

## **INDEX TO FINANCIAL STATEMENTS**

### **Year ended December 31, 2022**

Independent Auditor's Report

Consolidated Balance Sheets December 31, 2022, 2021

Consolidated Profit and Loss Accounts years ended December 31, 2022 and 2021

Notes to the Consolidated Financial Statements at December 31, 2022

### **Year ended December 31, 2021**

Independent Auditor's Report

Consolidated Balance Sheets December 31, 2021, 2020

Consolidated Profit and Loss Accounts years ended December 31, 2021 and 2020

Notes to the Consolidated Financial Statements at December 31, 2021

### **Year ended December 31, 2020**

Independent Auditor's Report

Consolidated Balance Sheets December 31, 2020, 2019

Consolidated Profit and Loss Accounts years ended December 31, 2020 and 2019

Notes to the Consolidated Financial Statements at December 31, 2020

\* \* \*



Independent Audit Report in accordance with  
International Standards on Auditing

Cirsa Enterprises Group  
Consolidated Financial Statements  
for the year ended  
December 31, 2022

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, 2022, 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, 2022, 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 24, 2023

## **Cirsa Enterprises Group**

**Consolidated Financial Statements for the year ended December 31, 2022  
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)*

## CONTENTS

### Consolidated Financial Statements

- Consolidated statement of financial position at December 31, 2022
- Consolidated statement of comprehensive income for the year ended December 31, 2022
- Consolidated statement of changes in equity for the year ended December 31, 2022
- Consolidated cash flow statement for the year ended December 31, 2022
- Notes to the consolidated financial statements for the year ended December 31, 2022

Appendix - Detail of subsidiaries at December 31, 2022.



**Cirsa Enterprises Group**  
**Consolidated statement of financial position at December 31, 2022**

**ASSETS**

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Non-current assets</b>		<b>2,892,270</b>	<b>2,846,708</b>
Goodwill	5	1,273,457	1,228,475
Other intangible assets	6	955,227	944,573
Property, plant and equipment	7	261,320	266,809
Right-of-use assets	19	231,489	236,774
Investments accounted for using the equity method	8	31,847	29,728
Financial assets	9	49,292	41,754
Deferred tax assets	18.4	89,638	98,595
<b>Current assets</b>		<b>378,098</b>	<b>415,322</b>
Inventories	11	21,608	19,357
Trade and other receivables	9	107,243	86,463
Other financial assets	9	23,497	14,616
Other current assets		12,371	14,685
Cash and cash equivalents	12	213,379	280,201
<b>Total assets</b>		<b>3,270,368</b>	<b>3,262,030</b>

**EQUITY AND LIABILITIES**

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Equity</b>		<b>224,182</b>	<b>122,749</b>
Issued capital	13.1	70,663	70,663
Share premium	13.1	626,583	626,583
Retained earnings	13.2	(613,694)	(458,589)
Currency translation differences		(31,748)	(62,433)
Profit/(loss) for the year attributable to the Parent		56,569	(150,874)
Non-controlling interests	13.3	115,809	97,399
<b>Non-current liabilities</b>		<b>2,422,601</b>	<b>2,605,025</b>
Corporate notes	14	1,891,418	2,033,563
Bank borrowings	15	28,213	64,050
Other non-trade payables	16	40,288	32,153
Provisions	17	23,628	16,068
Finance lease liabilities	19	216,211	228,759
Deferred tax liabilities	18.4	222,843	230,432
<b>Current liabilities</b>		<b>623,585</b>	<b>534,256</b>
Corporate notes	14	175,018	9,184
Bank borrowings	15	96,396	226,897
Trade payables		49,613	34,905
Other non-trade payables	16	221,427	208,046
Finance lease liabilities	19	51,852	45,522
Current income tax payable	18.2	29,279	9,702
<b>Total equity and liabilities</b>		<b>3,270,368</b>	<b>3,262,030</b>

**Cirsa Enterprises Group**  
**Consolidated statement of comprehensive income for the year ended December 31, 2022**

(Thousands of euros)	Notes	2022	2021
<b>CONTINUING OPERATIONS</b>			
Income from gaming activities		1,995,446	1,379,497
Other operating income		253,323	107,531
Bingo prizes		(209,860)	(149,709)
<b>Total operating income</b>		<b>2,038,909</b>	<b>1,337,319</b>
Variable rent		(297,680)	(220,016)
<b>Total operating income net of variable rent</b>	<b>3.1</b>	<b>1,741,229</b>	<b>1,117,303</b>
Cost of sales	20.2	(64,325)	(45,629)
Employee benefits expense	20.3	(278,797)	(208,832)
Utilities and external services	20.4	(341,052)	(212,191)
Gaming taxes and other similar taxes		(504,578)	(319,215)
Charge to depreciation and amortization and impairment of assets	6, 7 & 19	(297,791)	(305,668)
Change in operating provisions		(4,823)	(522)
Finance income	20.5	1,629	1,075
Finance costs	20.5	(127,072)	(150,461)
Finance lease expenses	20.5	(14,223)	(14,210)
Change in financial provisions	20.5	(324)	58
Gains/(losses) on investments in associates	8	2,119	379
Exchange gains / (losses), net	20.6	2,241	(18,156)
Gains/(losses) on disposal/derecognition of non-current assets		(5,025)	(2,258)
<b>Profit/(loss) before tax</b>		<b>109,208</b>	<b>(158,327)</b>
Income tax	18.2	(29,613)	12,250
<b>Net profit/(loss) for the year</b>		<b>79,595</b>	<b>(146,077)</b>
Profit/(loss) for the year attributable to non-controlling interests	13.3	23,026	4,797
<b>Profit/(loss) for the year attributable to the Parent</b>		<b>56,569</b>	<b>(150,874)</b>

**Cirsa Enterprises Group**  
**Consolidated statement of comprehensive income for the year ended December 31, 2022**

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Net profit/(loss) for the year</b>		<b>79,595</b>	<b>(146,077)</b>
Currency translation differences		33,759	21,587
Tax effect		-	-
<b>Total other comprehensive income that will be reclassified to profit or loss in subsequent years</b>		<b>33,759</b>	<b>21,587</b>
<b>Total other comprehensive income that will not be reclassified to profit or loss in subsequent years</b>		<b>-</b>	<b>-</b>
<b>Total other comprehensive income for the year, net of tax</b>		<b>113,354</b>	<b>(124,490)</b>
<i>Comprehensive income attributable to:</i>			
<i>Parent Company</i>		87,254	(127,721)
<i>Non-controlling interests</i>		26,100	3,231
<b>Total other comprehensive income for the year, net of tax</b>		<b>113,354</b>	<b>(124,490)</b>

**Cirsa Enterprises Group**  
**Consolidated statement of changes in equity for the year ended December 31, 2022**

(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
<b>At January 1, 2021</b>	<b>70,663</b>	<b>626,793</b>	<b>(456,797)</b>	<b>(85,585)</b>	<b>104,072</b>	<b>259,146</b>
Net profit/(loss) for the year 2021	-	-	(150,874)	-	4,797	(146,077)
Other comprehensive income	-	-	-	23,152	(1,566)	21,587
<b>Total 2021 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(150,874)</b>	<b>23,152</b>	<b>3,231</b>	<b>(124,490)</b>
<b>Other movements:</b>						
Dividends paid	-	-	-	-	(9,032)	(9,032)
Other movements	-	(210)	(1,792)	-	(872)	(2,875)
<b>At December 31, 2021</b>	<b>70,663</b>	<b>626,583</b>	<b>(609,463)</b>	<b>(62,433)</b>	<b>97,399</b>	<b>122,749</b>
Net profit/(loss) for the year 2022	-	-	56,569	-	23,026	79,595
Other comprehensive income	-	-	-	30,685	3,074	33,759
<b>Total 2022 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>56,569</b>	<b>30,685</b>	<b>26,100</b>	<b>113,354</b>
<b>Other movements:</b>						
Dividends paid	-	-	-	-	(24,556)	(24,556)
Other movements	-	-	(4,231)	-	16,866	12,635
<b>At December 31, 2022</b>	<b>70,663</b>	<b>626,583</b>	<b>(557,125)</b>	<b>(31,748)</b>	<b>115,809</b>	<b>224,182</b>

**Cirsa Enterprises Group**  
**Consolidated cash flow statement for the year ended December 31, 2022**

(Thousands of euros)	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year before tax		109,208	(158,327)
Adjustments to profit/(loss) due to:			
Change in operating provisions		4,823	522
Depreciation and amortization and impairment losses on non-current assets	6, 7 & 19	297,791	305,668
Gains/(loss) on disposals/derecognition of non-current assets		5,021	2,258
Finance income (costs)		137,875	163,159
Exchange gains / (losses), net	20.6	(2,241)	18,156
Other		(1,198)	7,600
Change in:			
Inventories		(1,404)	(485)
Trade and other receivables		(9,570)	(9,681)
Suppliers and other accounts payable		7,783	42,939
Other operating assets and liabilities, net		946	5,849
Income tax paid		(35,339)	(10,150)
<b>Net cash from operating activities</b>		<b>513,695</b>	<b>367,508</b>
<b>Cash flows from/(used in) investing activities</b>			
Acquisition of property, plant, and equipment		(76,273)	(59,828)
Acquisition of intangible assets		(71,479)	(50,482)
Proceeds from other financial assets		3,276	5,000
Acquisition of investments in other companies		(65,732)	(21,168)
Payments on financial investments		(10,699)	(9,010)
Interest received and income from financial investments		1,628	1,075
<b>Net cash used in investing activities</b>		<b>(219,279)</b>	<b>(134,413)</b>
<b>Cash flows from/(used in) financing activities</b>			
Cash inflows in bank accounts		1,371,080	1,759,050
Cash outflows in bank accounts		(1,531,644)	(1,823,250)
Note issues	14	416,946	615,000
Cancelation of notes	14	(403,000)	(530,293)
Lease liability principal payments	19	(63,807)	(50,957)
Interest paid		(122,475)	(125,793)
Deferred gaming taxes		(4,967)	(73,120)
Dividends paid and other payments		(23,754)	(5,966)
<b>Net cash used in financing activities</b>		<b>(361,621)</b>	<b>(235,329)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(67,205)</b>	<b>(2,234)</b>
<b>Net effect of exchange gains/(losses) on cash</b>		<b>383</b>	<b>(832)</b>
<b>Cash and cash equivalents at January 1</b>		<b>280,201</b>	<b>283,267</b>
<b>Cash and cash equivalents at December 31</b>	<b>12</b>	<b>213,379</b>	<b>280,201</b>

**Cirsa Enterprises Group**  
**Notes to the consolidated financial statements for the year ended December 31, 2022**

**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 note-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**

During the first months of 2022 restrictions were lifted in all the regions in which the Group operates. The ease of these restrictions has allowed the Group to achieve a balance in operating hours similar to prepandemic levels, with revenue recovering throughout the year. These events, together with the consolidation of a more efficient cost structure, are the key drivers of the increase in profit before tax (from losses of 158.3 million euros at December 31, 2021 to profit of 109.2 million euros at December 31, 2022) and the generation of operating cash flows amounting to 513.7 million euros in 2022.

At December 31, 2022 the Group shows negative working capital amounting to 245.5 million euros (118.9 million euros negative at December 31, 2021), as a result of the Group's own activity and maturity of its financial obligations in the short term (Note 14). However, the Group has a revolving credit facility (RCF) with a limit of 275 million euros, of which only 68 million euros have been drawn down at December 31, 2022. Even though this amount has been classified as current it can be renewed at the Group's request for periods of up to 6 months until maturity (December 2026). Additional drawdowns of this facility are subject to the fulfillment of some leverage, which is widely met at the date these consolidated financial statements are authorized for issue.

This situation, together with the most recent estimates and a robust cash position (213.4 million euros at December 31, 2022), has allowed the Board of Directors of the Group's Parent Company to prepare these financial statements under the going concern principle, 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, 2022 and 2021 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:

#### 2022

- Acquisition of companies

(Thousands of euros)	% voting rights	Consolidation method	Total Assets in the consolidated statement of financial position at December 31, 2022	Operating income in the 2022 consolidated statement of comprehensive income
Santbar, S.L.	100%	Full	856	1,507
Sportium Puerto Rico, LLC	55%	Full	476	-
Automáticos Felcarras, S.L.	50%	Equity	104	-
Thousand and one nights, AB	75%	Full	336	-
Casino Management, S.A.R.L.	75%	Full	6,616	14,617
Sportium Dominicana, S.R.L.	100%	Full	83	-
E-Play 24 subgroup (*)	60%	Full	99,148	77,600
Operadora General de Entretenimiento, S.A. de C.V. (**)	100%	Full	25,724	4,883

(\*) On July 27, 2022 the subgroup E-Play 24 was acquired as a result of gaining control over 60% of the company Yellow City, Limited, the parent of the subgroup comprised by E-Play 24 ITA, Limited, Reactive Games Software Solutions, Limited, E-Play 24 Retail, S.R.L., E-Play 24 Italia, S.R.L. and Gogoal, S.R.L.

(\*\*) Operadora General de Entretenimiento, S.A. de C.V. is the owner of GANABET, an online sports betting and casino business in Mexico.

The 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

(Thousands of euros)	% voting rights	Consolidation method
Sport Tech Perú, S.A.C.	100%	Full
Global Management Tangier, S.R.L.	100%	Full
Atlantic Pecunia, S.R.L.	100%	Full
Sportium Portugal, S.A.	100%	Full

- Changes in the ownership percentage

The changes in the ownership percentage during 2022 are as follows:

	Consolidation method		Percentage	
	2022	2021	At December 31, 2022	At December 31, 2021
Alfematic, S.A.	Full	Full	75%	50%
Maquiter, S.A.	Full	Full	100%	51%
Garbimatic, S.L.	Full	Full	75%	50%
Automáticos Quintana, S.L.	Full	Equity	50%	50%
Recreativos Galicia-Sanabria, S.L.	Full	-	100%	14%
Operadora de Entretenimiento Manzanillo, S.A. de C.V.	Full	Full	100%	60%

- Other changes in equity

During 2022 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
La Selva Inversiones, S.A.C.	Gaming and Services, S.A.C.

## 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 acquisitions shown in the table above have 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, 2021		
	% 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 Cafeteria 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%
Rdiamon, S.L.	Full	Full	51%	50%
Badamatic, S.A.	Full	Full	51%	50%
Sportium Apuestas Colombia, SAS	Full	Full	50%	100%

## 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.

These financial statements are presented in thousands of euros unless otherwise indicated and are therefore susceptible to being rounded off.

The Directors of the Parent Company have issued these financial statements under the going concern principle as they consider that there is no uncertainty regarding the continuity of the Group's operations.

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, 2022 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, 2021 and December 31, 2021.

### 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. In 2022 and 2021 the Group did not record any impairment losses on goodwill. During 2022 the Group has not recognized any impairment losses on intangible assets (2021: 5,123 thousand euros) (Note 10).

- Determination of the lease term

In determining the lease term, the Group considers all relevant events and circumstances that create a significant economic incentive for the lessee to exercise the option to renew the lease or not to exercise the option to terminate the lease. The options to renew or terminate the lease are only included in the determination of the lease term if it is reasonably true that the lease will be extended or will not be terminated. In the event that there is a significant event or change in the circumstances that may affect the determination of the lease term, the Group revises the estimates made when determining the lease term.

- 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, 2022 the Group has recorded deferred tax assets amounting to 89,638 thousand euros (98,595 thousand euros at December 31, 2021), 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 standards used to prepare the accompanying consolidated financial statements are the same as those used to prepare the consolidated financial statements for the year ended December 31, 2021, except for the following standards, interpretations and amendments which have been applied for the first time this year:

### **Amendments to IFRS 3 - Business combinations: Reference to the Conceptual Framework**

These amendments, issued by the IASB in May 2020, replace the reference to the 1989 Conceptual Framework with a reference to the 2018 Conceptual Framework, with no significant changes in the requirements.

In addition, the IASB added an exception to the IFRS 3 requirements to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities (within the scope of IAS 37 or IFRIC 21), if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework.

### **Amendments to IAS 16 - Property, Plant and Equipment: 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.

These amendments have no impact on the Group's consolidated financial statements.

### **Amendments to 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". Costs that relate directly to a contract consist of both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts. Administrative and general costs are not directly attributable to a contract. Consequently, they are excluded from the calculation unless they can explicitly be passed on to the counterparty pursuant to the contract.

These amendments have no impact on the Group's consolidated financial statements.

### **2018-2020 annual improvements**

As part of its 2018-2020 annual improvements, the IASB issued amendments to the following standards:

- IFRS 9 Financial instruments: the amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liabilities. When determining the fees paid net of the fees received, the borrower only includes those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments have no impact on the Group's 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 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
IFRS 17 - Insurance contracts	January 1, 2023
IFRS 17 - Insurance contracts: initial application of IFRS 17 and IFRS 9 - comparative information	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
IAS 1 - Presentation of Financial Statements: Classification of current and non-current liabilities	January 1, 2024

## 2.5 Consolidation methodology

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries at December 31, 2022. Control is gained when the Group has rights to variable returns from its investment in the associate and has the ability to influence these returns through its power over the associate. Specifically, the Group has control over an associate if, and only if, it:

- has power over the associate (rights that give it the capacity to direct the associate's relevant activities)
- has exposure to, or rights to, the variable returns arising from its involvement with the associate
- can influence said returns by exercising its power over the associate

In the event that the Group does not have most voting rights, or similar rights, in the associate, it considers all relevant events and circumstances to assess whether it has control over the associate, including the following:

- Contractual agreements with the other shareholders with voting rights in the associate
- Rights arising out of other contractual agreements
- The Group's voting rights and potential voting rights
- Control over the relevant activities of the associate

The Group reassesses whether it has control over an associate when events and circumstances indicate changes in one or more of the items determining control over it.

Subsidiaries are consolidated from the date of acquisition, which is the date that the Group obtains control, and continue to be consolidated until the date when such control ceases. In the event of the Group losing control of a subsidiary, the consolidated financial statements include the results of the portion of the year during which the Group held control.

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 2022 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**

Business combinations are accounted for using the acquisition method. Acquisition cost is the sum of the consideration transferred, which is measured at fair value at acquisition date, and any amount recognized for non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree at either fair value or the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses when incurred and are included in administrative costs.

The Group considers that a business has been acquired when the set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create output. The process acquired is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is initially measured at cost (which is the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree and any previously held equity interest in the net identifiable assets acquired and the liabilities assumed). If the fair value of the net assets acquired exceeds the aggregate of the consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be transferred. If the reassessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, the difference is recognized as income directly in the consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. For impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each cash-generating unit of the Group expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are allocated to these units.

## 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 arising mainly from the business combinations of the acquisitions of the Cirsa Group by The Blackstone Group (2018), the acquisitions of the Sportium subgroup and Giga (2019) and the acquisitions of the E-Play 24 subgroup and Ganabet (2022) are amortized on a straight-line basis over their useful lives (ranging between 3.5 years and 20 years) based on the average maturity of exclusivity agreements in Spain and the term of the administrative concession for the rest of activities, with the following breakdown:

	Method	Rate
Bingos Spain	Straight-line	6-7%
Casinos Spain	Straight-line	6-7%
Casinos Costa Rica	Straight-line	6%
Casinos Peru	Straight-line	10%
Casinos Dominican Republic	Straight-line	13%
Casinos Panama	Straight-line	6%
Casinos Morocco	Straight-line	13%
Bingos Mexico	Straight-line	8%
Casinos Colombia	Straight-line	13%
Operators Spain	Straight-line	10-29%
Operators Italy	Straight-line	29%
Online customers Spain	Straight-line	11%
Ganabet brand	Straight-line	20%
E-Play 24 brand (*)	Straight-line	5%
E-Play 24 customers (*)	Straight-line	13%

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 <sup>(*)</sup> /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 declining method for new slot machines corresponds to the sum-of-the-years' digits method over 5 years.

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 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 equity.

## **2.10 Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer or cancel a liability in an orderly transaction between market participants at the measurement date. Fair value shall be determined without deducting any transaction costs that may be incurred as a result of derecognition or disposal. The amount a company would receive or pay in a forced transaction, distress sale or involuntary liquidation shall not be considered as fair value.

Fair value is estimated for a certain date and, since market conditions may change over time, fair value may not be appropriate for another date. Additionally, when estimating fair value, the Group considers the conditions of the asset or liability that market participants would consider when establishing the price of the asset or liability at the measurement date.

Fair value shall generally be calculated by reference to a reliable market value. Where there is an active market for an item, fair value shall be calculated using models and valuation techniques. For example, by reference to recent arm's length transactions between knowledgeable, willing parties where available, reference to the fair value of other assets that are substantially the same, or through the use of discounted estimated future cash flow methods or models generally used to measure options.

Valuation techniques are consistent with accepted pricing methodologies used in the market. Where possible, the valuation technique used should be that proven to obtain the most realistic price estimates. They must also take into account the use of observable market data and other factors that its participants would consider when setting prices, and limit as far as possible the use of subjective considerations and non-observable or non-verifiable data.

The Group shall periodically evaluate the effectiveness of the valuation techniques used, by reference to observable prices of recent transactions involving the same asset as that being measured, or using prices based on any available and applicable observable market data or indices.

Thus, a hierarchy in the inputs used in determining fair value is deduced and a fair value hierarchy is established in order to classify estimates into three levels:

- Level 1: estimates that use unadjusted quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date.
- Level 2: estimates that use quoted prices in active markets for similar instruments or other valuation methods for which the relevant inputs are based on directly or indirectly observable market data.
- Level 3: estimates in which significant inputs are not based on observable market data.

The fair values of current and non-current financial assets and liabilities do not differ significantly from their respective carrying amounts.

## **2.11 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.



Financial assets are classified as follows:

Financial assets at amortized cost:

This category includes the financial assets that meet the following two conditions:

- The asset is held within a business model with the objective to hold assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through equity

They are subsequently measured at fair value without deducting any transaction costs that may be incurred upon disposal. Changes in fair value are recognized directly in equity until the investment is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in the income statement.

Impairment losses and foreign exchange gains and losses on monetary assets are recognized in the income statement rather than in equity. Interest earned is also recognized in the income statement, calculated using the effective interest method, as well as any dividends.

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value and the changes thereto are recorded directly in the income statement for the year.

## **2.12 Financial liabilities**

At initial recognition, financial liabilities are recognized at fair value, net of transaction costs, except for financial liabilities at fair value through consolidated comprehensive income. Subsequently, borrowings are measured at amortized cost, which is the difference between cost and the recognized redemption amount, using the effective interest method.

Liabilities maturing in less than 12 months from the date of the consolidated statement of financial position are classified as current, while those with longer maturity periods are classified as non-current.

## **2.13 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.

## 2.14 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.

## 2.15 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.

## 2.16 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.

## **2.17 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.

## **2.18 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.

## **2.19 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.

## **2.20 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 2.16.

### *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.

## **2.21 Recognition of revenue from contracts with customers**

The Group adopted IFRS 15 - Revenue from contracts with customers for years beginning on or after January 1, 2018, which resulted in the adaptation of some accounting policies:

### Revenue from gaming activities (excluding sports betting)

Revenue from exploiting slot machines is 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*.

Revenue from bingo cards is 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.

### Sports betting

Revenue from sports betting activities is the net gain or loss from betting activities for the period plus the gain or loss from the revaluation of open positions at year end, and is shown net of the cost of special offers or discounts to customers incurred in the year. Revenue from sports betting activities is initially measured at fair value of the consideration received or receivable from customers. It is subsequently measured at fair value through profit or loss in the revenue heading as it is one of the main activities of the Group. Special offers to customers, including free bets, and discounts are deducted from the revenue from sports betting.

### Revenue from sales of finished products

Revenue from the 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.

An account receivable is recognized when the goods are delivered, as this is the time when the consideration is unconditional as only the passage of time is required before payment of that consideration is due.

When customers have the right to return the product within a certain period of time, the entity shall refund them the purchase price. Revenue is adjusted at the expected value of returns and the cost of sales is adjusted for the value of the goods expected to be returned. In accordance with IFRS 15, a refund liability is recognized for the expected refunds to customers as an adjustment to revenue in trade and other payables. At the same time, the Group has the right to recover the product from the customer when the customer exercises their right of refund, and an asset is recognized adjusted for the cost of sales. The asset is measured by reference to the old book value of the product.

### Interest income

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

## **2.22 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.

## **2.23 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.

## **2.24 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.

## **2.25 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 (located in Spain, Panama, Colombia, Dominican Republic, Peru, Costa Rica and Morocco), 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 through slot machines and hospitality 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.

#### Structure:

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.

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

The table below shows information on income and results, certain information on assets and liabilities, and other information regarding business segments, including balances and transactions between segments, at December 31, 2022 and 2021.

## 2022

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Structure	Eliminations	Total
<b>Assets by segment</b>								
Allocated non-current assets	1,002,765	33,258	952,004	311,602	208,220	1,413,659	(1,118,876)	2,802,632
Unallocated non-current assets	-	-	-	-	-	89,638	-	89,638
Allocated current assets	153,153	45,702	84,023	37,253	69,676	34,000	(45,709)	378,098
<b>Total Assets</b>	<b>1,155,918</b>	<b>78,960</b>	<b>1,036,027</b>	<b>348,855</b>	<b>277,896</b>	<b>1,537,297</b>	<b>(1,164,585)</b>	<b>3,270,368</b>
<b>Liabilities by segment</b>								
Allocated liabilities	(872,514)	(43,775)	(315,540)	(186,388)	(108,625)	(2,389,085)	1,092,584	(2,823,343)
Unallocated liabilities	-	-	-	-	-	(222,843)	-	(222,843)
<b>Total Liabilities</b>	<b>(872,514)</b>	<b>(43,775)</b>	<b>(315,540)</b>	<b>(186,388)</b>	<b>(108,625)</b>	<b>(2,611,928)</b>	<b>1,092,584</b>	<b>(3,046,186)</b>
<b>Operating income net of variable rent</b>								
Sales to external customers	736,000	42,623	533,380	215,684	228,541	641	(15,640)	1,741,229
Intragroup revenue	9,419	36,594	2,842	3,909	4,937	40,005	(97,706)	-
<b>Total operating income net of variable rent</b>	<b>745,419</b>	<b>79,217</b>	<b>536,222</b>	<b>219,593</b>	<b>233,478</b>	<b>40,646</b>	<b>(113,346)</b>	<b>1,741,229</b>
<b>Profit/(loss)</b>								
EBITDA (*)	203,185	10,403	245,909	70,044	41,988	(9,726)	(9,326)	552,477
Finance income	3,821	132	3,452	1,732	2,847	47,328	(57,683)	1,629
Finance costs	(37,955)	(1,468)	(8,097)	(5,145)	(1,764)	(130,381)	57,738	(127,072)
Profit/(loss) before tax	62,205	4,275	104,524	13,504	16,169	(68,775)	(22,694)	109,208
Income tax	(11,645)	(441)	(26,386)	(3,258)	(2,319)	14,370	66	(29,613)
Profit/(loss) after tax	50,560	3,834	78,138	10,247	13,849	(54,405)	(22,628)	79,595
<b>Non-monetary expenses</b>								
Charge to depreciation and amortization and impairment of assets	(106,418)	(4,617)	(124,997)	(50,316)	(23,845)	(1,372)	13,774	(297,791)
Change in operating provisions	(1,908)	355	(2,544)	(6)	(720)	-	-	(4,823)
<b>Other significant expenses</b>								
Employee benefits expense	(83,083)	(20,060)	(90,135)	(48,501)	(20,021)	(30,408)	13,411	(278,797)
Utilities and external services	(75,169)	(7,429)	(111,892)	(57,936)	(129,828)	(19,778)	60,980	(341,052)
Gaming taxes	(350,881)	(158)	(80,228)	(32,840)	(40,394)	(77)	-	(504,578)
<b>Other segment information</b>								
Investment in non-current assets (cash flow)	77,663	3,691	39,845	13,514	12,865	174	-	147,752
Investments in associates (balance sheet):	24,630	-	-	7,217	-	-	-	31,847
Non-controlling interests (profit and loss)	9,374	-	12,955	(131)	828	-	-	23,026

(\*) 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.



## 2021

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Structure	Eliminations	Total
<b>Assets by segment</b>								
Allocated non-current assets	924,738	37,394	910,240	276,359	139,936	1,425,449	(966,003)	2,748,113
Unallocated non-current assets	-	-	-	-	-	98,595	-	98,595
Allocated current assets	164,334	43,370	83,257	29,501	24,248	101,179	(30,567)	415,322
<b>Total Assets</b>	<b>1,089,072</b>	<b>80,764</b>	<b>993,497</b>	<b>305,860</b>	<b>164,184</b>	<b>1,625,223</b>	<b>(996,570)</b>	<b>3,262,030</b>
<b>Liabilities by segment</b>								
Allocated liabilities	(894,626)	(51,921)	(364,786)	(175,449)	(67,131)	(2,406,226)	1,051,291	(2,908,848)
Unallocated liabilities	-	-	-	-	-	(230,432)	-	(230,432)
<b>Total Liabilities</b>	<b>(894,626)</b>	<b>(51,921)</b>	<b>(364,786)</b>	<b>(175,449)</b>	<b>(67,131)</b>	<b>(2,636,658)</b>	<b>1,051,291</b>	<b>(3,139,280)</b>
<b>Operating income net of variable rent</b>								
Sales to external customers	523,258	29,340	322,677	133,086	125,383	719	(17,160)	1,117,303
Intragroup revenue	7,061	21,826	1,551	3,032	4,501	34,588	(72,560)	-
<b>Total operating income net of variable rent</b>	<b>530,319</b>	<b>51,166</b>	<b>324,228</b>	<b>136,118</b>	<b>129,884</b>	<b>35,307</b>	<b>(89,719)</b>	<b>1,117,303</b>
<b>Profit/(loss)</b>								
EBITDA (*)	152,883	451	135,354	33,381	23,008	(6,826)	(6,815)	331,436
Finance income	2,287	162	2,513	792	2,086	48,624	(55,389)	1,075
Finance costs	(37,158)	(1,119)	(9,752)	(5,392)	(1,794)	(150,049)	54,803	(150,461)
Profit/(loss) before tax	4,470	(7,125)	(13,994)	(24,588)	5,247	(124,205)	1,868	(158,327)
Income tax	(6,260)	1,686	1,698	5,779	(159)	6,943	2,563	12,250
Profit/(loss) after tax	(1,789)	(5,439)	(12,296)	(18,809)	5,088	(117,263)	4,431	(146,077)
<b>Non-monetary expenses</b>								
Charge to depreciation and amortization and impairment of assets	(108,561)	(6,426)	(130,365)	(48,456)	(18,664)	(1,563)	8,341	(305,668)
Change in operating provisions	(2,057)	(111)	(233)	-	(408)	2,287	-	(522)
<b>Other significant expenses</b>								
Employee benefits expense	(64,734)	(17,791)	(59,625)	(33,871)	(20,245)	(25,713)	13,147	(208,832)
Utilities and external services	(58,684)	(6,155)	(73,464)	(39,327)	(69,006)	(16,437)	50,882	(212,191)
Gaming taxes	(226,241)	(156)	(52,193)	(23,602)	(17,073)	50	-	(319,215)
<b>Other segment information</b>								
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.

### 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, 2022 and 2021:

#### 2022

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by geographical area	Assets by geographical area	Investments in non-current assets
Spain	778,704	90,216	868,920	1,266,545	92,152
Latin America and Africa	590,365	326	590,691	1,434,697	52,198
Italy	372,160	-	372,160	221,370	3,402
Eliminations and other	-	(90,542)	(90,542)	347,756	-
	<b>1,741,229</b>	<b>-</b>	<b>1,741,229</b>	<b>3,270,368</b>	<b>147,752</b>

#### 2021

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by geographical area	Assets by geographical area	Investments in non-current assets
Spain	610,527	65,338	675,865	1,243,886	69,689
Latin America and Africa	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	-
	<b>1,117,303</b>	<b>-</b>	<b>1,117,303</b>	<b>3,262,030</b>	<b>110,310</b>

## 4. BUSINESS COMBINATIONS AND ACQUISITIONS OF ASSOCIATES

### 4.1 Acquisitions in 2022

The breakdown of the amounts related to acquisition in 2022 is as follows:

Name and description of the entities and business	Acquisition date	(thousands of euros)				
		Acquisition cost	Recognized fair value of the acquisition	Installation rights	Goodwill	Deferred taxes
Santbar, S.L.	January 2022	2,269	318	1,951	-	-
Sportium Puerto Rico, LLC	January 2022	-	-	-	-	-
Automáticos Felcarras, S.L.	May 2022	137	137	-	-	-
Thousand and one nights, AB/ Casino Management, S.A.R.L.	May 2022	4,815	1,314	3,501	-	-
Sportium Dominicana, S.R.L.	May 2022	2	2	-	-	-
E-Play 24 subgroup (*)	July 2022	53,953	199	35,806	26,541	(8,593)
Operadora General de Entretenimiento, S.A. de C.V. (**)	July 2022	20,473	(2,229)	8,220	16,948	(2,466)
Gogoal, S.R.L.	December 2022	2,736	29	2,707	-	-
		<b>84,385</b>	<b>(230)</b>	<b>52,185</b>	<b>43,489</b>	<b>(11,059)</b>

(\*) On July 27, 2022 the subgroup E-Play 24 was acquired as a result of gaining control over 60% of the company Yellow City, Limited, the parent of the subgroup comprised by E-Play 24 ITA, Limited, Reactive Games Software Solutions, Limited, E-Play 24 Retail, S.R.L., E-Play 24 Italia, S.R.L. The acquisition cost includes the amount contributed by Cirsa for the acquisition of E-Play as well as the contribution of minority shareholders in the holding company Yellow City Limited in the amount of 19,946 thousand euros.

(\*\*) Operadora General de Entretenimiento, S.A. de C.V. is the owner of GANABET, an online sports betting and casino business in Mexico.

## Assets acquired and liabilities assumed

The amounts recorded in the consolidated financial statements at the acquisition date of the assets and liabilities acquired in the business combinations for the year ended December 31, 2022, by heading, are as follows:

(Thousands of euros)	Recognized fair value of the acquisition			
	E-Play 24 subgroup (*)	Ganabet	Casino Management/TON	Other acquisitions
Intangible assets	136	33	33	43
Property, plant and equipment	301	82	331	55
Right-of-use assets	397	-	-	278
Non-current financial assets	2	4	32	-
Inventories	-	-	380	-
Receivables	28,073	2,104	1,052	25
Other current assets	829	71	-	300
Cash and cash equivalents	16,156	2,467	1,262	61
<b>Total assets</b>	<b>25,894</b>	<b>4,761</b>	<b>3,090</b>	<b>762</b>
Provisions	-	(875)	-	-
Bank borrowings	(398)	-	-	-
Trade payables	(10,221)	(5,754)	(968)	(11)
Other non-trade payables	(12,681)	(361)	(808)	-
Deferred tax liabilities	(2,395)	-	-	(265)
<b>Total liabilities</b>	<b>(25,695)</b>	<b>(6,990)</b>	<b>(1,776)</b>	<b>(276)</b>
<b>Total net identifiable assets at fair value</b>	<b>199</b>	<b>(2,229)</b>	<b>1,314</b>	<b>486</b>
Net intangible assets arisen from the acquisition	53,754	22,702	3,501	4,658
<b>Consideration from the purchase</b>	<b>53,953</b>	<b>20,473</b>	<b>4,815</b>	<b>5,144</b>

Had the acquisition taken place at the beginning of the year, consolidated operating income in 2022 would have increased by 91,896 thousand euros and consolidated profit/(loss) for the year 2022 would have decreased by 2,439 thousand euros. Additionally, since their acquisition date these companies have contributed profit to the Group amounting to 4,680 thousand euros.

Net cash flows related to acquisitions at December 31, 2022 are as follows:

(Thousands of euros)	E-Play 24 subgroup (*)	Ganabet	Casino Management/TON	Other acquisitions
Consideration paid at December 31, 2022 (*)	(35,208)	(11,775)	(4,526)	(2,271)
Cash and cash equivalents at acquisition date	16,155	2,467	1,262	61
<b>Cash flows paid for the acquisitions at December 31, 2022</b>	<b>(19,053)</b>	<b>(9,308)</b>	<b>(3,264)</b>	<b>(2,210)</b>

(\*) The rest of the amounts of the consideration are considered deferred components of the purchase price and will be paid at the maturity dates agreed on in the contract.

## 4.2 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	(Thousands of euros)		
		Acquisition cost	Fair value of the net 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
		<b>34,018</b>	<b>12,357</b>	<b>21,661</b>

### Assets acquired and liabilities assumed

The amounts recorded in the consolidated financial statements at the acquisition date of the assets and liabilities acquired in the business combinations for the year ended December 31, 2021, by heading, are as follows:

(Thousands of euros)	Recognized fair value of the acquisition		
	Bet on Red	Coin Machines	Other acquisitions
Intangible assets	126	1,184	1,036
Property, plant and equipment	13	2,025	667
Right-of-use assets	-	429	2,801
Non-current financial assets	2,445	188	35
Deferred tax assets	619	22	158
Inventories	-	19	4
Receivables	18	239	215
Other current assets	19	-	57
Cash and cash equivalents	2,940	3,040	6,132
<b>Total assets</b>	<b>6,180</b>	<b>7,146</b>	<b>11,105</b>
Bank borrowings	-	(12)	(1,565)
Finance lease liabilities	-	(421)	(2,456)
Trade payables	-	(11)	(43)
Other non-trade payables	(4,996)	(1,167)	(1,403)
<b>Total liabilities</b>	<b>(4,996)</b>	<b>(1,611)</b>	<b>(5,467)</b>
<b>Total net identifiable assets at fair value</b>	<b>1,184</b>	<b>5,535</b>	<b>5,368</b>
Net intangible assets arisen from the acquisition	<b>10,684</b>	<b>7,665</b>	<b>3,312</b>
<b>Consideration from the purchase</b>	<b>11,868</b>	<b>13,200</b>	<b>8,950</b>

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 its acquisition date this company has contributed profit to the Group amounting to 137 thousand euros.

Net cash flows related to acquisitions at December 31, 2021 are as follows:

(Thousands of euros)	Bet on Red	Coin Machines	Other acquisitions
Consideration paid at December 31, 2021 (*)	(11,868)	(4,902)	(3,268)
Cash and cash equivalents at acquisition date	2,940	3,040	6,132
<b>Cash flows paid for the acquisitions at December 31, 2021</b>	<b>(8,928)</b>	<b>(1,862)</b>	<b>2,864</b>

(\*) The rest of the amounts of the consideration are considered deferred components of the purchase price and will be paid at the maturity dates agreed on in the contract.

## 5. GOODWILL

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

### 2022

(Thousands of euros)	2021	Additions	Other	2022
Slots	555,676	345	-	556,021
Casinos	486,846	-	(230)	486,616
Bingos	147,716	-	-	147,716
Bets	38,237	44,867	-	83,104
	<b>1,228,475</b>	<b>45,212</b>	<b>(230)</b>	<b>1,273,457</b>

### 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
	<b>1,228,609</b>	<b>-</b>	<b>(134)</b>	<b>1,228,475</b>

Goodwill arose mainly due to the acquisition in 2018 of Grupo Cirsa Gaming Corporation, S.A. and subsidiaries and significant acquisitions carried out in 2019 (Sportium subgroup and Giga).

There have been additions in goodwill in 2022, mainly as a result of the acquisition of the E-Play 24 subgroup and Ganabet in July 2022 (Note 4.1) and the adjustment to the price of Sportium for an amount of 1,378 thousand euros.

At December 31, 2022 and 2021 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

#### 2022

(Thousands of euros)	Balance at January 1, 2022	Additions	De-recognitions	Transfers	Currency translation differences and other changes	Balance at December 31, 2022
<b>COST</b>						
Development costs and patents	79,723	3,555	(2,203)	(38)	1,257	82,294
Service concession arrangements	70,685	937	(357)	23	1,400	72,688
Installation rights	1,441,217	129,109	(59,768)	178	35,834	1,546,570
Transfer rights	12,882	514	(163)	-	682	13,915
Software	47,345	6,866	(498)	2,181	784	56,678
Prepayments and other	103	3,794	-	15	(1)	3,911
	<b>1,651,955</b>	<b>144,775</b>	<b>(62,989)</b>	<b>2,359</b>	<b>39,956</b>	<b>1,776,056</b>
<b>AMORTIZATION</b>						
Development costs and patents	(70,226)	(4,027)	1,280	-	(635)	(73,608)
Service concession arrangements	(53,415)	(2,163)	74	-	(111)	(55,615)
Installation rights	(507,899)	(156,768)	52,216	-	(457)	(612,908)
Transfer rights	(10,084)	(590)	11	-	(406)	(11,069)
Software	(37,900)	(5,347)	488	-	(483)	(43,242)
	<b>(679,524)</b>	<b>(168,895)</b>	<b>54,069</b>	<b>-</b>	<b>(2,092)</b>	<b>(796,442)</b>
Impairment losses	(27,858)	2,157	1,315	-	(1)	(24,387)
<b>Net carrying amount</b>	<b>944,573</b>	<b>(21,963)</b>	<b>(7,605)</b>	<b>2,359</b>	<b>37,863</b>	<b>955,227</b>

#### 2021

(Thousands of euros)	Balance at January 1, 2021	Additions	De-recognitions	Transfers	Currency translation differences and other changes	Balance at December 31, 2021
<b>COST</b>						
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
	<b>1,673,084</b>	<b>81,859</b>	<b>(138,308)</b>	<b>44</b>	<b>35,276</b>	<b>1,651,955</b>
<b>AMORTIZATION</b>						
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)
	<b>(645,440)</b>	<b>(164,775)</b>	<b>132,028</b>	<b>-</b>	<b>(1,337)</b>	<b>(679,524)</b>
Impairment losses	(25,205)	(3,797)	1,143	-	1	(27,858)
<b>Net carrying amount</b>	<b>1,002,439</b>	<b>(86,714)</b>	<b>(5,136)</b>	<b>44</b>	<b>33,940</b>	<b>944,573</b>

The *Additions* column in 2022 includes the effect of business combinations (Note 4). The most relevant additions in *Installation rights* in 2022 corresponding to business combinations are E-Play 24 amounting to 35,806 thousand euros and Ganabet amounting to 8,220 thousand euros.

Most of the rest of additions in 2022 and 2021 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, 2022 and 2021 is 4,277 and 3,818 thousand euros, respectively.
- Companies engaged in lotteries and interactive products: Software development for online gaming applications. The net value at December 31, 2022 and 2021 is 2,734 thousand euros and 3,776 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 2022 and 2021 amounts to 2,831 and 2,214 thousand euros, respectively.

Research and development costs recognized as an expense in 2022 amount to 34 thousand euros (26 thousand euros at December 31, 2021) (Note 20.4).

## 6.3 Service concession arrangements

The most significant items in the gross balance of service concession arrangements at December 31, 2022 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 14,588 thousand euros (14,064 thousand euros at December 31, 2021). The net value of this concession at December 31, 2022 amounts to 10,906 thousand euros (11,253 thousand euros at December 31, 2021).
- 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, 2021). At December 31, 2022 the concession is fully amortized (net carrying amount of 97 thousand euros at December 31, 2021). These licenses have been extended until December 2024.



## 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 122,216 thousand euros (126,388 thousand euros in 2021), and the value allocated in the business combinations carried out since 2018, for a net carrying amount of 811,446 thousand euros in 2022 and 806,930 thousand euros in 2021.

## 6.5 Impairment losses

There have been no impairment losses on installation rights in 2022 (2021: impairment losses of 5,123 thousand euros), which are registered as a result of the impairment tests made on the Group's assets (Note 10).

## 6.6 Other information

At 2022 year end, the net value of intangible assets in foreign companies amounts to 639,249 thousand euros (603,868 thousand euros at 2021 year end).

## 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1 Movements

#### 2022

(Thousands of euros)	Balance at January 1, 2022	Additions	Derecognitions	Transfers	Currency translation differences and other changes	Balance at December 31 2022
<b>Cost</b>						
Land and buildings	93,677	571	(1,332)	1,343	1,595	95,853
Technical installations	143,582	4,865	(3,535)	1,123	(753)	145,282
Machinery	563,509	53,044	(61,561)	6,204	9,884	571,080
Data processing equipment	76,503	5,871	(2,570)	918	909	81,631
Transport equipment	3,582	265	(244)	51	64	3,718
Other installations, tools, furniture, and other PP&E	388,930	12,863	(3,235)	2,367	12,618	413,543
Property, plant and equipment under construction	11,983	22,444	582	(14,365)	(162)	20,482
	<b>1,281,766</b>	<b>99,923</b>	<b>(71,895)</b>	<b>(2,359)</b>	<b>24,155</b>	<b>1,331,589</b>
<b>Depreciation</b>						
Buildings	(47,468)	(6,071)	830	-	(1,707)	(54,416)
Technical installations	(108,000)	(10,171)	3,105	186	552	(114,328)
Machinery	(480,533)	(53,207)	49,242	312	(8,252)	(492,438)
Data processing equipment	(71,097)	(4,511)	1,106	(89)	570	(74,021)
Transport equipment	(3,064)	(219)	63	-	98	(3,122)
Other installations, tools, furniture, and other PP&E	(302,234)	(19,662)	2,617	(409)	(10,178)	(329,866)
	<b>(1,012,396)</b>	<b>(93,841)</b>	<b>56,963</b>	<b>-</b>	<b>(18,917)</b>	<b>(1,068,191)</b>
Impairment losses	<b>(2,561)</b>	<b>(471)</b>	<b>1,175</b>	<b>-</b>	<b>(221)</b>	<b>(2,078)</b>
<b>Net carrying amount</b>	<b>266,809</b>	<b>5,611</b>	<b>(13,758)</b>	<b>(2,359)</b>	<b>5,016</b>	<b>261,320</b>

## 2021

(Thousands of euros)	Balance at January 1, 2021	Additions	Derecognitions	Transfers	Currency translation differences and other changes	Balance at December 31 2021
<b>Cost</b>						
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
	<b>1,294,721</b>	<b>62,741</b>	<b>(96,038)</b>	<b>(44)</b>	<b>20,386</b>	<b>1,281,766</b>
<b>Depreciation</b>						
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)
	<b>(970,627)</b>	<b>(103,589)</b>	<b>78,760</b>	<b>0</b>	<b>(16,940)</b>	<b>(1,012,396)</b>
Impairment losses	<b>(5,186)</b>	<b>(399)</b>	<b>2,986</b>	<b>0</b>	<b>38</b>	<b>(2,561)</b>
<b>Net carrying amount</b>	<b>318,908</b>	<b>(41,247)</b>	<b>(14,292)</b>	<b>(44)</b>	<b>3,484</b>	<b>266,809</b>

The "Additions" column in 2022 mainly shows:

- The effect of the other business combinations (Note 4), which has amounted to an overall gross value of 5,104 thousand euros (5,893 thousand euros in the prior year) and accumulated depreciation of 4,442 thousand euros (3,334 thousand euros in the prior year).
- Investments in assets in Spain (34,558 thousand euros), Colombia (5,164 thousand euros), and Panama (12,718 thousand euros) mainly to renovate some already-installed halls and machines, and additions of property, plant and equipment under construction amounting to 22,445 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

Additions in 2021 also included 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.

The *Disposals* column in 2022 and 2021 includes sales of several assets and other disposals, basically due to the replacement of slot machines, which in 2022 resulted in profit of 934 thousand euros (losses of 2,470 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 2022 and 2021 amounts to 44,778 and 27,398 thousand euros, respectively.

## **7.3 Assets used as guarantees**

Several property, plant and equipment items, whose net value at December 31, 2022 and 2021 was 348 and 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 1,459 thousand euros at December 31, 2022 (1,537 thousand euros at December 31, 2021).

## **7.5 Assets located outside of Spain**

The net value of the assets located outside of Spain amounts to 131,650 thousand euros at December 31, 2022 (128,303 thousand euros at December 31, 2021).

## **7.6 Investment commitments**

Firm investment commitments amount to 3,388 thousand euros at December 31, 2022 (1,117 thousand euros at December 31, 2021).

## 8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

### 2022

(Thousands of euros)	Book value of the investment(*)	Assets	Liabilities	Operating income	Profit/(loss) for the period
AOG, S.R.L.	7,217	21,005	21,454	78,460	(1,547)
Unión de Operadores Reunidos, S.A.	23,421	23,012	4,636	22,844	4,873
Other	1,209	27,594	15,993	42,943	654
	<b>31,847</b>	<b>71,611</b>	<b>42,083</b>	<b>144,247</b>	<b>3,980</b>

### 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
	<b>29,728</b>	<b>64,125</b>	<b>38,385</b>	<b>71,367</b>	<b>(367)</b>

(\*) Appendix I includes the ownership percentages held in each of the companies.

The associates consolidated using the equity method had no contingent liabilities or capital commitments at December 31, 2022 and 2021.

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

(Thousands of euros)	2022	2021
Balance at January 1	29,728	29,349
Share in profit/(loss) for the year	2,119	379
<b>Balance at December 31</b>	<b>31,847</b>	<b>29,728</b>

The transactions carried out during the 2022 and 2021 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)	2022			2021		
	Non-current	Current	Total	Non-current	Current	Total
<u>Financial assets at amortized cost</u>						
Joint ventures and associates	870	1,750	2,620	697	1,833	2,530
Loans to third parties	29,518	-	29,518	23,937	-	23,937
Guarantees and deposits	11,327	15,050	26,377	10,260	10,535	20,795
Fixed income securities and deposits	-	8,166	8,166	-	4,307	4,307
Trade and other receivables	-	138,508	138,508	-	115,733	115,733
Other	10,383	1,038	11,421	7,320	786	8,106
	52,098	164,512	216,610	42,214	133,194	175,408
Impairment losses	(2,806)	(33,772)	(36,578)	(460)	(32,115)	(32,575)
	<b>49,292</b>	<b>130,740</b>	<b>180,032</b>	<b>41,754</b>	<b>101,079</b>	<b>142,833</b>

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 (32,315 and 31,103 thousand euros at December 31, 2022 and 2021, respectively). The remainder of the balance amounting to 1,457 thousand euros corresponds to impairment losses on current financial investments (1,012 thousand euros at December 31, 2021).

The book value of this caption is denominated in the following currencies:

(Thousands of euros)	2022	2021
Euro	119,678	94,729
US dollars	18,879	23,498
Colombian peso	14,393	1,839
Mexican peso	19,851	16,390
Peruvian sol	4,981	2,275
Costa Rican colon	1,410	896
Dominican peso	39	1,855
Moroccan dirham	801	1,351
	<b>180,032</b>	<b>142,833</b>

### 9.1 Balances with joint ventures and associates

#### Balances with joint ventures and associates

This caption breaks down as follows:

(Thousands of euros)	2022	2021
Participation loans	870	697
Trade transactions with associates	1,750	1,833
	<b>2,620</b>	<b>2,530</b>

(\*) 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:

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Within 1 year	1,750	1,833
Between 1 and 2 years	-	-
Between 2 and 3 years	870	-
Between 3 and 4 years	-	697
Between 4 and 5 years	-	-
	<b>2,620</b>	<b>2,530</b>

The average interest rate of these assets in 2022 was 0.5% (2021: 0.5%).

## 9.2 Loans to third parties

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

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Loan against shares as collateral granted for the acquisition of a 49% interest in Casino Le Mirage (Morocco) at an interest rate of 1%.	2,150	-
Non-current prepayments to suppliers	3,794	1,432
Non-current loans to employees	1,815	-
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%.	7,179	7,371
Accounts receivable from the industrial division	1,946	2,290
Other	12,634	12,844
	<b>29,518</b>	<b>23,937</b>

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

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Between 1 and 2 years	15,769	13,950
Between 2 and 3 years	3,191	2,208
Between 3 and 4 years	2,546	1,328
Between 4 and 5 years	3,485	1,189
More than 5 years	4,527	5,262
	<b>29,518</b>	<b>23,937</b>

## 9.3 Trade and other receivables

This caption consists of the following balances:

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Trade receivables	54,308	49,077
Impairment losses	(32,315)	(31,103)
Public administrations	29,198	24,883
Other accounts receivable	55,002	41,773
	<b>106,193</b>	<b>84,630</b>

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

“Other receivables” mainly relates to prepayments to owners of hospitality establishments for the portion they are entitled to of the earnings obtained from the slot machines located in their premises. These prepayments are recovered based on the earnings obtained.

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)	2022	2021
Balance at January 1	32,115	37,344
Net charges for the year	4,730	2,706
Utilized	(3,617)	(8,202)
Additions of companies	544	267
<b>Balance at December 31</b>	<b>33,772</b>	<b>32,115</b>

The Group has established credit periods between 90 and 150 days, while the average collection period is approximately of 120 days at December 31, 2022 (120 days at December 31, 2021).

## 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 four 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 2023, adjusted, where appropriate, by the estimated impact of relevant changes on regulations, competitive environment, business model or performance of each unit. This projection is based on the consolidation of commercial activity in each region and the estimated evolution of demand curves projecting a gradual improvement in revenue.

Projections for the years 2024 through 2026 consider the detailed strategic plan approved for each business unit which take into account the best estimate of expected business performance. These projections are based on the consolidation of the commercial activity in each region.

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 estimated exchange rate for 2023.

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 note 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, E-Play and Ganabet).

### Impairment test

At December 31, 2022 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 4-year period. Perpetual discount and growth rates applied (beyond 4-year projections) are detailed in "Key assumptions" below.

### Key assumptions

Budgeted operating income - the bases for determining the value allocated to budgeted operating income is the average of the operating income obtained in the year, increased by the gradual recovery in activity in the several markets. 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, decreased by expected improvements in efficiency. 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	7.20%	1.90%
Italy	7.40%	2.00%
Mexico	7.50%	3.10%
Colombia	7.70%	3.00%
Panama	8.00%	2.00%
Costa Rica	10.00%	3.50%
Peru	7.30%	2.52%
Dominican Republic	10.60%	4.03%
Morocco	8.00%	2.00%

### Test results

As a result of the impairment tests on goodwill carried out in 2022 and 2021, no impairment adjustments needed to be recorded.

CGU	Goodwill	Value in use:	Headroom/ (impairment)
<b>2022</b>			
Slots	556,021	1,818,603	1,469,832
Casinos	486,616	2,507,051	1,990,719
Bingos	147,716	690,862	518,262
Bets	83,104	607,586	550,577
<b>2021</b>			
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

### 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
<b>2022</b>		
Slots	13.50%	(19.50%)
Casinos	12.50%	(19.00%)
Bingos	9.00%	(11.50%)
Bets	16.50%	(31.00%)

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, 2022, based on the result of the impairment test under discounted cash flows from assets with finite useful lives, no impairment losses have been recorded thereon. At December 31, 2021, 5,123 thousand euros have been recorded (corresponding entirely to installation rights in Peru and Costa Rica), mainly due to more prudent estimates of future cash flows from the said countries.

## 11. INVENTORIES

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

(Thousands of euros)	2022	2021
Raw and auxiliary materials	10,171	8,087
Spare parts and others	8,815	6,285
Finished goods	380	2,104
Work in progress	1,390	1,914
Prepayments to suppliers	851	967
	<b>21,608</b>	<b>19,357</b>

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)	2022	2021
Balance at January 1	2,845	1,634
Net charges for the year	1,196	1,620
Write-offs	(1,496)	(409)
<b>Balance at December 31</b>	<b>2,545</b>	<b>2,845</b>

The write-off in 2022 and 2021 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)	2022	2021
Cash	56,007	46,448
Current accounts	112,997	193,166
Deposits under 3 months	1	1
Cash in hoppers	44,374	40,586
	<b>213,379</b>	<b>280,201</b>

These assets are unrestricted and earn market interest rates.

The book value of this caption is denominated in the following currencies:

(Thousands of euros)	2022	2021
Euro	150,171	213,322
US dollars	25,396	36,822
Colombian peso	9,466	20,273
Mexican peso	7,325	1,049
Peruvian sol	1,912	1,366
Costa Rican colon	1,405	1,326
Dominican peso	3,716	4,271
Moroccan dirham	13,988	1,772
	<b>213,379</b>	<b>280,201</b>

## 13. EQUITY

### 13.1 Subscribed capital and share premium

At December 31, 2022 and 2021 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 the share premium was refunded for an amount of 210 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, 2022 and 2021 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)	
	2022	2021	2022	2021
Division				
Casinos	74,038	81,389	12,955	377
Slots	12,178	5,337	9,374	5,825
Bingos	10,597	11,148	(131)	(413)
Bets	18,996	(475)	828	(992)
	<b>115,809</b>	<b>97,399</b>	<b>23,026</b>	<b>4,797</b>

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

(Thousands of euros)	2022	2021
Balance at January 1	97,399	104,072
Share in profit/(loss) for the year	23,026	4,798
Currency translation differences	3,074	(1,566)
Net impact due to business combinations	19,281	528
Dividends paid	(24,556)	(9,032)
Other disposals	(2,415)	(1,401)
<b>Balance at December 31</b>	<b>115,809</b>	<b>97,399</b>

The movements in 2022 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 NOTES

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

Issue date	Initial nominal amount (M)	Currency	Maturity	Quoted price at 12.31.2022	Interest rate	Balance in statement of financial position	
						2022	2021
July 18	663	EUR	December 2023	99.587%	6.250%	159,336	557,272
May 19	390	EUR	May 2025	95.024%	4.750%	387,009	385,545
August 19	490	EUR	September 2025	96.784%	3m Euribor + 3.625%	487,775	486,351
September 21	615	EUR	March 2027	87.00%	4.500%	616,650	613,579
October 2022	425	EUR	November 2027	102.795%	10.375%	415,666	-
						<b>2,066,436</b>	<b>2,042,747</b>

At December 31, 2022 the outstanding nominal amount of the issue dated June 2018 is 160 million euros (563 million euros at December 31, 2021).

In 2022 an additional corporate note issue amounting to 415 million euros has been carried out. The

funds have been partially used for the early redemption of a portion of the 2018 issue, specifically 403 million euros.

The July 2018 issue was carried out below par at a price of 97.75% and the October 2022 issue was also carried out below par at a price of 98.105%. All other issues were made at par value.

The proceeds from the issuance of the notes are used to:

- (a) Finance acquisitions.
- (b) Cancel previously issued notes.
- (c) Pay costs, expenses and fees related to the issuance of the notes.

All notes are admitted to trading on the Euro MTF market organized and managed by the Luxembourg Stock Exchange.

Contracts subscribed in relation to the notes 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, 2022 the Parent Company's Directors consider that all contractual obligations have been met.

The following companies act as guarantors of operations in the note issue allocations:

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.

(\*) Parent guarantor of the notes.

(\*\*) Issuer of the notes

Additionally, all the companies in the table above are guarantors of the revolving credit facility (Note 15) amounting to 275 million euros, with Cirsa Enterprises, S.L. as the borrower.

Accrued interest payable at December 31, 2022 amounts to 15,960 thousand euros (9,184 at December 31, 2021). Interest accrued in 2022 on the corporate notes amount to 103,698 thousand euros (2021: 107,694 thousand euros).

#### NOTES ISSUED ON JULY 2, 2018

On July 2, 2018 Cirsa Finance International, S.à.r.l completed the issue of corporate senior notes guaranteed by Cirsa Enterprises, S.L., as the parent guarantor of the notes, for an aggregate amount of 663 million euros, which were fully issued below the issue price (97.75%), with a semi-annually payable coupon of 6.25% per annum, maturing in December 2023.

The proceeds from the issuance of the notes were used to finance: (i) the acquisition of the Cirsa Group by Cirsa Enterprises, S.L. (including the repayment of certain existing indebtedness of Cirsa and its subsidiaries), and (ii) pay costs, expenses and fees in connection with the issuance of the notes.

The Group may redeem the notes in whole or in part at any time, without being required to meet any specific conditions.

#### NOTES ISSUED ON May 22, 2019

On May 22, 2019 Cirsa Finance International, S.à.r.l completed the issue of corporate senior notes guaranteed by Cirsa Enterprises, S.L., as the parent guarantor of the notes, for an aggregate amount of 390 million euros, which were fully issued at par value, with a semi-annually payable coupon of 4.75% per annum, maturing in May 2025.

The proceeds from the issuance of the notes were used to finance: (i) the acquisition of the Giga subgroup and (ii) pay costs, expenses and fees in connection with the issuance of the notes.

The Group may redeem the notes in whole or in part at any time, without being required to meet any specific conditions.

#### NOTES ISSUED ON August 2, 2019

On August 2, 2019 Cirsa Finance International, S.à.r.l completed the issue of corporate senior notes guaranteed by Cirsa Enterprises, S.L., as the parent guarantor of the notes, for an aggregate amount of 490 million euros, which were fully issued at par value, with a floating quarterly payable coupon at a rate of three-month EURIBOR plus 362.5 basis points per annum, reset quarterly, maturing in September 2025.

The proceeds from the issuance of the notes were used: (i) to redeem in full the Existing Floating Rate Notes; (ii) to redeem a portion of the US dollar denominated notes; and (iii) to pay costs, expenses and fees related to the redemptions and issuance of new corporate notes.

The Group may redeem the notes in whole or in part at any time, without being required to meet any specific conditions.

#### NOTES ISSUED ON September 27, 2021

On September 27, 2021 Cirsa Finance International, S.à.r.l completed the issue of corporate senior notes guaranteed by Cirsa Enterprises, S.L., as the parent guarantor of the notes, for an aggregate amount of 615 million euros, which were fully issued at par value, with a semi-annually payable coupon of 4.5% per annum, maturing in March 2027.

The proceeds from the issuance of the notes were used: (i) to cancel the Second Revolving Credit Facility; (ii) to redeem in full the US dollar denominated notes issued; (iii) to redeem a portion of the issued corporate notes maturing in 2023; (iv) and to pay the costs, expenses and fees related to the redemptions and issuance of new corporate notes.

The Group may redeem the notes in whole or in part at any time. The main conditions for the redemption of the notes are as follows: (i) each series of the issued notes may be redeemed in whole or in part at any time on or after September 15, 2023, at the established redemption prices; (ii) at any time prior to September 15, 2023, the Group may, during each twelve month period commencing with the issue date of the corporate notes, redeem up to 10% of the aggregate principal amount of the issue at a redemption price equal to 103% of the principal amount of the said series of issued notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption; and (iii) upon the occurrence of certain events constituting a change of control or upon the occurrence of certain asset sales, the Group may be required to make an offer to repurchase the issued notes.

## NOTES ISSUED ON October 26, 2022

On October 26, 2022 Cirsa Finance International, S.à.r.l completed the issue of corporate senior notes guaranteed by Cirsa Enterprises, S.L., as the parent guarantor of the notes, for an aggregate amount of 425 million euros, which were fully issued below the issue price (98.105%), with a semi-annually payable coupon of 10.375% per annum, maturing in November 2027.

The proceeds from the issuance of the notes were used: (i) to redeem a portion of the outstanding amount of the notes issued on July 2, 2018 at 6.25% maturing in December 2023; (ii) to pay accrued and unpaid interest on the corporate notes maturing in December 2023; and (iii) to pay the costs, expenses and fees related to the redemptions and issuance of new corporate notes.

The Group may redeem the notes in whole or in part at any time. The main conditions for the redemption of the notes are as follows: (i) each series of the issued notes may be redeemed in whole or in part at any time on or after November 9, 2024, at the established redemption prices; (ii) prior to November 9, 2024, each series of the issued notes may be redeemed, in whole or in part, at the Group's option, at a redemption price equal to 100% of the principal amount of such series of the issued notes, plus accrued and unpaid interest and additional amounts, if any, plus the applicable "make whole" premium; (iii) prior to November 9, 2024, the issuer will also be entitled, at its option, to redeem up to 40% of the aggregate principal amount of each series of the issued notes (including additional notes of the same series) with the net cash proceeds from certain equity offerings at the established redemption price for such series; (iv) at any time prior to November 9, 2024, the Group may, during each twelve month period commencing with the issue date of the corporate notes, redeem up to 10% of the aggregate principal amount of the issue at a redemption price equal to 103% of the principal amount of the said series of issued notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption; and (v) upon the occurrence of certain events constituting a change of control or upon the occurrence of certain asset sales, the Group may be required to make an offer to repurchase the issued notes.

## 15. BANK BORROWINGS

The breakdown of bank borrowings at December 31, 2022 and 2021 is as follows:

(Thousands of euros)	2022			2021		
	Non-current	Current	Total	Non-current	Current	Total
Loans secured by mortgage guarantee	-	19	19	-	33	33
Other loans	27,668	18,588	46,256	63,317	18,833	82,150
RCF	-	68,074	68,074	-	201,517	201,517
Finance lease arrangements	545	435	980	733	390	1,123
Credit and discount lines	-	9,280	9,280	-	6,124	6,124
	<b>28,213</b>	<b>96,396</b>	<b>124,609</b>	<b>64,050</b>	<b>226,897</b>	<b>290,947</b>

Average interest rates accrued by these borrowings are as follows:

	Percentage	
	2022	2021
Loans	3.50%	3.68%
Finance lease arrangements	6.01%	6.05%
Credit and discount lines	3.70%	2.26%

The annual maturity date of these liabilities is as follows:

(Thousands of euros)	2022	2021
Within 1 year	96,396	226,897
Between 1 and 2 years	11,872	17,955
Between 2 and 3 years	8,639	10,624
Between 3 and 4 years	5,548	28,042
Between 4 and 5 years	2,033	5,325
More than 5 years	121	2,104
	<b>124,609</b>	<b>290,947</b>

At December 31, 2022 part of these liabilities, equal to 946 thousand euros, is denominated in US dollars (1,045 thousand euros at December 31, 2021).

The most significant bank borrowings include, among others:

- The debt held by Orlando Play, S.A. amounting to 6,138 thousand euros at December 31, 2022 (7,000 thousand euros in 2021), which corresponds to an ICO loan taken out with Banco Santander, S.A. and maturing in June 2026. Additionally, Orlando Play, S.A. holds another loan with the same bank for the amount of 5,000 thousand euros at December 31, 2022 (10,000 thousand euros in 2021) maturing in November 2023.
- The debt held by Cirsagest, SpA amounting to 5,500 thousand euros at December 31, 2022 and 5,500 thousand euros in December 2021, which corresponds to a loan taken out with Solution Bank, SpA and maturing in June 2027.
- The debt held by Cirsa Italia, SpA amounting to 4,761 thousand euros at December 31, 2022 (5,000 thousand euros in 2021), which corresponds to a loan taken out with Banca Intesa San Paolo, SpA and maturing in September 2027.
- The debt held by Cirsa Gaming Corporation, S.A. amounting to 2,315 thousand euros at December 31, 2022 (3,858 thousand euros in 2021), which corresponds to a loan taken out with Institut Català de Finances and maturing in April 2024.
- The debt held by Palabingo, S.R.L. amounting to 2,000 thousand euros at December 31, 2022 (2,000 thousand euros in 2021), which corresponds to a loan taken out with Solution Bank, SpA and maturing in March 2027.

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

Amount:	275 million euros (200 million at December 31, 2021)
Maturity:	December 2026
Interest rate:	Euribor+3.75%
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 drawdowns from this facility are subject to the fulfilment of certain financial leverage covenants, which have been met for each of the drawdowns made up to the present date. These drawdowns can be renewed on a recurring basis at the Group's request for periods of up to six months until maturity (December 2026).

At December 31, 2022 the undrawn amount of the RCF is 207 million euros (0 million euros at December 31, 2021).



At December 31, 2022 the undrawn amount of other credit facilities and discount facilities is 15,404 and 0 thousand euros, respectively. These figures amounted to 18,666 and 0 thousand euros, respectively, at prior year end.

The book value of this caption is denominated in the following currencies:

(Thousands of euros)	2022	2021
Euros	123,663	289,902
US dollars	946	1,045
	<b>124,609</b>	<b>290,947</b>

Finally, at December 31, 2022 and 2021 the guarantees given by credit institutions and insurance companies to the Group, in connection with official concessions for gaming activities were 147,742 and 134,001 thousand euros, respectively (Note 22).

## 16. OTHER NON-TRADE PAYABLES

The breakdown of this caption is the following:

(Thousands of euros)	2022			2021		
	Non-current	Current	Total	Non-current	Current	Total
Public administrations	-	84,920	84,920	-	71,968	71,968
Bills payable	154	744	898	154	1,207	1,363
Sundry creditors	40,134	135,763	175,897	31,998	134,871	166,868
	<b>40,288</b>	<b>221,427</b>	<b>261,715</b>	<b>32,152</b>	<b>208,046</b>	<b>240,199</b>

The "Public administrations" caption includes:

- Gaming taxes maturing in the short term (2022: 56,304 thousand euros; 2021: 21,425 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 2,121 thousand euros in 2022 (7,088 thousand euros in 2021). 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 935 thousand euros (1,599 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, 2022 the payable portion classified as non-current amounts to 4,955 thousand euros (5,000 thousand euros at December 31, 2021).
- Several payables for common transactions amounting to 15,789 thousand euros, with an undetermined maturity (15,702 thousand euros at prior year end).
- Non-current payable amount related to the acquisition of companies in Spain and Mexico at year end amounting to 1,875 thousand euros and 8,698 thousand euros, respectively (2,627 thousand euros and 0 thousand euros, respectively, at prior year end).

The *Current sundry creditors* caption mainly includes:

- Asset suppliers amounting to 14,781 thousand euros (14,549 thousand euros at 2021 year end).
- Payables for the rendering of services amounting to 41,448 thousand euros (42,141 thousand euros at December 31, 2021).
- Current borrowings amounting to 7,833 thousand euros (18,707 thousand euros at prior year end), notably including the payable portion in 2022 for the investments in Spain and Mexico mentioned above.
- Employee benefits payable amounting to 23,603 thousand euros (20,177 thousand euros in the prior year) (Note 20.1).

The book value of this caption is denominated in the following currencies:

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Euro	202,230	202,952
US dollars	27,377	21,141
Colombian peso	6,894	7,207
Mexican peso	14,574	4,582
Peruvian sol	2,333	1,603
Costa Rican colon	1,676	313
Dominican peso	1,972	1,683
Moroccan dirham	4,396	718
	<b>261,452</b>	<b>240,199</b>

Information on average payment period to suppliers, additional provision three, Disclosure Requirement, of Law 15/2020 of July 5

In accordance with the said Law, the following information is presented regarding the group companies that operate in Spain:

	<b>2022</b>	<b>2021</b>
<b>(Days)</b>		
Average payment period to suppliers	22.33	23.05
Ratio of transactions paid	24.06	23.69
Ratio of transactions pending payment	25.61	23.58
<b>(Thousands of euros)</b>		
Total payments made	738,647	669,365
Total payments outstanding	81,102	67,628
Monetary volume of invoices paid by the deadline established in late payment regulations	674,990	n/a
Percentage of payments made by the established deadline over total payments	91.38%	n/a
<b>(Number of invoices)</b>		
Invoices paid by the deadline established in late payment regulations	567,936	n/a
Percentage over total number of invoices	94.91%	n/a

## 17. NON-CURRENT PROVISIONS

The breakdown of this caption is as follows:

(Thousands of euros)	2022	2021
Provisions for employee benefits	17,391	12,831
Tax contingencies	3,774	2,449
Other	2,463	788
<b>Balance at December 31</b>	<b>23,628</b>	<b>16,068</b>

The amount recorded under "Provisions for employee benefits" mainly corresponds to the incentive plan for the Group's employees (6,900 thousand euros), the provision with employees in Italy "TFR" (4,912 thousand euros) and retirement bonuses (1,430 thousand euros).

The main tax and legal contingencies affecting the Group are as follows:

At December 31, 2022 the group company Gaming & Services de Panama S.A. has a provision amounting to 1,600 thousand US dollars in connection with a lawsuit filed by a competitor related to the number of halls assigned to the company through concession arrangements. In accordance with our assessment of possible impacts and analyses by our lawyers, this provision was recorded considering the best items available, as required by International Accounting Standard (IAS) 37 "Provisions, contingent liabilities and contingent assets." This estimate will be reviewed and adjusted based on how the proceedings develop.

On January 24, 2022 three communications were received informing of the start of proceedings proposing derivation of tax liability and hearing against the group company UNIPLAY, S.A. with defense allegations submitted on April 5, 2022. On May 18, 2022 the agreements on the derivation of tax liability were received amounting to 1,035,436.07 euros, 382,941.75 euros and 141,981.00 euros. On June 16, 2022 the corresponding economic and administrative claims were lodged and on December 5, 2022 the defense allegations were submitted. Additionally, on July 4, 2022 a request for suspending the execution of the aforementioned agreements was made by submitting three bank guarantees.

The variation of the balance is as follows:

(Thousands of euros)	2022	2021
Balance at January 1	16,068	15,372
Additions due to acquisition of companies	738	-
Net charges for the year	10,617	3,209
Provisions utilized	(3,467)	(2,310)
Exchange gains (losses)	(328)	(203)
<b>Balance at December 31</b>	<b>23,628</b>	<b>16,068</b>

## 18. TAXES

### 18.1 Tax group

In Spain, Cirsa Enterprises, S.L., together with 119 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 is one more consolidated tax group in Spain, which consists 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)	2022	2021
Current	54,120	20,764
Deferred for (increase) decrease in tax credits related to tax loss carryforwards and deductions	6,827	33
Deferred for temporary differences	(31,334)	(33,047)
	<b>29,613</b>	<b>(12,250)</b>

Income tax payable amounts at 29,279 thousand euros at December 31, 2022 (9,702 thousand euros at December 31, 2021) 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)	2022	2021
Profit before tax	109,208	(158,327)
Tax rate prevailing in Spain	25%	25%
Theoretical income tax expense	27,302	(39,582)
Adjustments – Effect of:		
Different tax rates prevailing in other countries	7,149	(725)
Impairment losses on assets and goodwill recognized solely for consolidation purposes	-	1,281
Utilization of tax credits and deductions for the year	695	5,901
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	9,443	26,968
Other non-deductible expenses and other	(14,976)	(6,093)
	<b>29,613</b>	<b>(12,250)</b>

At December 31, 2021 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, 2022 and 2021 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)	Changes reflected in				Balance at December 31
	Balance at January 1	Income statement	Equity	Additions due to business combinations (Note 4)	
<b>2022</b>					
<u>Assets</u>					
Tax loss carryforwards from the consolidated tax group represented by Cirsa Gaming Corporation, S.A.	50,623	(2,698)	-	-	47,925
Tax loss carryforwards from the consolidated tax group whose parent is Orlando Play, S.A.	1,297	(250)	-	-	1,047
Tax loss carryforwards from other group companies					
--- Costa Rica	336	(336)	-	-	-
--- Italy	1,387	(157)	-	-	1,230
--- Mexico	11,823	(4,002)	-	-	7,821
--- Panama	2,313	(471)	-	-	1,842
Related to deductible temporary differences (Spain):		-			
--- Impaired receivables	62	(27)	-	-	35
--- Impaired securities portfolio	14	(14)	-	-	-
--- Goodwill impaired in individual books	1,493	92	-	-	1,585
--- Intragroup margin write-off	21	(6)	-	-	15
Non-deductible amortization for accounting purposes	313	(126)	-	-	187
--- Other	18,836	(1,165)	-	-	17,671
Related to temporary differences (other countries):					
--- Costa Rica	597	(11)	-	-	586
--- Italy	764	(5)	-	-	759
--- Mexico	2,297	(17)	-	-	2,280
--- Panama	3,814	146	-	-	3,960
--- Other countries	2,605	90	-	-	2,695
	<b>98,595</b>	<b>(9,047)</b>	-	-	<b>89,638</b>
<u>Liabilities</u>					
Related to taxable temporary differences:					
--- Margin write-offs	(2,187)	(774)	-	-	(2,961)
--- Business combinations (initial statement of non-current assets at fair value)	(227,110)	21,344	-	(13,719)	(219,485)
--- Other	(1,135)	515	-	-	(620)
	<b>(230,432)</b>	<b>21,085</b>	-	<b>(13,719)</b>	<b>(223,066)</b>

(Thousands of euros)	Changes reflected in			Additions due to business combinations (Note 4)	Balance at December 31
	Balance at January 1	Income statement	Equity		
<b>2021</b>					
<u>Assets</u>					
Tax loss carryforwards from the consolidated tax group represented by Cirsa Gaming Corporation, S.A.	51,464	(841)	-	-	50,623
Tax loss carryforwards from the consolidated tax group whose parent is Orlando Play, S.A.	1,518	(221)	-	-	1,297
Tax loss carryforwards from other group companies					
Related to deductible temporary differences (Spain):	876	(540)			336
--- Impaired receivables	1,387	-			1,387
--- Impaired securities portfolio	9,273	2,550			11,823
--- Goodwill impaired in individual books	2,800	(487)			2,313
--- Intragroup margin write-off		-			
Non-deductible amortization for accounting purposes	305	(243)	-	-	62
--- Other	16	(2)	-	-	14
Related to temporary differences (other countries):	1,311	182	-	-	1,493
--- Italy	28	(7)	-	-	21
--- Panama	373	(60)	-	-	313
--- Colombia	19,341	(505)	-	-	18,836
--- Mexico	536	61	-	-	597
--- Costa Rica	582	182	-	-	764
--- Other countries	2,043	254	-	-	2,297
	<b>2,397</b>	<b>1,417</b>	<b>-</b>	<b>-</b>	<b>3,814</b>
<u>Liabilities</u>					
Related to taxable temporary differences:					
--- Difference between tax depreciation and accounting depreciation	49	(49)	-	-	-
--- Margin write-offs	2,096	(4,283)	-	-	(2,187)
--- Business combinations (initial statement of non-current assets at fair value)	(250,625)	22,716	-	799	(227,110)
--- Other	402	(1,537)	-	-	(1,135)
	<b>(248,078)</b>	<b>16,847</b>	<b>-</b>	<b>799</b>	<b>(230,432)</b>

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, 2022 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.
2000	34	-
2001	625	-
2003	5,191	-
2004	10,523	-
2005	23,894	-
2006	500	937
2007	12,656	396
2008	3,914	372
2009	12,376	1,241
2010	12,430	-
2011	40,356	-
2012	9,514	-
2013	474	-
2014	26,774	-
2015	2,066	-
2016	277	-
2017	23	-
2018	16,316	1,764
2019	342	-
2020	50,643	2,318
2021	584	-
	<b>229,512</b>	<b>7,028</b>

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

At December 31, 2022 and 2021 said tax group recognized deferred tax assets amounting to 58,593 and 58,571 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, 2022 amount to 32,121 thousand euros; 31,573 thousand euros at December 31, 2021), 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 33,558 thousand euros at December 31, 2022 (2021: 40,201 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, 2022
2022	865
2023	906
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	224
2036	141
2037	177
2038	150
2039	580
No time limit for utilization	24,436
	<b>33,558</b>

*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, 2022 the tax group had recognized deferred tax assets amounting to 1,066 thousand euros (1,314 thousand euros at prior year end) corresponding to unused tax loss carryforwards.

Additionally, said tax group has unused deductions amounting to 715 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

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:

### 2022

(Thousands of euros)	Balance at January 1, 2022	Additions	Derecognitions	Currency translation differences and other changes	Balance at December 31, 2022
<b>COST</b>					
Buildings	350,131	39,048	(8,443)	10,382	391,118
Vehicles	13,050	3,276	(3,463)	165	13,028
	<b>363,181</b>	<b>42,324</b>	<b>(11,906)</b>	<b>10,547</b>	<b>404,146</b>
<b>DEPRECIATION</b>					
Buildings	(118,101)	(46,093)	4,578	(4,975)	(164,591)
Vehicles	(8,307)	(3,096)	3,389	(52)	(8,066)
	<b>(126,407)</b>	<b>(49,189)</b>	<b>7,967</b>	<b>(5,027)</b>	<b>(172,657)</b>
Impairment losses	-	-	-	-	-
<b>Net carrying amount</b>	<b>236,774</b>	<b>(6,865)</b>	<b>(3,939)</b>	<b>5,520</b>	<b>231,489</b>

### 2021

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

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

(Thousands of euros)	2022	2021
Balance at January 1	274,281	283,467
Additions	42,324	44,089
Derecognitions	(5,949)	(27,322)
Interest accrued on finance leases	14,469	14,388
Exchange gains (losses)	6,745	10,616
Payments	(63,807)	(50,957)
<b>Balance at December 31</b>	<b>268,063</b>	<b>274,281</b>

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

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Within 1 year	51,852	45,522
Between 1 and 2 years	24,696	41,520
Between 2 and 3 years	36,438	34,270
Between 3 and 4 years	32,853	28,799
Between 4 and 5 years	26,436	25,674
More than 5 years	95,788	98,496
	<b>268,063</b>	<b>274,281</b>

The amounts recognized in the income statement are as follows:

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Depreciation of right-of-use assets	49,305	44,547
Interest accrued on finance leases	14,223	14,210
Expenses from low-value, short-term and variable leases	26,755	19,775
Gains/(losses) on derecognition of right-of-use assets	(220)	(346)
	<b>90,063</b>	<b>78,186</b>

The Group made lease payments amounting to 63,807 thousand euros in 2022 (50,957 thousand euros in 2021).

Interest rates are considered by country, ranging between 1.50% and 13.50% in 2022 and between 1.50% and 13.50% in 2021.

Most lease arrangements include options to extend the leases for a fixed or indefinite period of time. The lease liabilities include the options to extend the leases that the Group considers that will be exercised.

## **20. INCOME AND EXPENSES**

### **20.1 Income**

As for the "Total operating income net of variable rent" caption, the Group has no performance obligations pending satisfactions at December 31, 2022 and 2021. The breakdown of this caption by operating segment and geographical area is detailed in Note 3.

### **20.2 Cost of sales**

<b>(Thousands of euros)</b>	<b>2022</b>	<b>2021</b>
Industrial consumables	10,963	7,112
Other consumables	23,651	13,555
Suboperators	29,711	24,962
	<b>64,325</b>	<b>45,629</b>

### 20.3 Employee benefits expense

(Thousands of euros)	2022	2021
Wages and salaries	215,242	163,468
Social Security	47,471	33,018
Termination benefits	6,658	5,844
Other	9,426	6,502
	<b>278,797</b>	<b>208,832</b>

Remunerations pending payment at December 31, 2022 and 2021 (23,603 and 20,177 thousand euros, respectively) are included in *Other non-trade payables - Sundry creditors* (Note 16).

Breakdown of average number of employees by professional category and gender:

	2022			Average number of employees with a disability > 33% over total headcount in the year
	Men	Women	Total	
Executives	543	259	802	7
Technicians, production operators and sales personnel	5,349	5,450	10,799	93
Administrative staff	1,172	947	2,119	23
	<b>7,064</b>	<b>6,656</b>	<b>13,720</b>	<b>125</b>

	2021			Average number of employees with a disability > 33% over total headcount in the year
	Men	Women	Total	
Executives	524	247	771	7
Technicians, production operators and sales personnel	4,884	5,075	9,959	84
Administrative staff	1,050	854	1,904	26
	<b>6,458</b>	<b>6,176</b>	<b>12,634</b>	<b>117</b>

The headcount at December 31, 2022 and 2021 by category and gender does not significantly differ from the figures disclosed above for the average headcount during the years.

## 20.4 Utilities and external services

(Thousands of euros)	2022	2021
Professional services	95,209	37,833
Publicity, advertising, and public relations	56,158	37,145
Utilities	40,215	25,972
Leases and royalties	34,331	24,756
Other services	29,864	23,871
Repairs and maintenance	22,483	15,964
Postal services, communications and telephone	13,400	13,450
Bank services et al.	14,531	8,400
Security services	9,791	7,269
Cleaning services	9,424	6,587
Insurance premiums	7,729	6,403
Travel expenses	6,197	3,509
Transportation	1,686	1,006
Development costs and patents (Note 6.2)	34	26
	<b>341,052</b>	<b>212,191</b>

## 20.5 Finance income and costs

(Thousands of euros)	2022	2021
<b>Finance costs</b>		
Contractual expenses and interest	(127,072)	(150,461)
Notes	(103,698)	(107,694)
Other loans	(16,448)	(17,859)
RCF	(4,215)	(8,007)
Write-off expenses	(2,711)	(16,901)
Finance lease arrangements	(14,223)	(14,210)
Expenses from the discount of provisions and other liabilities	(324)	58
<b>Finance income</b>		
Finance income	1,629	1,075
<b>Total finance income (costs)</b>	<b>(139,990)</b>	<b>(163,538)</b>

### Contractual expenses and interest

This caption mainly includes the expenses from interest on third-party borrowings, expenses from discount and other provisions.

## 20.6 Exchange gains (losses)

(Thousands of euros)	2022	2021
Gains	2,801	42,923
Losses	(560)	(61,079)
	<b>2,241</b>	<b>(18,156)</b>

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, 2022 by 4,274 thousand euros (2021: it increased shareholders' equity by 4,399 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 no expenses have been accrued by other subsidiaries of LHMC Topco, S.a.r.l or by The Blackstone Group (expenses amounting to 571 thousand US dollars were accrued in 2021).

## 22. GUARANTEES AND SURETIES

One of the Group's main activities is the operation of slot machines and games of luck, which require guarantees established by local regulations in the countries in which the Group operates. These guarantees have been timely deposited at the corresponding entities.

The breakdown of guarantees and sureties by item at December 31, 2022 and December 31, 2021, in thousands of euros, is as follows:

(Thousands of euros)	2022	2021
Guarantees and sureties related to gaming	147,742	134,001
Other guarantees	3,030	4,491
<b>Total guarantees and sureties</b>	<b>150,772</b>	<b>138,492</b>

### Guarantees and sureties related to gaming

The most significant guarantees and sureties related to gaming at December 31, 2022 and 2021 are as follows:

- Surety policies of the Sportium subgroup in Spain that guarantee compliance with the obligations derived from gaming licenses amounting to 44,329 thousand euros at December 31, 2022.
- Surety policies that guarantee compliance with the obligations derived from the granting by *Amministrazione Autonoma dei Monopoli dello Stato* (AAMS) of the administrative concession to Cirsa Italia, SpA for activating and running the network for the management of gaming in Italy, amounting to 34,806 thousand euros at December 31, 2022.
- Surety policies of Gaming & Services Panamá that guarantee compliance with the obligations derived from gaming licenses amounting to 7,266 thousand US dollars at December 31, 2022.
- Surety policies of Uniplay, S.L., the operating company of the Group in Spain, that guarantee compliance with the obligations derived from gaming licenses amounting to 6,514 thousand euros at December 31, 2022.

## 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 (Note 17).

## 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 812 thousand euros in 2022 (2021: 734 thousand euros).

In addition, fees and expenses paid for other services provided by the main auditors or other related entities amounted to 721 thousand euros in 2022 (482 thousand euros in the year ended December 31, 2021).

## 26. OTHER RELATED PARTIES

The breakdown of remuneration accrued by the members of the Group's Board of Directors and the Group's key employees is as follows:

(Thousands of euros)	2022	2021
Short-term employee benefits	4,343	4,438
Other long-term benefits	3,204	3,151
	<b>7,547</b>	<b>7,589</b>

The balance of advances/loans granted to related parties amounts to 1,226 thousand euros (no balance for this concept in 2021).

In compliance with article 229 of the Spanish Capital Companies Law (CCL), the directors have notified the Company that there are no situations representing a conflict of interest for the Group.

## 27. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

The Group assesses foreign currency risk from an aggregate perspective of the assets, liabilities and generation of cash flows in foreign currency and therefore prioritizes natural hedges and the offset of assets, liabilities and cash flows in foreign currency to obtain a net risk position, which is assessed and as a result of this assessment a decision is made to use hedging derivatives if deemed necessary. As a result of this evaluation, the Group has not entered into any derivatives (exchange rate hedges) to manage foreign exchange risk.

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 and its consolidated cash flow. In 2021 and part of 2022 the Group's level of indebtedness has exceeded the said multiples because of the unprecedented situation caused by the pandemic. At December 31, 2022 the Group's indebtedness falls within the parameters established in the indebtedness policy.

## **27.1 Business risk**

The Group faces varied business risks that affect different areas. One of the main risks relates to the regulations on the private gaming industry in which the Group operates. The gaming industry is subject to strict regulations covering several aspects, such as the gaming activity itself, activity-related risk management, advertising, customer data protection, prevention of money laundering and corruption, among others. Additionally, the Group's activities are carried out through gaming licenses that need to be periodically renewed and meet different conditions.

Failure to comply with these regulations or requirements or to renew or retain gaming licenses may have a negative effect on the business of the Group. There is also the possibility that future regulations impose new restrictions that limit the ability to offer products and services to customers.

The gaming industry is also subject to tax regulations, which may change or be tightened, thus affecting business viability and public perception of the Group's activity, may have an impact on results. The entry of new competitors or modalities in the activity may affect the business, too.

The Group also faces political, macroeconomic and monetary risks in the international markets in which it operates. Market conditions and socioeconomic variables may affect consumer spending power and, therefore, business results. Changes in corporate regulations or currency depreciation may also affect the business.

Both the financial position of the markets and the Group may also affect the ability to obtain the guarantees or sureties necessary to operate the gaming licenses in different geographies. Technological evolution and customer preferences are also significant factors that may affect the Group's business. The concentration of suppliers and competitors in certain modalities or products and the ability of suppliers to develop safe and appealing gaming products for customers are other significant risks.

In general, the Group faces intense competition. This includes growing competition in the areas of sports betting and online gaming which, together with the inability to compete effectively, may bring adverse consequences for the Group's business, financial position, operating results and cash flows.

Lastly, digitization and interconnection of business and product management also pose integrity risks that the Group needs to manage proactively to avoid contingencies.

## 27.2 Credit risk

Most of the operations carried out by the Group are in cash. For receivable balances, whose risk mainly concentrates in gaming companies that purchase machines and several technological products from our sales division and in prepayments to owners of hospitality establishments, the Group has a credit policy in place and the exposure to default risk is managed in the ordinary course of business. Credit assessments are conducted in respect of all customers that are considered to pose significant credit risk.

The main credit volumes subject to risk assessment are in the “Financial assets” and in the “Trade and other receivables” captions (Note 9).

Cash balances in bank accounts are distributed among a large number of entities and, therefore, there is no high concentration in any financial entity. For transactions in countries in which it is not possible to reach high credit ratings because of their economic and sociopolitical circumstances, branches and subsidiaries of foreign entities that meet or are close to meet the established quality criteria are selected, as well as local entities with the best credit ratings.

### Maximum exposure

The Group's exposure to credit risk, which is partially mitigated by the earnings themselves, is also attributable to trade payables from the sale of machines and technology, trade payables from prepayments to owners of hospitality establishments for the portion they are entitled to of earnings obtained from slot machines in their premises. The amounts corresponding to these items are presented in the consolidated balance sheet net of bad debt provisions for an amount of 106,193 thousand euros at December 31, 2022 (84,630 thousand euros at December 31, 2021).

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.

The Group's maximum exposure to credit risk, by type of financial instrument, at December 31, 2022 and 2021, is as follows:

(Thousands of euros)	2022	2021
Trade receivables	106,193	84,630
Cash and cash equivalents	213,379	280,201
Other financial assets	23,497	14,616
	<b>343,069</b>	<b>379,447</b>



### 27.3 Interest rate risk

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

The breakdown of liabilities that accrue interests at 2022 and 2021 year end is as follows:

(Thousands of euros)	2022		2021	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Notes	1,578,661	487,775	1,556,395	486,352
Bank borrowings	30,053	94,556	60,652	230,295
Sundry creditors	2,121	23,145	7,088	27,043
Finance lease liabilities	268,063	-	274,281	-
	<b>1,878,898</b>	<b>605,476</b>	<b>1,898,415</b>	<b>743,690</b>

At December 31, 2022 financial liabilities at a fixed interest rate represented 76% of total liabilities (72% at 2021 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 financial result amounting to 6,055 thousand euros in 2022 and 7,838 thousand euros in 2021.

The breakdown of assets that accrue interests at 2022 and 2021 year end is as follows:

(Thousands of euros)	2022		2021	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Loans to joint ventures and associates	2,620	-	2,530	-
Loans to third parties	13,090	16,428	9,661	14,276
Guarantees and deposits	26,377	-	20,795	-
Fixed income securities and deposits	8,166	-	4,307	-
	<b>50,253</b>	<b>16,428</b>	<b>37,293</b>	<b>14,276</b>

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

### 27.4 Foreign currency risk

The Group is exposed to foreign currency risk mainly because of the businesses located outside the eurozone, 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.

As mentioned in this note, in order to mitigate risks, among others, 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 in the exchange rate of local currencies against the euro:

## 2022

Currency	Thousands of euros			
	10%	5%	(5%)	(10%)
Costa Rican colon/Euro	(253)	(133)	147	310
Moroccan dirham/Euro	(943)	(494)	546	1,153
US dollar/Euro	(2,564)	(1,343)	1,484	3,134
Colombian peso/Euro	(2,491)	(1,305)	1,442	3,045
Dominican peso/Euro	(1,414)	(740)	818	1,728
Mexican peso/Euro	(176)	(92)	102	215
Peruvian sol/Euro	249	131	(144)	(305)

## 2021

Currency	Thousands of euros			
	10%	5%	(5%)	(10%)
Costa Rican colon/Euro	507	266	(294)	(620)
Moroccan dirham/Euro	427	224	(247)	(522)
US dollar/Euro	(2,564)	(1,343)	1,484	3,134
Colombian peso/Euro	70	37	(41)	(86)
Dominican peso/Euro	(605)	(317)	350	739
Mexican peso/Euro	1,740	911	(1,007)	(2,126)
Peruvian sol/Euro	249	131	(144)	(305)

### 27.5 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, 2022 the Group shows negative working capital amounting to 245,487 thousand euros (118,934 thousand euros negative at December 31, 2021). 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 for an available amount of up to 275 million euros (68 million euros drawn down at December 31, 2022), even though drawdowns are made for periods of up to 6 months, matures in December 2026 subject to the fulfillment of certain conditions.

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 cash and cash equivalents amounting to approximately 213 million euros at December 31, 2022 (280 million euros at December 31, 2021), to meet unexpected payments. Furthermore, the Group has unused cash capacity amounting to 222 million euros at December 31, 2022 (19 million euros at December 31, 2021).
- 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 table below shows cash disbursements by maturity date, based on the contractual obligations of financial debts:

(Thousands of euros)	Balance at December 31, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than five years	Total
Notes	2,066,436	175,018	-	873,420	-	1,017,998	-	2,066,436
Bank borrowings	124,609	96,396	11,872	8,639	5,548	2,033	121	124,609
Finance lease liabilities	268,063	51,852	24,696	36,438	32,853	26,436	95,788	268,063
Other	23,145	7,831	1,572	625	6,320	591	6,206	23,145
Deferral of taxes	2,121	2,121	-	-	-	-	-	2,121
	<b>2,484,374</b>	<b>333,218</b>	<b>38,140</b>	<b>919,122</b>	<b>44,721</b>	<b>1,047,058</b>	<b>102,115</b>	<b>2,484,374</b>

68,000 thousand euros of the bank borrowings maturing in less than one year correspond to amounts drawn from the revolving credit facility, which can be renewed and matures in December 2026.

## 28. 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 2023 will consist in preserving the Group's cash position by implementing measures to reduce costs and investments, manage liquidity and establishing cash management action plans.

As stated in Note 14, the contracts entered into in relation to corporate notes 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.

## 29. 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 2022 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, 2022.

Terrassa, March 17, 2023

---

Mr. Joaquin Agut  
Chair

---

Mr. Lionel Yves Assant  
Vice-Chair

---

Mr. Miguel García  
Board member

---

Mr. Antonio Hostench  
Board member

## List of subsidiaries

Company	Activity	Ownership	Ownership	Investment holder	Business address	City	Province/Country
		Percentage 2021	Percentage 2020				
Ajar, S.A.	Bingos	75,00%	75,00%	Global Bingo Corporation, S.A.	Av. Muñoz Vargas, 18	Huelva	Huelva
Alfematic, S.A.	Operacional	75,00%	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 58, PH Torre Global, piso 40	Ciudad de Panamá	Panamá
Apple Games 2000, S.L.	Operacional	49,50%	49,50%	Egartronic, S.A.	C/ Guadalquivir, 84	Valencia	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
Atlantic Pecunia, S.A.R.L.	Casinos	100,00%	-	Les Loisirs Du Paradis, S.A.R.L.	Apartment nº13, 3ème Etage, Inmeuble nº47, residence Saada hay Mohammadi	Agadir	Marruecos
Automáticos Manchegos, S.L.	Operacional	51,00%	51,00%	Interservi, S.A.	Crta. 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
Automáticos Quintana, S.L.	Operacional	50,00%	50,00%	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%	51,00%	Radiamon, S.L.	Crta. 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.	Crta. de Castellar, 298	Terrassa	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%	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
				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 Anzuers	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.	Crta. N-340 Km. 1189	El Vendrell	Tarragona
Bingos Andaluces, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Asunción, 3	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	100,00%	100,00%	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
Bis Line, S.L.	Operacional	87,60%	87,60%	Giga Game System Operation, S.L.	Crta. de Castellar, 298	Terrassa	Barcelona
Calpe Leisure, S.A.	Operacional	85,00%	85,00%	ElevaI, 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
				Hotel Movenpick Malabata - Avenida			
Casino Management, S.A.R.L.	Casinos	75,00%	-	Thousand And One Nights, AB	Mohamed VI, Bahía de Tanger	Tanger	Marruecos
Casino Nueva Andalucía Marbella, S.A.	Casinos	100,00%	100,00%	Global Casino Technology Corporation, S.A.	Crta. Cádiz-Málaga Km. 180	Marbella	Málaga
				Avda. George Washinton, 367 2º Piso Hotel		Santo Domingo de	
				Jaragua		Guzmán	R. Dominicana
Casinos del Caribe, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Crta. de Castellar, 298	Terrassa	Barcelona
Cat Games, S.L.	Operacional	60,00%	60,00%	Bis Line, S.L. y Tot Patrimoni, S.L.	Rue Eugene Rupert, 2 - 4	Luxemburgo	Luxemburgo
Cirsa Finance International, S.A.R.L.U.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.	Crta. Castellar, 298 - 302	Terrassa	Barcelona
Cirsa Gaming Corporation, S.A.	Estructura	100,00%	100,00%	Cirsa Enterprises, S.L.	Crta. Castellar, 298	Terrassa	Barcelona
Cirsa Interactive Corporation, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. 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.	Vía 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.	Vía 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.	Vía 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.	Crta. de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S.A.	Operacional	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. de Castellar, 298	Terrassa	Barcelona
Cirsa Tecnologías de la Información, S.L.	Estructura	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Crta. Castellar, 298	Terrassa	Barcelona
Cirsagest, S.P.A.	Operacional	100,00%	100,00%	Cirsa Italia Holding, S.P.A.	Vía 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 Murilo, 309	Madrid	Madrid
Coin Machines, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	C/ Andalucía, 30	Palencia	Palencia
Coinland, S.A.	Operacional	100,00%	100,00%	ElevaI, 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
						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
ElevaI, Electronicos Valencia, S.A.	Operacional	100,00%	100,00%	Giga Game System Operation, S.L.	C/ Guadalquivir, 84	Homo de Alcedo	Valencia
E-Play 24 Ita Limited	Apuestas	60,00%	-	Yellow City Limited	Tigne Place, Block 12 Fl 1/5 Tigne Street	Malta	Malta

## List of subsidiaries

Company	Activity	Ownership	Ownership	Investment holder	Business address	City	Province/Country
		Percentage 2021	Percentage 2020				
E-Play 24 Italia, S.R.L.	Apuestas	60,00%	-	E-Play 24 Retail, S.R.L.	Via Bernardino Verro 89/G	Italia	Italia
E-Play 24 Retail, S.R.L.	Apuestas	60,00%	-	E-Play 24 Ita Limited	Calle 50, PH. Torre Rossa, 25	Italia	Italia
Flamingo Euromatic-100, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A. Promociones e Inversiones de Guerrero,	P.I. La Juaida, C/Sierra Telar, 40 Guillermo González Camarena 600, Piso 7, Santa Fe	Viator	Almería
Fomento Advenio 1, S.A. DE C.V.	Bingos	100,00%	100,00%	S.A.P.I. De C.V.		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	75,00%	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.	Crta. De Castellar, 298	Terrassa	Barcelona
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.	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 Management Tangier, S.R.L.	Casinos	100,00%	-	Cirsa International Business Corporation, S.L.	Bureau, nº 65, 2eme étage, Complexe AMAL, Immeuble 2 Aveneu Hassan II	Tanger	Marruecos
Global Real State, S.A.S.	Casinos	100,00%	100,00%	Winner Group, S.A.	Calle 90 No. 19C-32 P.4	Bogota	Colombia
Gogoal, S.R.L.	Apuestas	60,00%	-	E-Play 24 Ita Limited	Via Alcide de Gasperi, 36	Palestrina	Italia
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. Global Bingo Corporation, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José San Sebastián de	Costa Rica
Haes, S.A.	Bingos	100,00%	100,00%		C/ Real, 87	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. Promociones e Inversiones de Guerrero,	Ctra. de Castellar, 298	Terrassa	Barcelona
Integración Inmobiliaria World de Mexico, S.A. De C.V.	Bingos	100,00%	100,00%	S.A.P.I. De C.V.		México D.F.	México
International Bingo Technology, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	c/ Guillermo Gonzalez Camarena 600 Piso 8	Terrassa	Barcelona
International Mex Business, S.L.	Bingos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Pi i Margall, 201	Terrassa	Barcelona
Interplay, S.A.	Operacional	75,50%	75,50%	Egartronic, S.A.	Ctra. Castellar, 298 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	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%	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 Vertiago, 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 58, PH Torre Global, piso 40	Ciudad de Panamá	Panamá
La Barra Panama, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Calle 50 y 58, PH Torre Global, piso 40	Ciudad de Panamá	Panamá
La Selva Inversiones, S.A.C.	Casinos	-	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 y 58, PH Torre Global, piso 40	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	100,00%	51,00%	Elevel, 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
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

## List of subsidiaries

Company	Activity	Ownership	Ownership	Investment holder	Business address	City	Province/Country
		Percentage 2021	Percentage 2020				
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	Almeria
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
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	100,00%	60,00%	Bincamex, S.A. de CV.	c/ Guillermo Gonzalez Camarena 600 Piso 8 Pedro Moreno 1705, Pisos 3, 4 y 5, Col.	México D.F.	México
Operadora General De Entretenimiento, S.A. DE C.V.	Apuestas	100,00%	-	Bincamex, S.A. de CV.	Americana (Lafayette)	Guadalajara	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.	Calle 50 y 58, PH Torre Global, piso 40	Ciudad de Panamá	Panamá
Orlando Italia, S.R.I.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Via 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.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago	Italia
Piscis 28 Castilla y León, S.L.	Operacional	100,00%	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%	51,00%	Giga Game System Operation, S.L. y Tot Patrimoni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Reactive Games Software Solutions Limited	Apuestas	60,00%	-	E-Play 24 Ita Limited	Tigne Place, Block 12 Fl 1/5 Tigne Street	Malta	Malta
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 Galicia - Sanabria, S.L.	Operacional	100,00%	-	Barna-Center, S.A.	Ctra. de 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 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 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.	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
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%	Telma 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%	Telma Enea, S.L.	c/ Carlota Alexandre, 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Cuenca, 20	Valencia	Valencia
Sala Versalles, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A. y Global Bingo 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
Santbar, S.I.	Operacional	100,00%	-	Cirsa Slot Corporation, S.A.	Ctra. De Castellar, 298	Terrassa	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 Malecon Dominicana, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. George Washington, centro comercial	Santo Domingo	R. Dominicana
Sertebi, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Malecón 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
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
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 Interactive 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
Sport Tech Peru, SAC	Apuestas	100,00%	-	Cirsa International Business Corporation, S.L.	Av. Ricardo Palma Nº 341	Lima	Perú

## List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
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 Andalucía, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Sportium Apuestas Aragón, 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%	50,01%	Winner Group, 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.	Calle 50 y 58, PH Torre Global, piso 40	Ciudad de Panamá	Panamá
Sportium Dominicana, SRL	Apuestas	100,00%	-	Cirsa International Business Corporation, S.L.	Avda. George Washington, 367 2º Piso Hotel Jaragua	Santo Domingo	R. Dominicana
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 Portugal, SA	Apuestas	100,00%	-	Cirsa International Business Corporation, S.L.	Av. Infante Dom Henrique, 26	Lisboa	Portugal
Sportium Puerto Rico, LLC	Apuestas	55,00%	-	Cirsa International Business Corporation, S.L.	709 Calle Europa	San Juan	Puerto Rico
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
Talluntxe, 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%	ElevaI, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Tefle, 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
Thousand And One Nights, AB	Casinos	75,00%	-	Cirsa International Business Corporation, S.L.	Engelbrektskatan 9-11, Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	Estocolmo	Suecia
Tres Rios Hotel la Carpintera, S.A.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.		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
Verreda 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
Yellow City Limited	Apuestas	60,00%	-	Cirsa International Business Corporation, S.L.	Level 4, The Penthouse, Suite 2, Europa Business Centre, Triq Dun Karm	Malta	Malta
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
Automaticos Felcarras, S.L.	Operacional	50,00%	-	Felix Jimenez Morante, S.A.	Avda. de los Trabajadores, 12 P.I. La Atalaya	Torrijos	Toledo
Audiovisual Fianzas, S.G.R.	Estructura	5,68%	5,68%	Varios	c/ Luis Buñuel, 2 2ª	Madrid	Madrid
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
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 58, PH Torre Global, piso 40	Panamá	Panamá
Felix Jimenez Morante, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	Avda. de los Trabajadores, 12 P.I. La Atalaya	Torrijos	Toledo
Majestic Food Services, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50 y 58, PH Torre Global, piso 40	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	Roma	Italia
Recreativos Oropesa, S.L.	Operacional	50,00%	50,00%	Felix Jimenez Morante, S.A.	Avda. de los Trabajadores, 12 P.I. La Atalaya	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, 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)*

## CONTENTS

### Consolidated Financial Statements

- Consolidated statement of financial position at December 31, 2021
- Consolidated statement of comprehensive income for the year ended December 31, 2021
- Consolidated statement of changes in equity for the year ended December 31, 2021
- Consolidated cash flow statement for the year ended December 31, 2021
- Notes to the consolidated financial statements for the year ended December 31, 2021

Appendix - Detail of subsidiaries at December 31, 2021.



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

**ASSETS**

(Thousands of euros)	Notes	2021	2020
<b>Non-current assets</b>		<b>2,846,708</b>	<b>2,973,835</b>
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
<b>Current assets</b>		<b>415,322</b>	<b>398,540</b>
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
<b>Total assets</b>		<b>3,262,030</b>	<b>3,372,375</b>

**EQUITY AND LIABILITIES**

(Thousands of euros)	Notes	2021	2020
<b>Equity</b>		<b>122,749</b>	<b>259,146</b>
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
<b>Non-current liabilities</b>		<b>2,605,025</b>	<b>2,516,394</b>
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
<b>Current liabilities</b>		<b>534,256</b>	<b>596,835</b>
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
<b>Total equity and liabilities</b>		<b>3,262,030</b>	<b>3,372,375</b>

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

(Thousands of euros)	Notes	2021	2020
<b>CONTINUING OPERATIONS</b>			
Income from gaming activities		1,379,497	1,055,101
Other operating income		107,531	73,303
Bingo prizes		(149,709)	(114,769)
<b>Total operating income</b>		<b>1,337,319</b>	<b>1,013,635</b>
Variable rent		(220,016)	(171,265)
<b>Total operating income net of variable rent</b>	<b>3.1</b>	<b>1,117,303</b>	<b>842,370</b>
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)
<b>Profit/(loss) before tax</b>		<b>(158,327)</b>	<b>(333,618)</b>
Income tax	18.2	12,250	64,875
<b>Net profit/(loss) for the year</b>		<b>(146,077)</b>	<b>(268,743)</b>
Profit/(loss) for the year attributable to non-controlling interests	13.3	4,797	(14,104)
<b>Profit/(loss) for the year attributable to the Parent</b>		<b>(150,874)</b>	<b>(254,639)</b>

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

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

**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
<b>At January 1, 2020</b>	<b>70,663</b>	<b>635,390</b>	<b>(197,424)</b>	<b>2,859</b>	<b>131,194</b>	<b>642,682</b>
Net profit/(loss) for the year 2020	-	-	(254,639)	-	(14,104)	(268,743)
Other comprehensive income	-	-	-	(88,444)	(4,259)	(92,703)
<b>Total 2020 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(254,639)</b>	<b>(88,444)</b>	<b>(18,363)</b>	<b>(361,446)</b>
<b>Other movements:</b>						
Dividends paid	-	-	-	-	(5,306)	(5,306)
Other movements	-	(8,597)	(4,734)	-	(3,453)	(16,784)
<b>At December 31, 2020</b>	<b>70,663</b>	<b>626,793</b>	<b>(456,797)</b>	<b>(85,585)</b>	<b>104,072</b>	<b>259,146</b>
Net profit/(loss) for the year 2021	-	-	(150,874)	-	4,797	(146,077)
Other comprehensive income	-	-	-	23,152	(1,566)	21,587
<b>Total 2021 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(150,874)</b>	<b>23,152</b>	<b>3,231</b>	<b>(124,490)</b>
<b>Other movements:</b>						
Dividends paid	-	-	-	-	(9,032)	(9,032)
Other movements	-	(210)	(1,792)	-	(872)	(2,875)
<b>At December 31, 2021</b>	<b>70,663</b>	<b>626,583</b>	<b>(609,463)</b>	<b>(62,433)</b>	<b>97,399</b>	<b>122,749</b>

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

(Thousands of euros)	Notes	2021	2020
<b>Cash flows from operating activities</b>			
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)
<b>Net cash from operating activities</b>		<b>367,508</b>	<b>84,273</b>
<b>Cash flows from/(used in) investing activities</b>			
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
<b>Net cash used in investing activities</b>		<b>(134,413)</b>	<b>(117,103)</b>
<b>Cash flows from/(used in) financing activities</b>			
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)
<b>Net cash from/(used in) financing activities</b>		<b>(235,329)</b>	<b>163,181</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,234)</b>	<b>130,351</b>
<b>Net effect of exchange gains/(losses) on cash</b>		<b>(832)</b>	<b>(6,753)</b>
<b>Cash and cash equivalents at January 1</b>		<b>283,267</b>	<b>159,669</b>
<b>Cash and cash equivalents at December 31</b>	<b>12</b>	<b>280,201</b>	<b>283,267</b>

**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"><li>- IFRS 3 - <i>Business combinations</i></li><li>- IAS 16 - <i>Property, plant and equipment</i></li><li>- IAS 37 - Provisions, contingent liabilities and contingent assets.</li><li>- Annual improvements 2018-2020</li></ul>	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
<b>Assets by segment</b>							
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
<b>Total Assets</b>	<b>1,089,072</b>	<b>80,764</b>	<b>993,497</b>	<b>305,860</b>	<b>164,184</b>	<b>628,653</b>	<b>3,262,030</b>
<b>Liabilities by segment</b>							
Allocated liabilities	(894,626)	(51,921)	(364,786)	(175,449)	(67,131)	(1,354,935)	(2,908,848)
Unallocated liabilities	-	-	-	-	-	(230,432)	(230,432)
<b>Total Liabilities</b>	<b>(894,626)</b>	<b>(51,921)</b>	<b>(364,786)</b>	<b>(175,449)</b>	<b>(67,131)</b>	<b>(1,585,367)</b>	<b>(3,139,280)</b>
<b>Operating income net of variable rent</b>							
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)	-
<b>Total operating income net of variable rent</b>	<b>530,319</b>	<b>51,166</b>	<b>324,228</b>	<b>136,118</b>	<b>129,884</b>	<b>(54,412)</b>	<b>1,117,303</b>
<b>Profit/(loss)</b>							
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)
<b>Non-monetary expenses</b>							
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)
<b>Other significant expenses</b>							
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)
<b>Other segment information</b>							
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
<b>Assets by segment</b>							
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
<b>Total Assets</b>	<b>1,065,144</b>	<b>69,575</b>	<b>1,006,821</b>	<b>303,135</b>	<b>159,406</b>	<b>768,294</b>	<b>3,372,375</b>
<b>Liabilities by segment</b>							
Allocated liabilities	(875,000)	(34,761)	(397,951)	(168,361)	(59,504)	(1,329,574)	(2,865,151)
Unallocated liabilities	-	-	-	-	-	(248,078)	(248,078)
<b>Total Liabilities</b>	<b>(875,000)</b>	<b>(34,761)</b>	<b>(397,951)</b>	<b>(168,361)</b>	<b>(59,504)</b>	<b>(1,577,652)</b>	<b>(3,113,229)</b>
<b>Operating income net of variable rent</b>							
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)	-
<b>Total operating income net of variable rent</b>	<b>466,197</b>	<b>39,810</b>	<b>178,329</b>	<b>94,486</b>	<b>110,468</b>	<b>(46,920)</b>	<b>842,370</b>
<b>Profit/(loss)</b>							
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)
<b>Non-monetary expenses</b>							
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)
<b>Other significant expenses</b>							
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)
<b>Other segment information</b>							
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	-
	<b>1,117,303</b>	<b>-</b>	<b>1,117,303</b>	<b>3,262,030</b>	<b>110,310</b>

#### 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	-
	<b>842,370</b>	<b>-</b>	<b>842,370</b>	<b>3,372,375</b>	<b>125,147</b>

## 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
	<b>1,228,609</b>	<b>-</b>	<b>(134)</b>	<b>1,228,475</b>

### 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
	<b>1,219,064</b>	<b>2,037</b>	<b>7,508</b>	<b>1,228,609</b>

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
<b>COST</b>						
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
	<b>1,673,084</b>	<b>81,859</b>	<b>(138,308)</b>	<b>44</b>	<b>35,276</b>	<b>1,651,955</b>
<b>AMORTIZATION</b>						
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)
	<b>(645,440)</b>	<b>(164,775)</b>	<b>132,028</b>	<b>-</b>	<b>(1,337)</b>	<b>(679,524)</b>
Impairment losses	(25,205)	(3,797)	1,143	-	1	(27,858)
<b>Net carrying amount</b>	<b>1,002,439</b>	<b>(86,714)</b>	<b>(5,136)</b>	<b>44</b>	<b>33,940</b>	<b>944,573</b>

#### 2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2020
<b>COST</b>						
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
	<b>1,736,752</b>	<b>68,559</b>	<b>(31,524)</b>	<b>551</b>	<b>(101,254)</b>	<b>1,673,084</b>
<b>AMORTIZATION</b>						
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)
	<b>(516,674)</b>	<b>(158,819)</b>	<b>26,397</b>	<b>-</b>	<b>3,656</b>	<b>(645,440)</b>
Impairment losses	(13,129)	(13,115)	1,032	-	7	(25,205)
<b>Net carrying amount</b>	<b>1,206,949</b>	<b>(103,375)</b>	<b>(4,095)</b>	<b>551</b>	<b>(97,591)</b>	<b>1,002,439</b>

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
<b>Cost</b>						
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
	<b>1,294,721</b>	<b>62,741</b>	<b>(96,038)</b>	<b>(44)</b>	<b>20,386</b>	<b>1,281,766</b>
<b>Depreciation</b>						
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)
	<b>(970,627)</b>	<b>(103,589)</b>	<b>78,760</b>	<b>0</b>	<b>(16,940)</b>	<b>(1,012,396)</b>
Impairment losses	<b>(5,186)</b>	<b>(399)</b>	<b>2,986</b>	<b>0</b>	<b>38</b>	<b>(2,561)</b>
<b>Net carrying amount</b>	<b>318,908</b>	<b>(41,247)</b>	<b>(14,292)</b>	<b>(44)</b>	<b>3,484</b>	<b>266,809</b>

## 2020

(Thousands of euros)	Balance at January 1, 2020	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31 2020
<b>Cost</b>						
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
	<b>1,368,163</b>	<b>76,509</b>	<b>(64,495)</b>	<b>(551)</b>	<b>(84,907)</b>	<b>1,294,719</b>
<b>Depreciation</b>						
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)
	<b>(965,102)</b>	<b>(108,983)</b>	<b>42,415</b>	<b>-</b>	<b>61,045</b>	<b>(970,625)</b>
Impairment losses	<b>(5,492)</b>	<b>(1,719)</b>	<b>1,624</b>	<b>-</b>	<b>401</b>	<b>(5,186)</b>
<b>Net carrying amount</b>	<b>397,569</b>	<b>(34,193)</b>	<b>(20,456)</b>	<b>(551)</b>	<b>(23,461)</b>	<b>318,908</b>

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
	<b>29,728</b>	<b>64,125</b>	<b>38,385</b>	<b>71,367</b>	<b>(367)</b>

### 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)
	<b>29,349</b>	<b>49,478</b>	<b>30,348</b>	<b>77,679</b>	<b>(5,759)</b>

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)
<b>Balance at December 31</b>	<b>29,728</b>	<b>29,349</b>

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)
	<b>41,754</b>	<b>101,079</b>	<b>142,833</b>	<b>40,356</b>	<b>87,690</b>	<b>128,046</b>

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
	<b>2,530</b>	<b>1,705</b>

(\*) 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
	<b>2,530</b>	<b>1,705</b>

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:

<b>(Thousands of euros)</b>	<b>2021</b>	<b>2020</b>
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
	<b>23,397</b>	<b>23,441</b>

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

<b>(Thousands of euros)</b>	<b>2021</b>	<b>2020</b>
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
	<b>23,937</b>	<b>23,441</b>

### Trade and other receivables

This caption consists of the following balances:

<b>(Thousands of euros)</b>	<b>2021</b>	<b>2020</b>
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
	<b>84,630</b>	<b>77,915</b>

“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:

<b>(Thousands of euros)</b>	<b>2021</b>	<b>2020</b>
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
<b>Balance at December 31</b>	<b>32,115</b>	<b>37,344</b>

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.

<b>CGU</b>	<b>Goodwill</b>	<b>Value in use:</b>	<b>Headroom/ (impairment)</b>
<b>2021</b>			
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
<b>2020</b>			
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:

<b>CGU</b>	<b>Discount rate</b>	<b>Growth rate</b>
<b>2021</b>		
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:

<b>(Thousands of euros)</b>	<b>2021</b>	<b>2020</b>
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
	<b>19,357</b>	<b>18,361</b>

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:

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

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
	<b>280,201</b>	<b>283,267</b>

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)	-
	<b>97,399</b>	<b>104,072</b>	<b>4,797</b>	<b>(14,104)</b>

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)
<b>Balance at December 31</b>	<b>97,399</b>	<b>104,072</b>

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	-
						<b>2,042,747</b>	<b>1,917,729</b>

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
	<b>64,050</b>	<b>226,897</b>	<b>290,947</b>	<b>64,682</b>	<b>289,418</b>	<b>354,100</b>

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:

<b>(Thousands of euros)</b>	<b>2021</b>	<b>2020</b>
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
	<b>290,947</b>	<b>354,100</b>

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
	<b>32,152</b>	<b>208,046</b>	<b>240,199</b>	<b>36,033</b>	<b>233,146</b>	<b>269,179</b>

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:

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

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:

<b>(Thousands of euros)</b>	<b>2021</b>	<b>2020</b>
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)
<b>Balance at December 31</b>	<b>16,068</b>	<b>15,372</b>

## 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
	<b>(12,250)</b>	<b>(64,875)</b>

“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)
	<b>(12,250)</b>	<b>(64,875)</b>

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
	<b>98,595</b>	<b>98,584</b>
<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
	<b>(230,432)</b>	<b>(248,078)</b>

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
		<b>242,948</b>	<b>8,134</b>

*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
	<b>40,201</b>

*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
<b>COST</b>					
Buildings	329,555	42,618	(19,254)	(2,789)	350,131
Vehicles	13,327	1,471	(2,240)	494	13,050
	<b>342,882</b>	<b>44,089</b>	<b>(21,495)</b>	<b>(2,295)</b>	<b>363,181</b>
<b>DEPRECIATION</b>					
Buildings	(80,812)	(40,548)	5,734	(2,475)	(118,101)
Vehicles	(6,480)	(3,926)	2,099	-	(8,307)
	<b>(87,292)</b>	<b>(44,473)</b>	<b>7,833</b>	<b>(2,475)</b>	<b>(126,407)</b>
Impairment losses	-	-	-	-	-
<b>Net carrying amount</b>	<b>255,590</b>	<b>(384)</b>	<b>(13,662)</b>	<b>(4,770)</b>	<b>236,774</b>

#### 2020

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

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)
<b>Balance at December 31</b>	<b>274,281</b>	<b>283,467</b>

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
	<b>274,281</b>	<b>283,467</b>

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)
	<b>78,186</b>	<b>79,922</b>

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
	<b>208,832</b>	<b>202,215</b>

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
	<b>212,191</b>	<b>179,542</b>

## 20.3 Exchange gains (losses)

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

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
	<b>7,589</b>	<b>7,423</b>

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	-
	<b>1,858,307</b>	<b>783,798</b>	<b>1,819,400</b>	<b>834,707</b>

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	-
	<b>37,293</b>	<b>14,276</b>	<b>29,103</b>	<b>13,277</b>

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%	Global Bingo Corporation, S.A. y Global Bingo 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
Casinos 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 Murilo, 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
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
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)*

## CONTENTS

### Consolidated Financial Statements

- Consolidated statement of financial position at December 31, 2020
- Consolidated statement of comprehensive income for the year ended December 31, 2020
- Consolidated statement of changes in equity for the year ended December 31, 2020
- Consolidated cash flow statement for the year ended December 31, 2020
- Notes to the consolidated financial statements for the year ended December 31, 2020

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
<b>Non-current assets</b>		<b>2,973,835</b>	<b>3,272,195</b>
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
<b>Current assets</b>		<b>398,540</b>	<b>341,369</b>
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
<b>Total assets</b>		<b>3,372,375</b>	<b>3,613,564</b>

**EQUITY AND LIABILITIES**

(Thousands of euros)	Notes	2020	2019
<b>Equity</b>		<b>259,146</b>	<b>642,682</b>
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
<b>Non-current liabilities</b>		<b>2,516,394</b>	<b>2,601,970</b>
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
<b>Current liabilities</b>		<b>596,835</b>	<b>368,912</b>
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
<b>Total equity and liabilities</b>		<b>3,372,375</b>	<b>3,613,564</b>

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

<b>(Thousands of euros)</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>CONTINUING OPERATIONS</b>			
Income from gaming activities		1,055,101	1,971,912
Other operating income		73,303	151,949
Bingo prizes		(114,769)	(234,811)
<b>Total operating income</b>		<b>1,013,635</b>	<b>1,889,050</b>
Variable rent		(171,265)	(274,490)
<b>Total operating income net of variable rent</b>	<b>3.1</b>	<b>842,370</b>	<b>1,614,560</b>
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
<b>Profit before tax</b>		<b>(333,618)</b>	<b>26,286</b>
Income tax	18.2	64,875	(14,706)
<b>Net profit/(loss) for the year</b>		<b>(268,743)</b>	<b>11,580</b>
Profit/(loss) for the year attributable to non-controlling interests	13.3	(14,104)	18,248
<b>Profit/(loss) for the year attributable to the Parent</b>		<b>(254,639)</b>	<b>(6,668)</b>

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

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

**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
<b>At January 1, 2019</b>	<b>70,663</b>	<b>635,940</b>	<b>(158,906)</b>	<b>(1,201)</b>	<b>120,261</b>	<b>666,757</b>
Net profit/(loss) for the year 2019	-	-	(6,668)	-	18,248	11,580
Other comprehensive income	-	-	-	4,060	370	4,430
<b>Total 2019 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(6,668)</b>	<b>4,060</b>	<b>18,618</b>	<b>16,010</b>
<b>Other movements:</b>						
Dividends paid	-	-	-	-	(10,783)	(10,783)
Other movements	-	(550)	(31,850)	-	3,098	(29,302)
<b>At December 31, 2019</b>	<b>70,663</b>	<b>635,390</b>	<b>(197,424)</b>	<b>2,859</b>	<b>131,194</b>	<b>642,682</b>
Net profit/(loss) for the year 2020	-	-	(254,639)	-	(14,104)	(268,743)
Other comprehensive income	-	-	-	(88,444)	(4,259)	(92,703)
<b>Total 2020 comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(254,639)</b>	<b>(88,444)</b>	<b>(18,363)</b>	<b>(361,446)</b>
<b>Other movements:</b>						
Dividends paid	-	-	-	-	(5,306)	(5,306)
Other movements	-	(8,597)	(4,734)	-	(3,453)	(16,784)
<b>At December 31, 2020</b>	<b>70,663</b>	<b>626,793</b>	<b>(456,797)</b>	<b>(85,585)</b>	<b>104,072</b>	<b>259,146</b>



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

(Thousands of euros)	Notes	2020	2019
<b>Cash flows from operating activities</b>			
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)
<b>Net cash from operating activities</b>		<b>164,481</b>	<b>377,634</b>
<b>Cash flows from/(used in) investing activities</b>			
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
<b>Net cash used in investing activities</b>		<b>(117,103)</b>	<b>(567,849)</b>
<b>Cash flows from/(used in) financing activities</b>			
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)
<b>Net cash from/(used in) financing activities</b>		<b>82,973</b>	<b>196,900</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>130,351</b>	<b>6,685</b>
<b>Net effect of exchange gains/(losses) on cash</b>		<b>(6,753)</b>	<b>792</b>
<b>Cash and cash equivalents at January 1</b>		<b>159,669</b>	<b>152,192</b>
<b>Cash and cash equivalents at December 31</b>	<b>12</b>	<b>283,267</b>	<b>159,669</b>

**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
			<b>320,147</b>	<b>74,390</b>

(\*) 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
<b>Assets by segment</b>							
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
<b>Total Assets</b>	<b>1,065,144</b>	<b>69,575</b>	<b>1,006,821</b>	<b>303,135</b>	<b>159,406</b>	<b>768,294</b>	<b>3,372,375</b>
<b>Liabilities by segment</b>							
Allocated liabilities	(875,000)	(34,761)	(397,951)	(168,361)	(59,504)	(1,329,574)	(2,865,151)
Unallocated liabilities	-	-	-	-	-	(248,078)	(248,078)
<b>Total Liabilities</b>	<b>(875,000)</b>	<b>(34,761)</b>	<b>(397,951)</b>	<b>(168,361)</b>	<b>(59,504)</b>	<b>(1,577,652)</b>	<b>(3,113,229)</b>
<b>Operating income net of variable rent</b>							
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)	-
<b>Total operating income net of variable rent</b>	<b>466,197</b>	<b>39,810</b>	<b>178,329</b>	<b>94,486</b>	<b>110,468</b>	<b>(46,920)</b>	<b>842,370</b>
<b>Profit/(loss)</b>							
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)
<b>Non-monetary expenses</b>							
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)
<b>Other significant expenses</b>							
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)
<b>Other segment information</b>							
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
<b>Assets by segment</b>							
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
<b>Total Assets</b>	<b>1,192,088</b>	<b>81,011</b>	<b>1,787,310</b>	<b>609,267</b>	<b>204,357</b>	<b>(260,469)</b>	<b>3,613,564</b>
<b>Liabilities by segment</b>							
Allocated liabilities	(821,674)	(31,811)	(371,257)	(198,620)	(40,593)	(1,200,330)	(2,664,285)
Unallocated liabilities	-	-	-	-	-	(306,597)	(306,597)
<b>Total Liabilities</b>	<b>(821,674)</b>	<b>(31,811)</b>	<b>(371,257)</b>	<b>(198,620)</b>	<b>(40,593)</b>	<b>(1,506,927)</b>	<b>(2,970,882)</b>
<b>Operating income net of variable rent</b>							
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)	-
<b>Total operating income net of variable rent</b>	<b>781,297</b>	<b>91,116</b>	<b>539,130</b>	<b>251,660</b>	<b>31,336</b>	<b>(79,979)</b>	<b>1,614,560</b>
<b>Profit/(loss)</b>							
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
<b>Non-monetary expenses</b>							
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)
<b>Other significant expenses</b>							
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)
<b>Other segment information</b>							
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	-
	<b>842,370</b>	<b>-</b>	<b>842,370</b>	<b>3,372,375</b>	<b>125,147</b>

#### 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
	<b>1,614,560</b>	<b>-</b>	<b>1,614,560</b>	<b>3,613,564</b>	<b>153,351</b>

## 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
		<b>392</b>	<b>213</b>	<b>(9)</b>	<b>73</b>	<b>242</b>

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)
	<b>213</b>	<b>103</b>

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)	-	-
		<b>7,752</b>	<b>7,729</b>	<b>(23)</b>	<b>-</b>	<b>-</b>



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)
	<b>7,729</b>	<b>(254)</b>

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
	<b>1,219,064</b>	<b>2,037</b>	<b>7,508</b>	<b>1,228,609</b>

### 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
	<b>968,100</b>	<b>241,799</b>	<b>9,165</b>	<b>1,219,064</b>

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
<b>COST</b>						
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
	<b>1,736,752</b>	<b>68,559</b>	<b>(31,524)</b>	<b>551</b>	<b>(101,254)</b>	<b>1,673,084</b>
<b>AMORTIZATION</b>						
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)
	<b>(516,674)</b>	<b>(158,819)</b>	<b>26,397</b>	<b>-</b>	<b>3,656</b>	<b>(645,440)</b>
Impairment losses	(13,129)	(13,115)	1,032	-	7	(25,205)
<b>Net carrying amount</b>	<b>1,206,949</b>	<b>(103,375)</b>	<b>(4,095)</b>	<b>551</b>	<b>(97,591)</b>	<b>1,002,439</b>

## 2019

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2019
<b>COST</b>						
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
	<b>1,483,245</b>	<b>282,807</b>	<b>(53,555)</b>	<b>358</b>	<b>23,897</b>	<b>1,736,752</b>
<b>AMORTIZATION</b>						
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)
	<b>(374,700)</b>	<b>(190,470)</b>	<b>50,036</b>	<b>-</b>	<b>(1,540)</b>	<b>(516,674)</b>
Impairment losses	(4,869)	(9,360)	1,102	-	(2)	(13,129)
<b>Net carrying amount</b>	<b>1,103,676</b>	<b>82,977</b>	<b>(2,417)</b>	<b>358</b>	<b>22,355</b>	<b>1,206,949</b>

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
<b>Cost</b>						
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
	<b>1,368,163</b>	<b>76,509</b>	<b>(64,495)</b>	<b>(551)</b>	<b>(84,907)</b>	<b>1,294,719</b>
<b>Depreciation</b>						
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)
	<b>(965,102)</b>	<b>(108,983)</b>	<b>42,415</b>	<b>-</b>	<b>61,045</b>	<b>(970,625)</b>
Impairment losses	<b>(5,492)</b>	<b>(1,719)</b>	<b>1,624</b>	<b>-</b>	<b>401</b>	<b>(5,186)</b>
<b>Net carrying amount</b>	<b>397,569</b>	<b>(34,193)</b>	<b>(20,456)</b>	<b>(551)</b>	<b>(23,461)</b>	<b>318,908</b>

## 2019

(Thousands of euros)	Balance at January 1, 2019	Additions	Disposals	Transfers	Currency translation differences and other changes	Balance at December 31, 2019
<b>Cost</b>						
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
	<b>1,115,184</b>	<b>328,391</b>	<b>(90,932)</b>	<b>(358)</b>	<b>15,878</b>	<b>1,368,163</b>
<b>Depreciation</b>						
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)
	<b>(813,012)</b>	<b>(201,459)</b>	<b>60,692</b>	<b>-</b>	<b>(11,323)</b>	<b>(965,102)</b>
Impairment losses	<b>(4,711)</b>	<b>(13,020)</b>	<b>12,328</b>		<b>(89)</b>	<b>(5,492)</b>
<b>Net carrying amount</b>	<b>297,461</b>	<b>113,912</b>	<b>(17,912)</b>	<b>(358)</b>	<b>4,466</b>	<b>397,569</b>

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

<b>(Thousands of euros)</b>	<b>Book value of the investment</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Operating revenue</b>	<b>Profit/(loss) for the period</b>
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)
	<b>29,349</b>	<b>49,478</b>	<b>30,348</b>	<b>77,679</b>	<b>(5,759)</b>

## 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
	<b>32,887</b>				

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)
<b>Balance at December 31</b>	<b>29,349</b>	<b>32,887</b>

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
	<b>40,775</b>	<b>125,034</b>	<b>165,809</b>	<b>49,686</b>	<b>189,647</b>	<b>239,333</b>
Impairment losses	(419)	(37,344)	(37,763)	(434)	(37,426)	(37,860)
	<b>40,356</b>	<b>87,690</b>	<b>128,046</b>	<b>49,252</b>	<b>152,221</b>	<b>201,473</b>

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:

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

(\*) 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:

<b>(Thousands of euros)</b>	<b>2020</b>	<b>2019</b>
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	-
	<b>1,705</b>	<b>3,408</b>

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:

<b>(Thousands of euros)</b>	<b>2020</b>	<b>2019</b>
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
	<b>23,441</b>	<b>29,873</b>

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

<b>(Thousands of euros)</b>	<b>2020</b>	<b>2019</b>
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
	<b>23,441</b>	<b>29,873</b>

### Trade and other receivables

This caption consists of the following balances:

<b>(Thousands of euros)</b>	<b>2020</b>	<b>2019</b>
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
	<b>77,915</b>	<b>115,595</b>

*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:

<b>(Thousands of euros)</b>	<b>2020</b>	<b>2019</b>
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
<b>Balance at December 31</b>	<b>37,344</b>	<b>37,426</b>

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
	<b>18,361</b>	<b>20,029</b>

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)
<b>Balance at December 31</b>	<b>1,634</b>	<b>1,022</b>

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
	<b>283,267</b>	<b>159,669</b>

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
	<b>104,072</b>	<b>131,194</b>	<b>(14,104)</b>	<b>18,248</b>

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)
<b>Balance at December 31</b>	<b>104,072</b>	<b>131,194</b>

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
	<b>64,682</b>	<b>289,418</b>	<b>354,100</b>	<b>40,423</b>	<b>51,366</b>	<b>91,789</b>

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
	<b>354,100</b>	<b>91,789</b>

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
	<b>36,033</b>	<b>233,146</b>	<b>269,179</b>	<b>42,932</b>	<b>196,204</b>	<b>239,136</b>

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
<b>Balance at December 31</b>	<b>15,372</b>	<b>14,735</b>

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
<b>Balance at December 31</b>	<b>15,372</b>	<b>14,735</b>

## 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)
	<b>(64,875)</b>	<b>14,706</b>

'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)
	<b>(64,875)</b>	<b>14,706</b>

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

<b>(Thousands of euros)</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
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
	<b>98,584</b>	<b>61,337</b>
<b>Liabilities</b>		
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)
	<b>(248,078)</b>	<b>(306,597)</b>

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
	<b>248,707</b>	<b>9,019</b>

*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
		<b>42,922</b>

*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
<b>COST</b>					
Buildings	340,921	340,921	(14,457)	(28,837)	329,555
Vehicles	11,050	3,645	(1,278)	(91)	13,326
	<b>351,971</b>	<b>35,573</b>	<b>(15,735)</b>	<b>(28,928)</b>	<b>342,881</b>
<b>DEPRECIATION</b>					
Buildings	(43,542)	(43,683)	2,084	4,328	(80,812)
Vehicles	(3,291)	(4,470)	1,258	24	(6,480)
	<b>(46,833)</b>	<b>(48,153)</b>	<b>3,342</b>	<b>4,353</b>	<b>(87,292)</b>
Impairment losses	-	-	-	-	-
<b>Net carrying amount</b>	<b>305,137</b>	<b>(12,580)</b>	<b>(12,394)</b>	<b>(24,575)</b>	<b>255,589</b>

#### 2019

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

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)
<b>Balance at December 31</b>	<b>283,467</b>	<b>314,261</b>

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
	<b>283,467</b>	<b>314,261</b>

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
	<b>80,846</b>	<b>93,064</b>

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
	<b>202,215</b>	<b>267,898</b>

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
	<b>179,542</b>	<b>235,474</b>

## 20.3 Exchange gains (losses)

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

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
	<b>7,423</b>	<b>7,624</b>

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	-
	<b>1,819,400</b>	<b>834,707</b>	<b>1,776,539</b>	<b>595,806</b>

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	-
	<b>29,103</b>	<b>13,277</b>	<b>58,716</b>	<b>16,105</b>

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 Participações, 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
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
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.	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.	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.	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.	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%	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%	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.	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 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.	Av. George Washington, centro comercial	Malecón	Santo Domingo
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