	Barcelona
Satumo 5 Conexión, S.L.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Fermina Sevillano, 5-7	Valles	Barcelona
SCB Almirante Dominicana, S.R.L	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Madrid	Madrid	Madrid
SCB Anil Dominicana, S.R.L	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Santo Domingo	Santo Domingo	R. Dominicana
SCB Grand Victoria Dominicana, SRL	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Santo Domingo	Santo Domingo	R. Dominicana
SCB Hispaniola Dominicana, S.R.L	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Santo Domingo	Santo Domingo	R. Dominicana
SCB Malecon Dominicana, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.U.	Av. A. Lincoln /Correa y Cidron	Santo Domingo	R. Dominicana
Setebi, S.A.U.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.U.	Av. George Washington, centro comercial Malecon	Castell - Platja	Barcelona
Servi D'aro, S.A.U.	Bingos	100,00%	100,00%	Taizen Inversions, S.L.U.	Avda. Sarria, 47	D'Aro	Girona
Servicios Especializados Del Juego, S.A. De	Operacional	100,00%	100,00%	Bincamex, S.A. de CV.	Avda. Estrashburgo, 11	México D.F.	México
Servicios Integrales del Juego, A.I.E.	Estructura	100,00%	100,00%	Varios	Guillermo González Camarena 600, Piso 8, Santa Fe	Terrassa	Barcelona
Servicios y Distribucion de Recreativos, S.A.U.	Operacional	100,00%	100,00%	Global Game Machine Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Servi-Joc, S.A.	Casinos	85,00%	51,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Castellar, 298	Terrassa	Barcelona
Sierra Machines, S.A.C.	Bingos	100,00%	100,00%	Gaming And Services, S.A.C.	Ctra. Rellinars, 345	Terrassa	Barcelona
Sobima, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Av. Ricardo Palma, 341 Miraflores	Lima	Perú
Social Games Online, S.L.	Apuestas	100,00%	100,00%	Cirsa Interactive Corporation, S.L.U.	Av. Velázquez 91-93	Málaga	Málaga
Societe Du Casino Le Mirage, S.A.	Casinos	51,00%	51,00%	Cirsa International Business Corporation, S.L.U.	Ctra. Castellar, 398	Terrassa	Barcelona
Sodemar, S.L.U.	Bingos	100,00%	100,00%	Telma Enea, S.L.U.	Club Vultur \$TB, Parcelle nº 31 Sacramento, 16 duplicado	Agadir	Marruecos
Sportium Apocates Catalunya, S.A.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Cádiz	Cádiz
Sportium Apuestas Andalucía, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda. Velázquez, 91 - 93	Málaga	Málaga
Sportium Apuestas Aragón, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Asturias, S.A.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ B. Parcela 45B pol. Ind Asipio	Cayes - Llanera	Asturias
Sportium Apuestas Baleares, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Gremi des Sabaters, 21	Palma de Maiorca	Mallorca
Sportium Apuestas Canarias, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Garcia Morato, 1	Telde	Gran Canaria
Sportium Apuestas Castilla La Mancha, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Santa Maria Magdalena, 10 -12	Madrid	Madrid

List of subsidiaries

Company	Activity	Ownership Percentage 2019	Ownership Percentage 2018	Investment holder	Business address	City	Province/Country
Sportium Apuestas Ceuta, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Gran Vía, 14 entreplanta, puerta A	Ceuta	Ceuta
Sportium Apuestas Colombia, S.A.S.	Apuestas	100,00%	60,00%	Sportium Apuestas Deportivas, S.A.	Carrera 12 N° 93 - 76 Oficina 501	Bogotá	Colombia
Sportium Apuestas Deportivas, S.A.	Apuestas	100,00%	50,00%	Cirsa Slot Corporation, S.A.U.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Digital, S.A.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Galicia, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	Toja	Pontevedra
Sportium Apuestas Levante, S.A.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Guadaquivir, 84	Horno de Abaco	Valencia
Sportium Apuestas Mellilla, S.L.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda. Cardido Lobera, 5 Atico 3	Mellilla	Mellilla
Sportium Apuestas Navarra, S.A.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	Avda. Barafain, 27 1º A	Pamplona	Navarra
Sportium Apuestas Oeste, S.A.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Nevero Doce, Parcela 21	Badajoz	Badajoz
Sportium Apuestas Panama, S.A.	Apuestas	100,00%	60,00%	Sportium Apuestas Deportivas, S.A.	Corregimiento de San Francisco, calle 50 y 73 Este	Panamá	Panamá
Sportium Global Investments, SGI, S.A.	Apuestas	100,00%	60,00%	Sportium Apuestas Deportivas, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Sportium Servicios de Gestión, S.L.U.	Apuestas	100,00%	-	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	San José	Costa Rica
Sportium Zona Norte, S.A.U.	Apuestas	100,00%	50,00%	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Valles	Barcelona
Tallurtxe, S.A.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Paseo Miramar, s/n	Loquiño	Lezoro
Talzen Inversions, S.L.U.	Bingos	100,00%	100,00%	Inversiones Zentel, S.L.U.	Ctra. de Castellar, 298	Salbu	Tarazona
Tecnijoc, S.L.U.	Operacional	75,60%	51,00%	Egatronix, S.A.	Granio de Jaboneros, 3B Pol. Son Castello	Terrassa	Barcelona
Tecnopapel, S.L.	Operacional	75,60%	51,00%	Cirsa Slot Corporation, S.A.U.	Pol Ind Campollano, calle B1	Palma de Mallorca	Mallorca
Tecnología y Sistemas, S.A.U.	Operacional	100,00%	100,00%	Elevel, Electronic Valencia, S.A.U.	C/ Guadaquivir, 84	Albacete	Albacete
Telfis, S.A.U.	Bingos	100,00%	100,00%	Internacional Bingo Technology, S.A.U.	Tenor Flea, 57	Zaragoza	Zaragoza
Telma Enea, S.L.U.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.U.	Sevilla, 10-14	Jerez de la Frontera	Cádiz
Tres Rios Hotel la Carpintera, S.A.U.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.U.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Unidasa Operacions Servicas, S.L.U.	B2B	100,00%	100,00%	Universal de desarrollos Electronicos, S.A.U.	C/ Sena, 2	Valles	Barcelona
Uniplay, S.A.U.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.U.	Femira Seylliano, 5-7	Madrid	Madrid
Universal de Desarrollos Electronicos, S.A.U.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.U.	Ctra. Castellar, 288	Terrassa	Barcelona
Univeral de Desarrollos Electronicos, S.A. De C.V.	B2B	100,00%	100,00%	International Max Business, S.L.U.	Guillermo Gonzalez Camanera, 680 Piso 9 Of. 5	México D.F.	México
Urban Leisure, S.L.	Operacional	75,00%	75,00%	Cirsa Slot Corporation, S.A.U.	Ctra. Rellinas, 345	Terrassa	Barcelona
Verneda 60, S.A.U.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.U.	Guipuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50,01%	50,01%	Investments & Securities Iberica, S.A.U.	Calle 90, nº 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	100,00%	60,00%	Global Bingo Corporation, S.A.U.	San Fernando, 48	Santander	Cantabria

List of associates

Company	Activity	Ownership Percentage 2019	Ownership Percentage 2018	Investment holder	Business address	City	Province/Country
A.O.G., S.r.l.	Bingos	50,00%	50,00%	Gema Srt. U.	Via Langhena, 1	San Vendemiano	Italia
Automáticos Quintana, S.L.	Operacional	50,00%	50,00%	Comercial Jupama, S.A.	C/ Parque de la libertad, 30	Santa Lucía de Tirajana	Gran Canaria
Audiovisual Fianzas, S.G.R.	Estructura	35,23%	35,23%	Varios	c/ Luis Buñuel, 2 2ª	Madrid	Madrid
Bingo Amico, S.r.l.	Bingos	50,00%	50,00%	Gema, S.r.l.U.	Via Langhena, 1	San Vendemiano	Italia
Binsavo, S. A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Ruiz Merole, 5	Ciudad Real	Ciudad Real
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation, S.A.U.	Isla de La Toja	El Grove	Pontevedra
Cludeen, S.L.	B2B	50,00%	50,00%	Universal de Desarrollos Electrónicos, S.A.U.	C/ Enrique Marínas, 36 planta 6 local 1B	A Coruña	A Coruña
Compañía Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universal de Desarrollos Electrónicos, S.A.U.	C/ Toledo, 137	Madrid	Madrid
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50 Y 73 Este San Francisco	Panamá	Panamá
Felix Jimenez Morante, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.U.	Avda. de los Trabajadores, 12 P.I. La Atalaya	Tortijos	Toledo
Glorina de Bingos, S.L.	Bingos	-	20,60%	International Bingo Technology, S.A.U.	Via Lalestana, 51	Barcelona	Barcelona
Majestic Food Services, S.A.U.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.U.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Metroservi Andalucía de Salones, S.L.	Bingos	-	25,00%	Global Bingo Corporation, S.A.U.	C/ Tipografía, 26	Sevilla	Sevilla
Montecarlo Andalucía, S.L.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.U.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30,00%	30,00%	A.O.G., S.r.l.	Torricella, 11	Roma	Italia
Recreativos Miami, S.A.U.	Operacional	-	50,00%	Unión de Operadores Reunidos, S.A.	Avda. Alcalde Portanet, 33 bajo	Vigo	Pontevedra
Recreativos Oropesa, S.L.U.	Operacional	50,00%	50,00%	Felix Jimenez Morante, S.A.	Avda. de los Trabajadores, 12 P.I. La Atalaya	Tortijos	Toledo
Red de Juegos y Apuestas de Madrid, S.A.	Bingos	-	40,00%	Varios	C/Evaristo San Miguel, 2	Madrid	Madrid
Serdiga 2000, S. L.	B2B	50,00%	50,00%	Universal de Desarrollos Electrónicos, S.A.U.	Av. Finisterre, 283	La Coruña	La Coruña
Unión de Operadores Reunidos, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.U.	C/ Severo Ochoa, 3	A Coruña	A Coruña