

Q1-2021 results and strategy update



June 16th 2021



Disclaimer

This presentation includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends", "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause such actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements, specially due to the extent of the impact of the COVID-19 pandemic, including the duration, spread, severity, and any recurrence of the COVID-19 pandemic and the duration and scope of related government orders and restrictions in our activities.

We urge you to read the sections of our **2020 Annual Report** dated April 27, 2021 entitled "Risk Factors," "Operating and Financial Review and Prospects" and "Business" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this interim report may not occur.

We undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this interim report and the Annual Report.

Introduction to presenters



Joaquim Agut
Chief Executive Officer



Antonio Hostench
Corporate Development &
Strategy



Antoni Grau
Chief Financial Officer



Miquel Vizcaíno
Chief Legal Officer

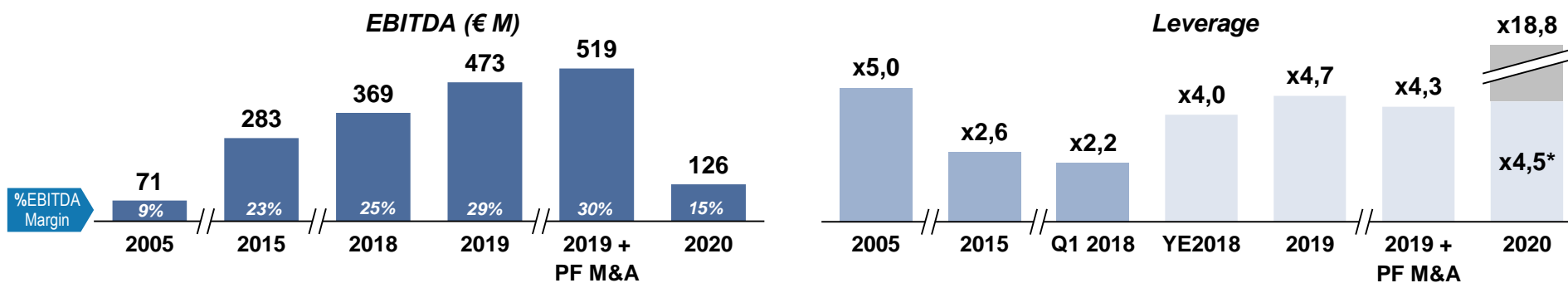


Juan Antonio Turull
Financial Controller

Executive summary (1/2)

1. Strong financial performance since July 2006 until Covid-19 breakthrough in March'20

- **Current management team** took over Cirsa in **July 2006**. Since then:
 - Always delivered consistently all financial commitments: **CAGR'05-'19 Revenues +5% & EBITDA +15%**
 - De-levered substantially from **5,0x to 2,2x (Q1'18)**
- **July'18 Blackstone** acquired Cirsa. Blackstone contributes with **strong financial markets knowledge and muscle**, fully supporting Cirsa's strategy:
 - **Profitable growth, business consolidation & selective acquisitions**
 - Develops a winning **omni-channel** business model
 - **Achieves solid leadership position** in the different markets
 - Enjoys a **unique diversification portfolio** by **geography** and **business segment**
 - **Keeps delivering excellent results:**



- Feb/March'20 **Covid pandemic broke 54 consecutive quarters** of YoY EBITDA growth, with a **severe impact** on our 2020 results but **keeping a solid cash position** (+267M March'21) and a **slight increase of the Net Financial Debt** (+7% on May'21 vs March'20)

Executive summary (2/2)

2. During 2020 and Q1'21 we implemented an aggressive Covid-19 plan based in three pillars ...

- **Preserve cash position through aggressive fixed cost reduction, emergency cash plan and increase liquidity**
- **Look after employees and customers' health security ("Juega Seguro" program)**
- **Execute immediately a "reopening" program to maximize revenue and EBITDA recovery:**
 - **Solid CRM/marketing plans** by segment and country
 - **To be #1 coming back** in all markets, growing and consolidating customer base
 - Give an **extra push to our digital business** leveraging our wide customer base

... and, despite business restrictions, all our B2C Businesses showed a fast recovery after first 2 months of operations restart with revenues at 70%-95% vs same period 2019 depending on Business Unit / Geography / restrictions

3. After a tough starting of 2021, with specific regions restrictions for Gaming, the business is recovering fast in all markets which should position Cirsa very close to 2019 running rate by Q4'21. Key factor for restrictions release is vaccination progress

- **Operations status:** as of June 12th, **96,6% of total slots are operating**. **Current restrictions** (mostly from **opening hours and capacity**) result in **83,2% of available productive hours** vs a "non restrictions" scenario
 - Remaining **3,4% of non operating slots** correspond to **Morocco**, Italy (23% of the country still "gaming" closed) **and one casino in México**
- **Current vaccination progress, the key element to facilitate the release of business restrictions, should take us to a "normality" scenario** during second half of this year:
 - **Europe's vaccination coverage** (Spain 44,8%, Italy 47,9%) is expected to reach the 70% hurdle to turn into a total **release of restrictions by Q3**
 - **In Latam; with vaccination at lower speed** (partially compensated by a **much younger population**) **"normality" to be achieved by the end of 2021**
- The **fast revenue recovery**, supported by our CRM processes, and a **strict cost and investment control**, is leading to a **progressive EBITDA improvement** with a **positive Free Cash Flow generation** (incl. monthly prorated financial cost), already achieved month on month **since March**
 - **EBITDA: Q1'21 €28,6M; F2Q'21 €80-82M (2,8x Q1'21)**
 - **NFD in May'21 of €2.395M, +5,7% increase since the pandemic started (March'20)**
 - **Current cash availability (cash + unused credit facilities) of €302 M**



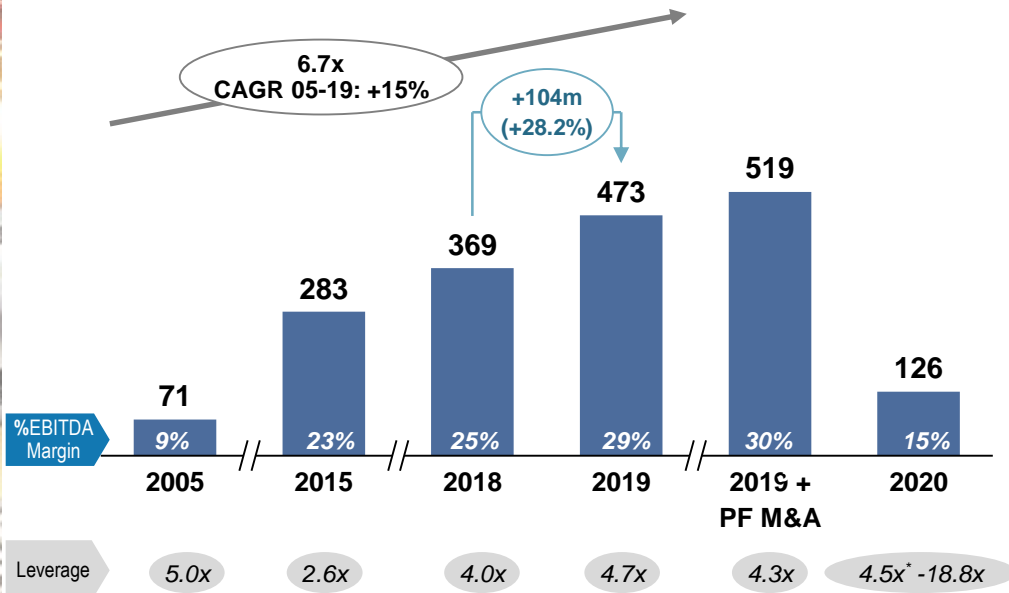
1. Cirsa's historical track-record

2. 2020&2021 business update and Covid restrictions

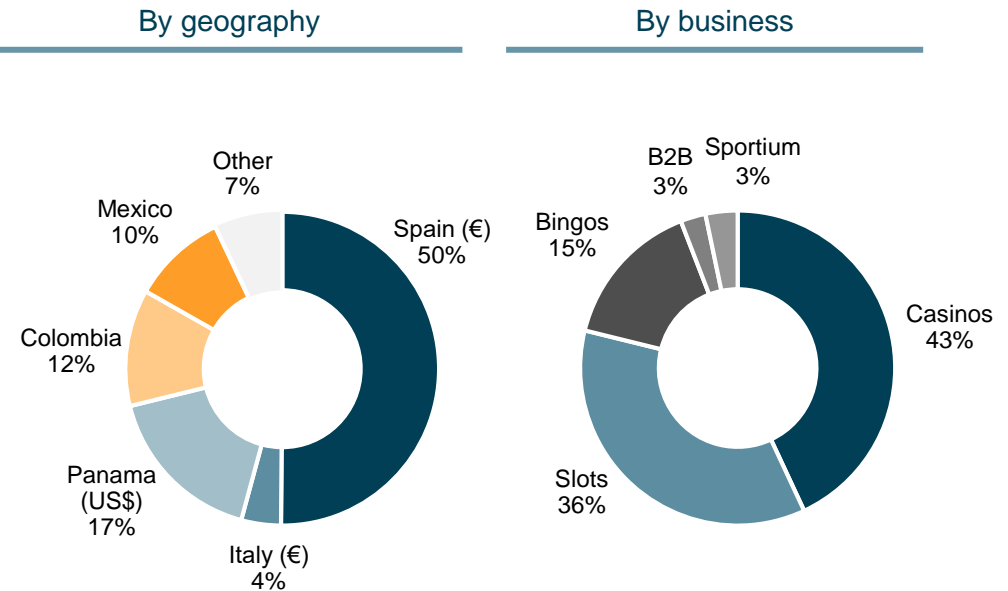
3. 2021 results and outlook

Strong financial performance since 2006 supported by a unique diversification; market credibility for Cirsa's reliability in delivering all financial commitments

EBITDA (€m) and EBITDA margin %



PF EBITDA 2019 breakdown



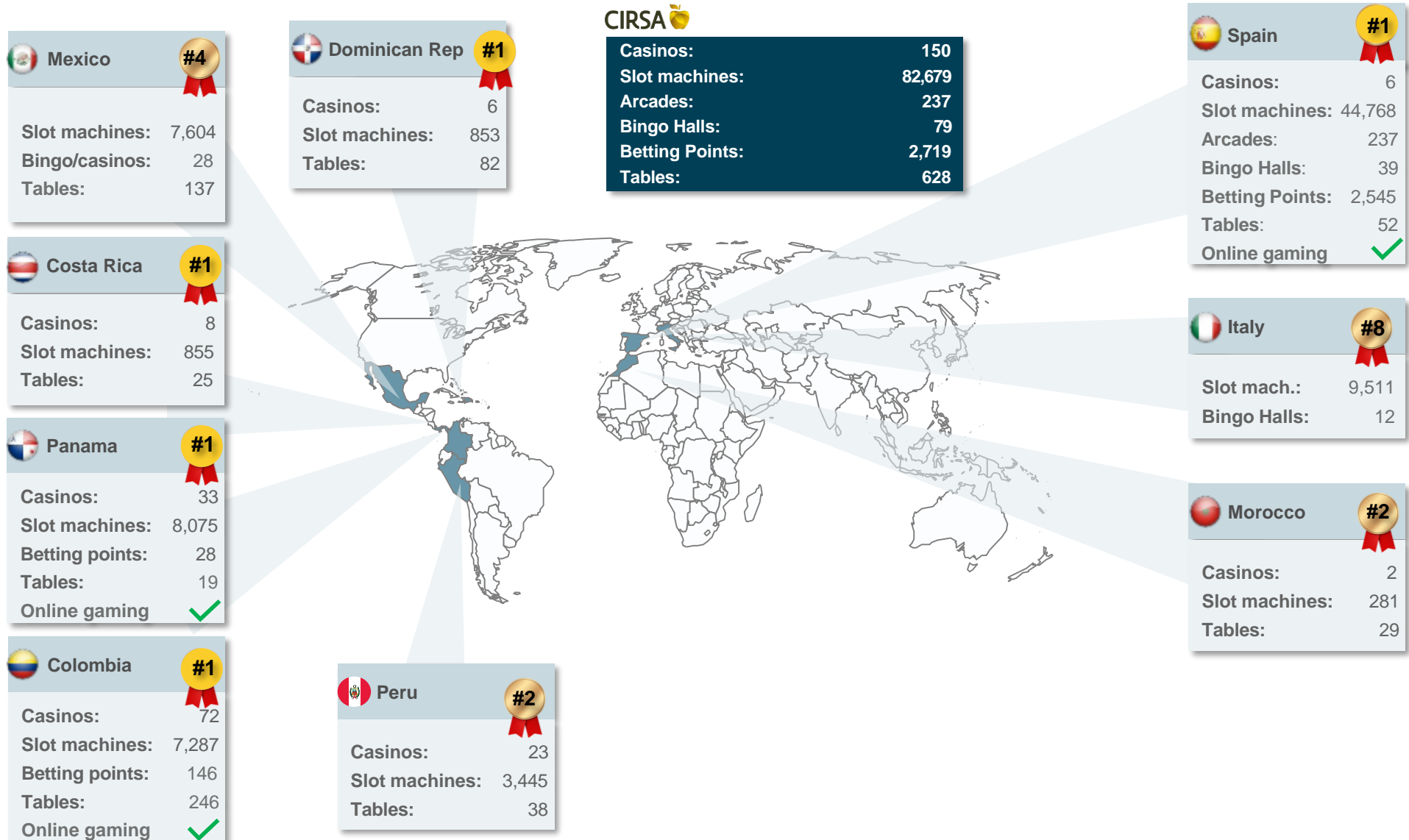
- **6.7x EBITDA improvement** (€71M '05 to €473M '19), following **54 quarters of consecutive YoY EBITDA growth**
- **3.2x EBITDA margin improvement** on revenues (9% in '05 to 29% in '19)
- **Leverage ratio reduction** from **5.0x (Dec'05)** to **2.2x (Jun'18, pre-BX transaction)** and **4.3x (Dec'19, post-BX transaction)**
- **COVID-19 broke 54QoQ** (from July'06-Feb'20) continuous **EBITDA growth**

- **Unique diversification portfolio by geography and business segment**
- **Hard currencies** account for **71% of EBITDA** (54% Euros; 17% USD)
- Cirsa **proactively manages** its **geographical and business** units mix to **maximize profitability**
- **Omni-channel and multi-product** business model: 150 casinos, 237 arcades, over 82,500 slot machines, 79 bingo halls, >2,700 betting locations and Sportium's online gaming across countries
- **Significant online growth** supported by **#1 Retail footprint**, key in our geographies

Back to Cirsa's delivery commitment ... after pandemic parenthesis, ready to recover 2019 run rates before year end with a balanced business portfolio

Diversified geographical presence in 9 countries with 150 casinos, 83K slots, 237 arcades, 79 bingos, 2.7K betting points and online gaming in 3 markets

Cirsa's Product Offering by Geography (as of Mar-21; number of assets)

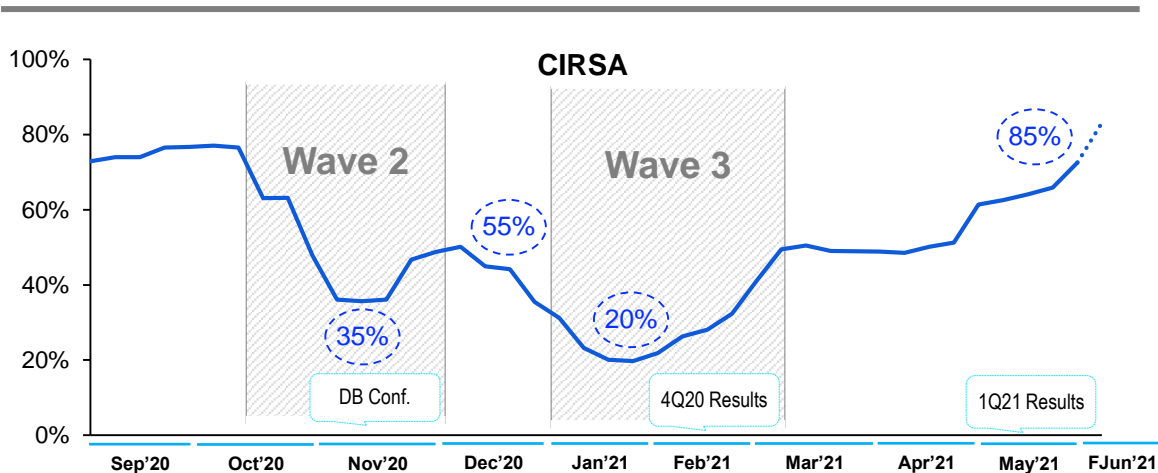




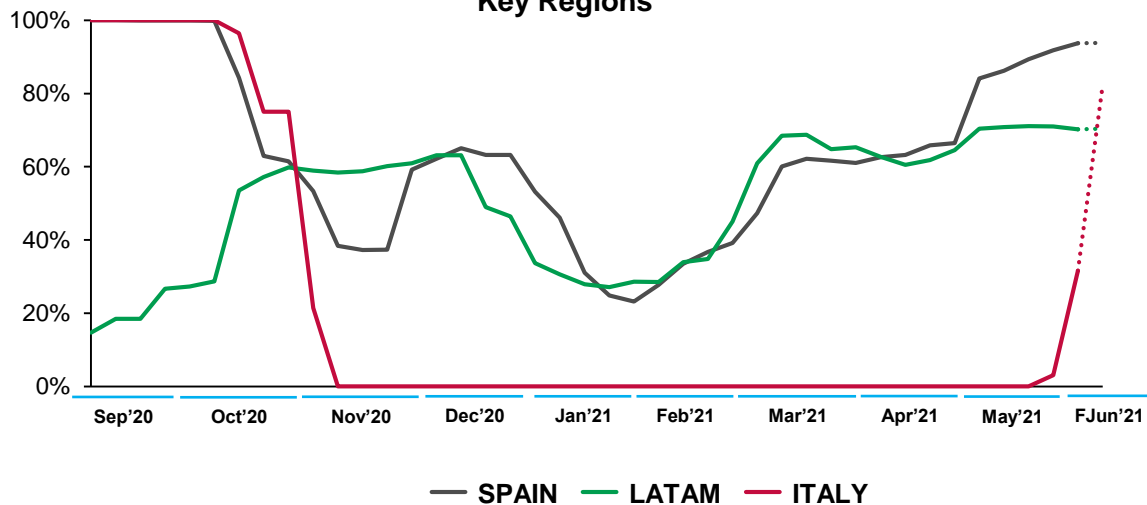
1. Cirsa's historical track-record and 2020 performance
- 2. 2021 business update and Covid restrictions**
3. 2021 results and outlook

Restrictions update summary

% of productive hours vs Total



Key Regions



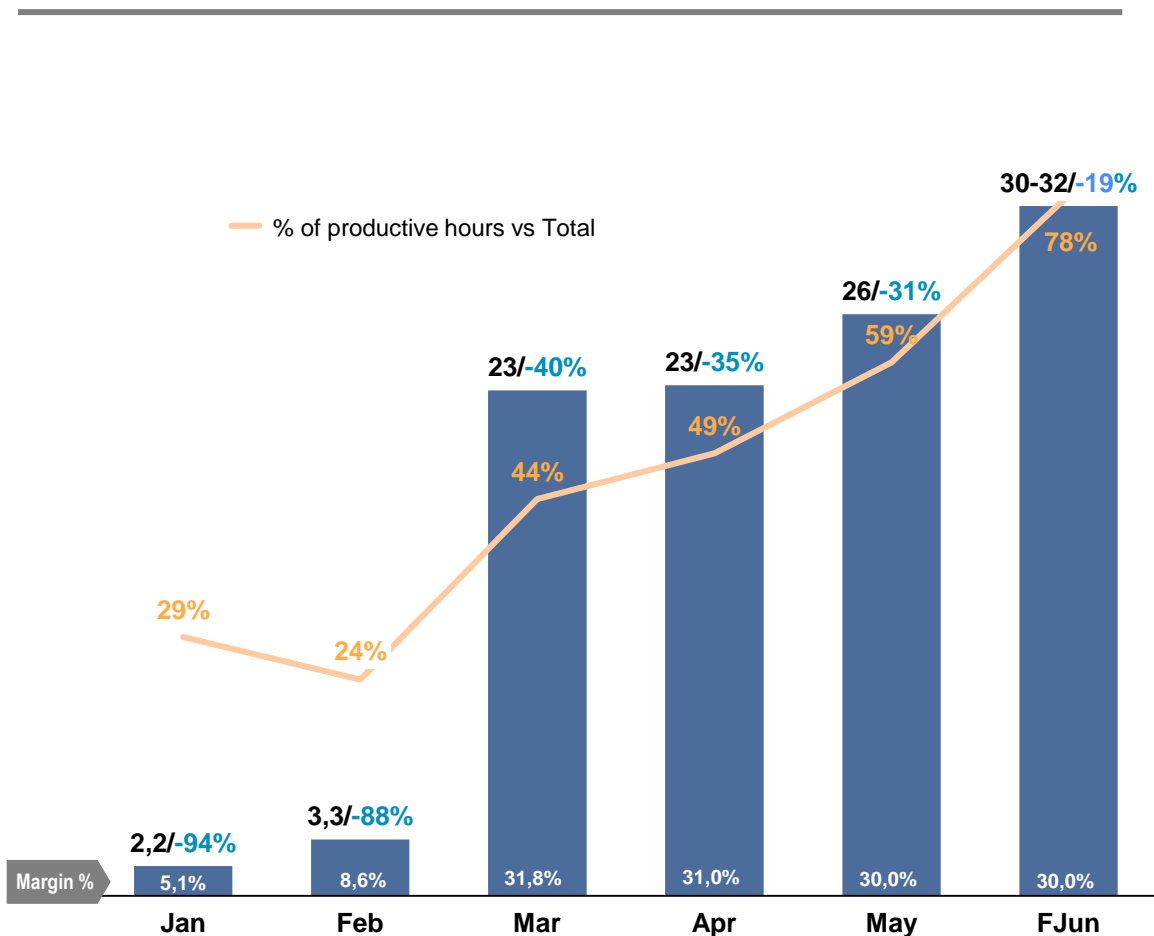
Highlights

- After the **first lock-down started in March'20**, our **European business reopened during June-July'20** while **Latam countries started to reopen during mid September**. Minor restrictions in the bar segment in Europe besides the personal restricted mobility
- **Wave 2:** pandemic worsening during October turned into a **full closure in Italy and severe restrictions in Spain and Latam ...**
 - **Continuous opening&closures**
 - **Opening hours & curfew restrictions**, no night hours
 - **Capacity:** hall capacity or slots limitations
 - **Non-gaming offer bans** (F&B, events, smoking)
 - **>60-year-old** customers prohibited, etc

...all that **took our potential productive hours to a 35% level vs 2019**
- **Wave 3:** after we reached capacity levels at 55% by the end of 2020 we faced **new tougher restrictions during Jan-Feb** with **productive hours falling to 20%**
- **Since mid March'21, progressive restrictions release in Spain, later in Latam and since June in Italy**, representing an overall productive hours improvement **>85%**, although still subject to specific restrictions by country / business segment impacting gaming demand
- From now on, **unpredictable restrictions impact will depend on vaccination** progress

Restrictions update summary

2021 Monthly EBITDA (€M; %V vs 2019)



Highlights

- **Jan & Feb: closures and toughest restrictions across all geographies** since June'20 led to **lowest capacity** levels (25-30%) and **EBITDA (2-3M)**
- **Restrictions release since March** supporting continuous results improvement
- **Apr & May:**
 - **All business grew with restrictions**
 - Latam "stop & go" across
 - **Italy & Morocco closed**
- **June:**
 - Improved many restrictions
 - Vaccination progressing:
 - Spain 44,8% & Italy 47,9%
 - Latam 19,1%, improving
 - **Spain, all business open since w21**, closing hours depending on region (22h to 2 am)
 - **Latam: operating hours stable** since w18. **Stop & go across**
 - **Colombia: Back to March** operational capacity (w23 at 88%). **Social unrest** across the country
 - **Panama: -2h/day** in 27/33 halls, 3 halls in the north, weekend lockdowns
 - **Mexico: open 27/28, tough restrictions**
 - **Italy: reopened** in 1/06/21 in Friuli (3%). 14/06 65% of AWP's & 90% VLT's back in place
 - **Morocco: closed & no news**

Business Units performance highlights since re-opening up to June 12th

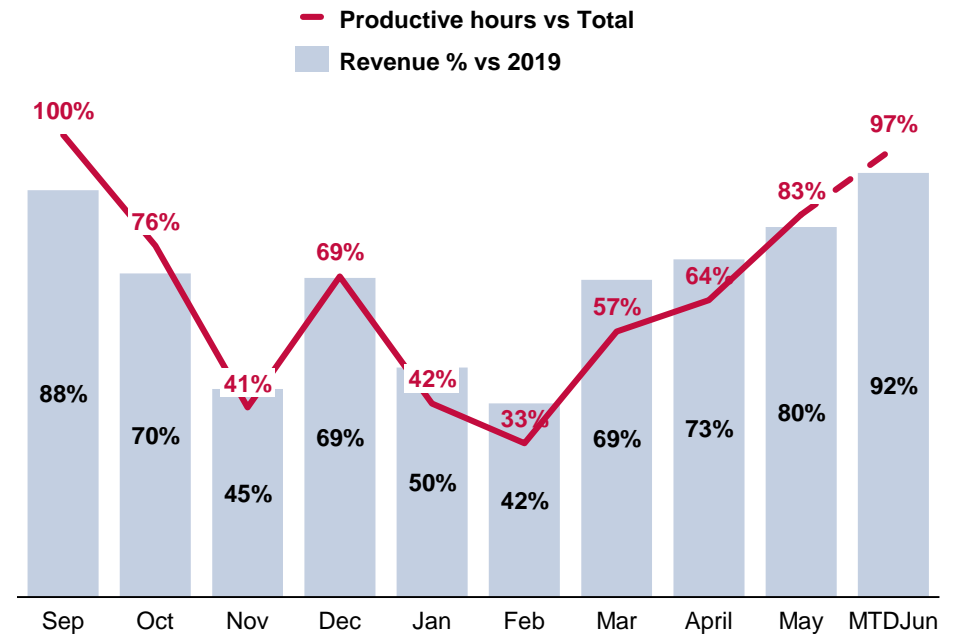
Slot route operations: Spain & Italy

Total revenues vs 2019 (%)

Slot route operations business

- **Spain:**
 - **Rapidly** after first reopening in 6/2020 **consolidated 85-90% revs** vs 2019 before restrictions on operating hours & capacity
 - Under curfews and operational restrictions slots route business proved its resilience and delivered ▲%revenue >▲% op. hours
 - **End of May & June revenues at 93%** of 2019, -13% in volume and +6% in rev/slot
 - **Management focus** on:
 - **POS contracts renewal and terms renegotiation**
 - **New POS & bars reopening's** (top revenue segments)
 - **Product** improvement to gain users & deliver + rev/slot
 - **Adapt cost** (labour&taxes) to available operational capacity
- **Italy**
 - AWP performance similar to Spain & VLT segment impacted by sanitary card regulation
 - **Reopened gradually along June** after 7 months of closure

Slots Spain



Arcades

- **All POS opened from end of May** but still affected by limited opening hours & capacity
- **Revenue at 92% vs 2019** and **visits 87%**
- **94% VIP clients** and **86% mass segment recovered**
- **Management focus** on:
 - Increase visits/customer and €/visit-customer
 - **Improve former standard cost** structure

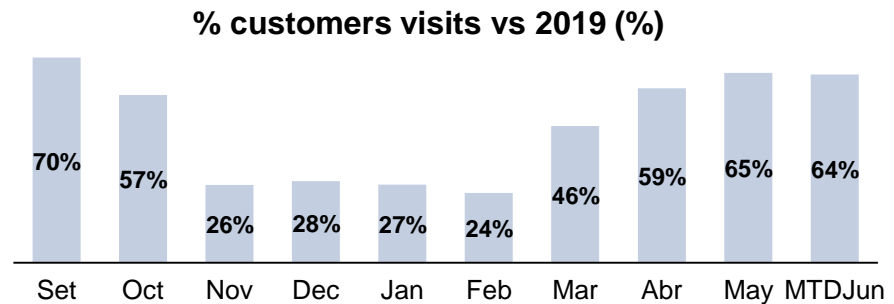
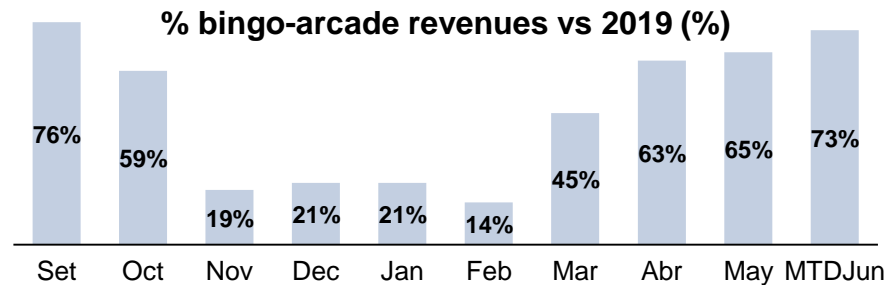
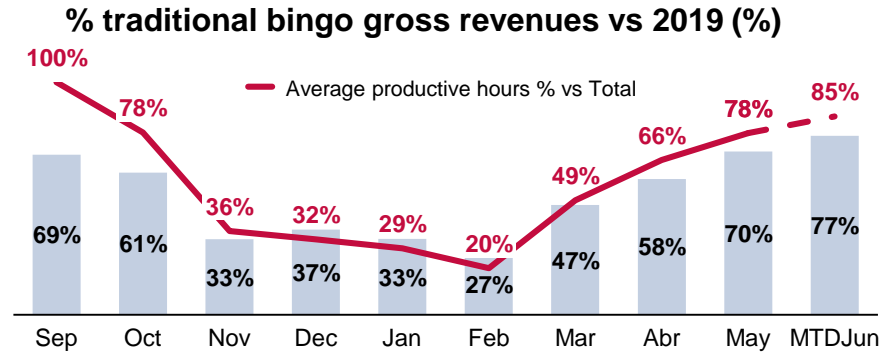
Fast revenue recovery both in Spain & Italy despite new Covid-19 local restrictions

Business Units performance highlights since re-opening up to June 12th

Bingos Spain

- **All POS opened again** since mid May but conditioned by opening hours, capacity restrictions, F&B ban and older customer base confidence
 - **Strong impact of curfews and people mobility from mid October** as >55% of revenues were made after 8pm
 - **Capacity and F&B offer restrictions** also hampering customer recovery and reducing rev/visit (shorter visit time)
- **Revenues consolidated at >70%**, May&June projection vs 2019, when closing hours set at midnight or later
 - **Traditional bingo** (older customer base) **gradually recovering pre-Covid levels.**
 - **88% of customers recovered** (VIPs and massive)
 - **9% Traditional bingo customers more sensitivity** to re-visit halls
 - In-bingo arcades MTD performing at >70%

Total revenues vs 2019 (%)



Bingo successful reopening (>70% vs 2019) despite restrictions and traditional bingo clients higher sensitivity to Covid vs other gaming segments

Business Units performance highlights since re-opening up to June 12th

Casinos

- All casinos open except Morocco (2) and Mexico (1/28)
- Rapid revenue recovery, >70% 2019 level in first two moths. Countries/regions with less stop&go issues already achieved “yields” >100%
- Operational restrictions depending on vaccination evolution and different national/regional/local authorities’ decisions
- Restrictions - bans:
 - Opening- closing hours with special impact at night and weekends
 - Capacity limitations and limited number of slots
 - Smoking, Shows and F&B
 - Mobility limitations across countries
 - Customer base > 60 in Mexico, etc
- Governments’ approach to 2nd and 3rd waves more **business friendly**, implementing tougher mobility restrictions or weekend lockdowns rather than full lockdowns
- Remarkable **cost management ensuring margin EBITDA/revenues** reach at least '19 levels
- Management focus on:
 - Recover customer base
 - Increase visits and €/visit
 - Consolidate **labour cost improvements** achieved during Covid

Status by country (May)

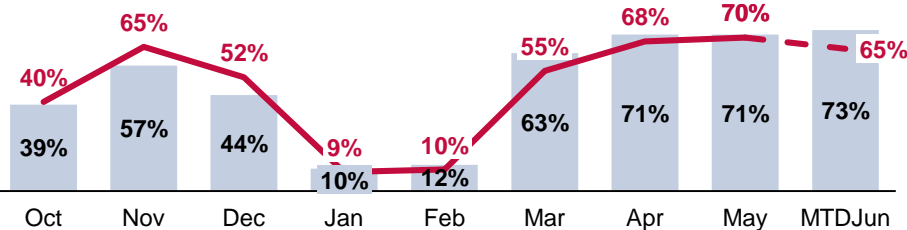
Countries (closing time)	Opened casinos (#/total) in May	Restrictions (% of productive hours Total) [A] May	Achieved % slot win (LC) in May vs 05/2019 [B]	% “Yield” (B/A)
Colombia (8pm/11pm)	72/72	69%	72%	104%
Panama (9pm/11pm)	33/33	70%	71%	101%
Mexico (10pm/3am)	27/28	75%	52%	69%
Spain (10pm/2am)	4/4	71%	68%	96%
Dom. Rep. (6pm/10pm)	6/6	70%	100%	143%
Costa Rica (9pm)	8/8	53%	55%	104%
Peru (8pm)	23/23	47%	55%	117%
Morocco	0 / 2	-	-	-

Good performance in all markets despite hard restrictions & slow vaccination progress in Latam vs Europe (2-3 months)

Monthly performance highlights since re-opening up to June 12th. Latam Casinos

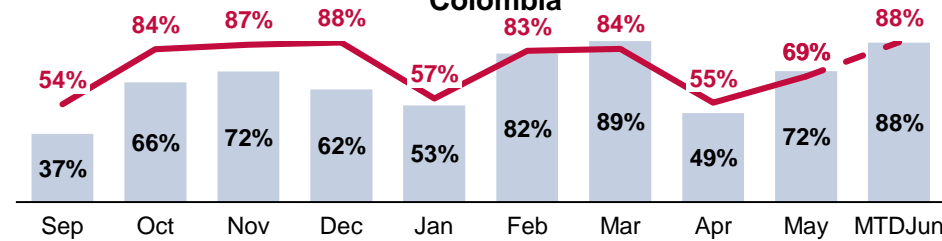
— Average productive hours % vs Total
 ■ Slots win % vs 2019 (LC)

Panama



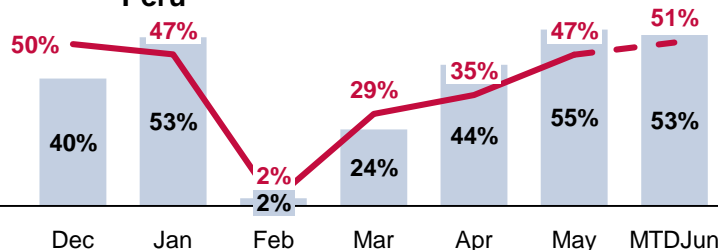
- 1st reopening on Oct 12th 2020 but Panama City Halls closed again right after Xmas
- All halls open since mid March 2021 and revenues >70% with 70% operating hours

Colombia



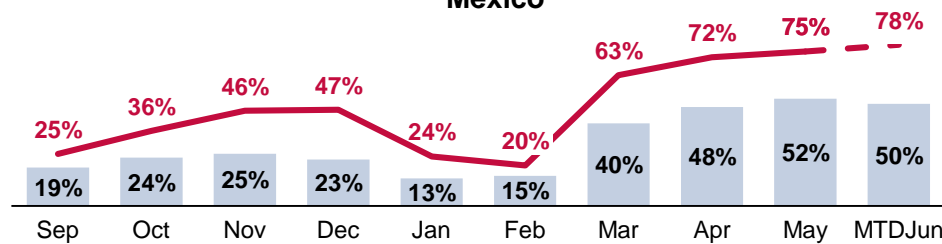
- Business friendly government, new waves dealt without long lockdowns. April / May impacted by social unrest, now under control
- Revenues get quickly >80% recurrently under "normal" restrictions

Peru



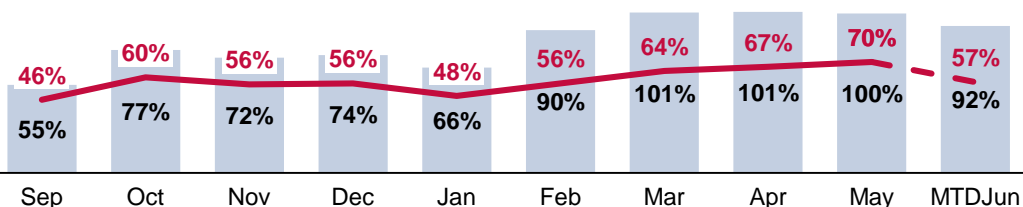
- Last Latam country to reopen, mid Dec'20, and pandemic situation still very complex
- All casinos open until 8pm & additional restrictions hampering revenue recovery

México



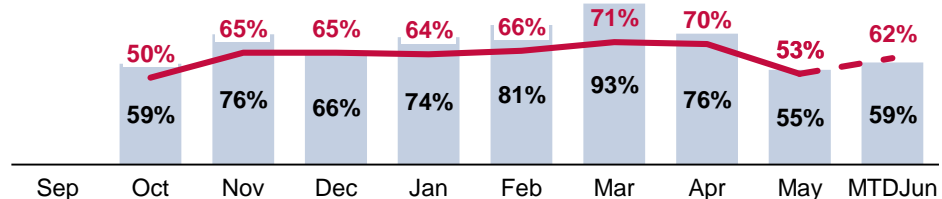
- Higher operating stability but with hardest restrictions across Latam
- 27 of 28 casinos operating and improving month on month

Dominican Republic



- All casinos open since Sep'20 and closing hours ranging 6pm-9pm
- Excellent Rev&EBITDA performance, Mar-May ≥ '19 in LC

Costa Rica



- All casinos open since beginning of Oct'20
- Revenues consolidated at >85% but new restrictions in April / May due to Covid have slow down revenues

All business open and managing continuous changes on restrictions, cost savings sustainability and keeping/growing customer base

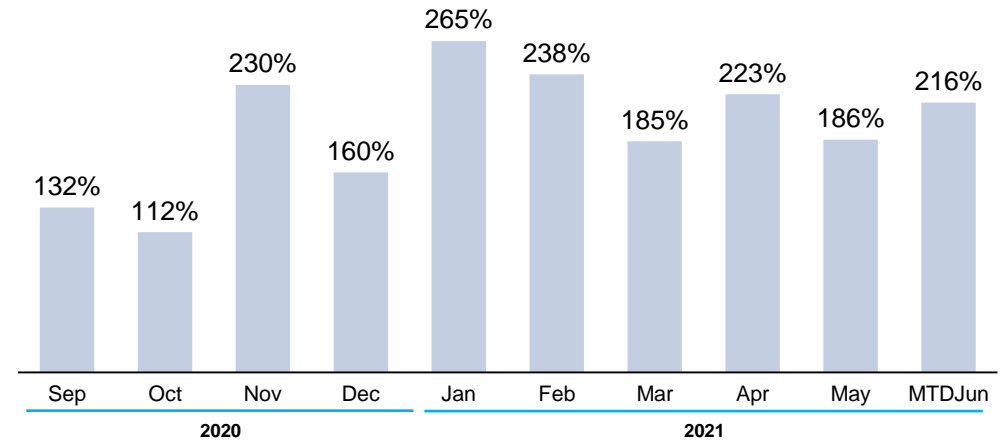
Business Units performance highlights since re-opening up to June 12th

Sportium: sports betting and Online BU

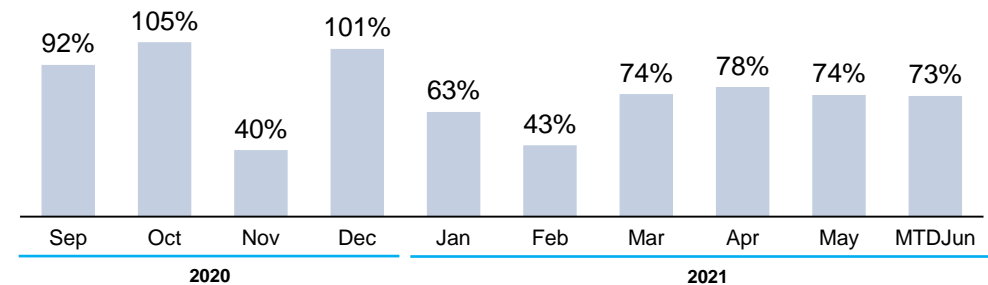
- **Online gaming remained very strong** during pandemic due to:
 - **Cross-selling sports clients to casino&poker**
 - **Off to online cross selling** campaigns from all our Retail businesses prior to retail closure
 - Highly competitive and **exclusive casino and slots offer**
- Once sports events restarted (still limited offer vs pre-Covid), **online&off-line sports betting recovered >90%** previous levels although **sports offer** was still **limited in several important sports segments (i.e.: tennis)**
- Continuous organic growth supported by **business consolidation projects and expansion in Latam**
- **Management focus** on:
 - New market approach under **new decree** (publicity ban) from May and September
 - Product improvement
 - Expansion in Latam and **selective m&a**
 - IT insourcing project to improve cost and service

Total revenues vs 2019 (%)

Online sports betting & casino



Retail sports betting



Excellent growth in online gaming to support future expansion. On/offline combination proved to be a competitive advantage



1. Cirsa's historical track-record and 2020 performance
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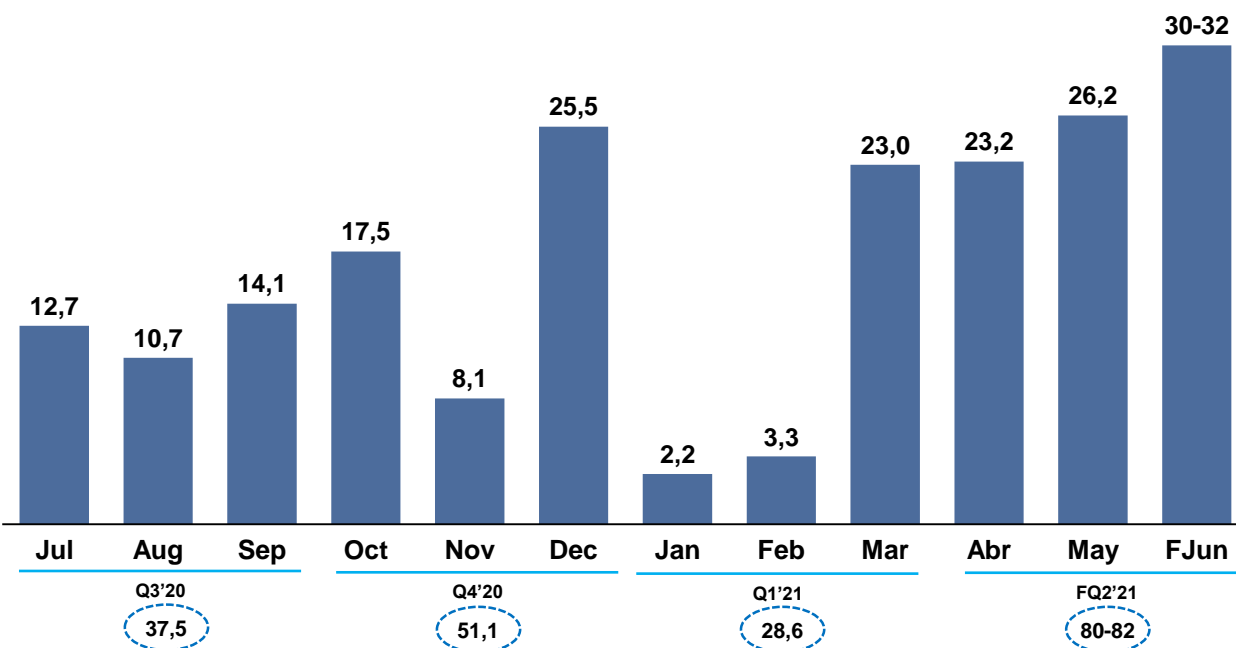
Monthly performance July'20-FJune'21

EBITDA €M

Highlights

P2019 monthly EBITDA

43

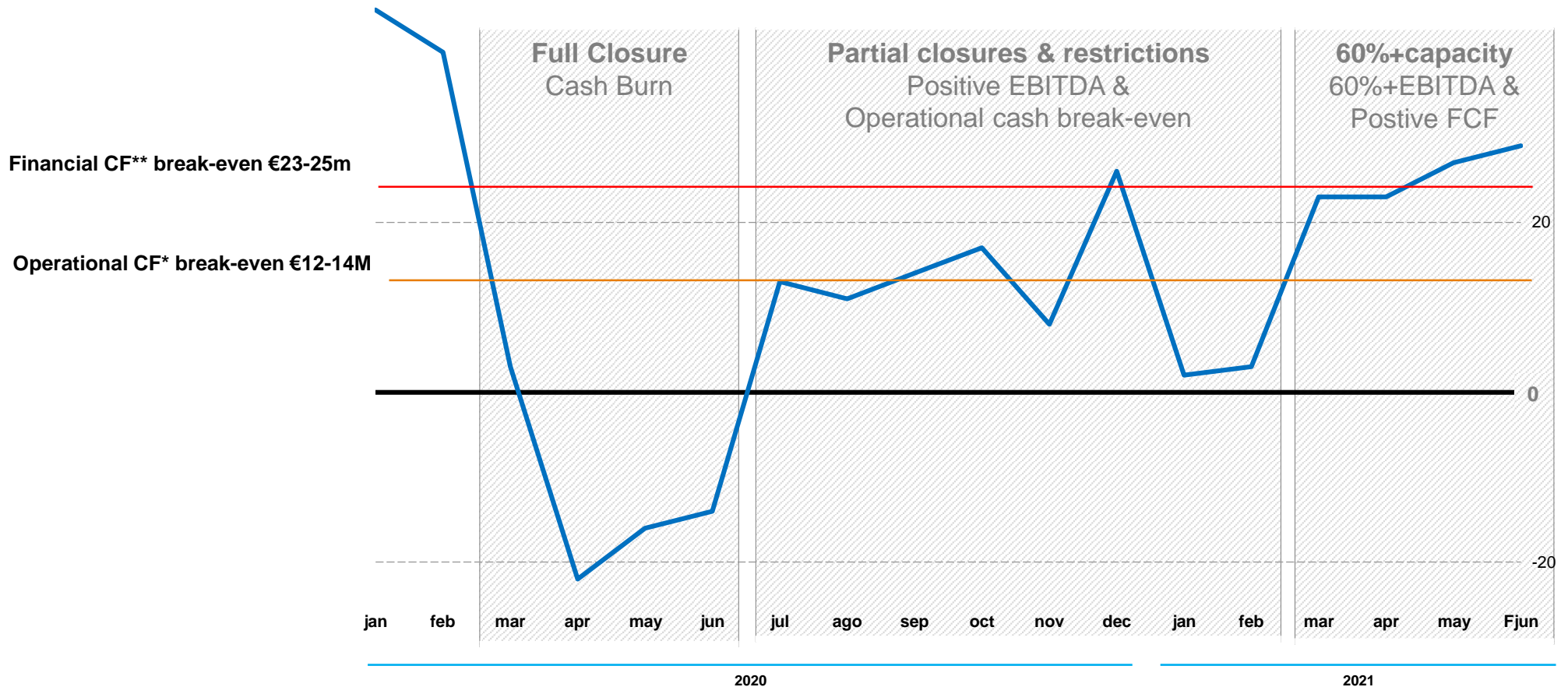


- **Jan & Feb** (EBITDA 2,2M & 3,3M): **toughest restrictions** in Europe & Latam since 1st wave with **productive hours at <30%**
- **March** (EBITDA 23,0M): **trend change** and general **reopening in Spain & Panama with restrictions**. Excellent performance in **Colombia, Costa Rica, Dominican R.** Vaccination advancing quickly in Europe
- **Apr & May** (EBITDA 23,2M & 26,2M): **consolidate positive** trend of March. **Stop&go** issues in some countries/regions and social unrest protest in **Colombia** partially offsetting **Spain increase in operating hours**.
- **June** (EBITDA 30-32M):
 - **Europe: lifting most restrictions in Spain & reopening of Italy**
 - **Latam** improving but still facing **hard restrictions in some regions**
 - **Vaccination** should reach **~50%** population in **Europe** and **~25%** in **Latam** by end of month

Consistent growth month after month since March with FQ2'21 at 80-82M, closing EBITDA gap vs 2019

EBITDA and Cash generation 2020-2021

Monthly EBITDA (€M)



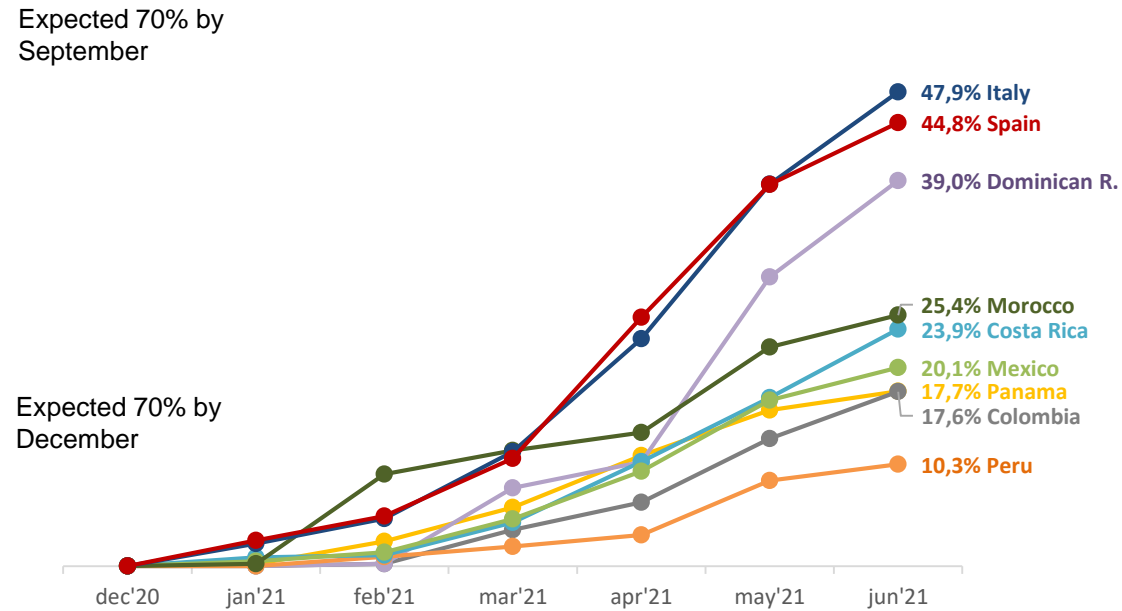
- **Fast revenue recovery has been a key driver to achieve break-even Operational Cash Flow immediately after re-openings**
- **Cost reductions and capex management during the whole pandemic period explain the limited level of cash burn and allow for positive Financial Cash Flow from only 60% of pre-pandemic operational hours**

Vaccination update @ 13/06/21

	Total Population	% of Population > 65y.	People who received at least one dose of COVID-19 vaccine (0/1/00 figures)	
			# hab.	% Total
Spain	46,8 M	19,4%	20.964 K	44,8%
Italy	60,5 M	23,0%	28.971 K	47,9%
Panamá	4,3 M	7,9%	761 K	17,7%
Colombia	50,9 M	7,6%	8.976 K	17,6%
México	128,9 M	6,9%	25.861 K	20,1%
Peru	33,0 M	7,2%	3.393 K	10,3%
Dominican R.	10,8 M	7,0%	4.228 K	39,0%
Costa Rica	5,1 M	9,5%	1.220 K	23,9%
Morocco	36,9 M	6,8%	9.363 K	25,4%

Source ourworldindata.org

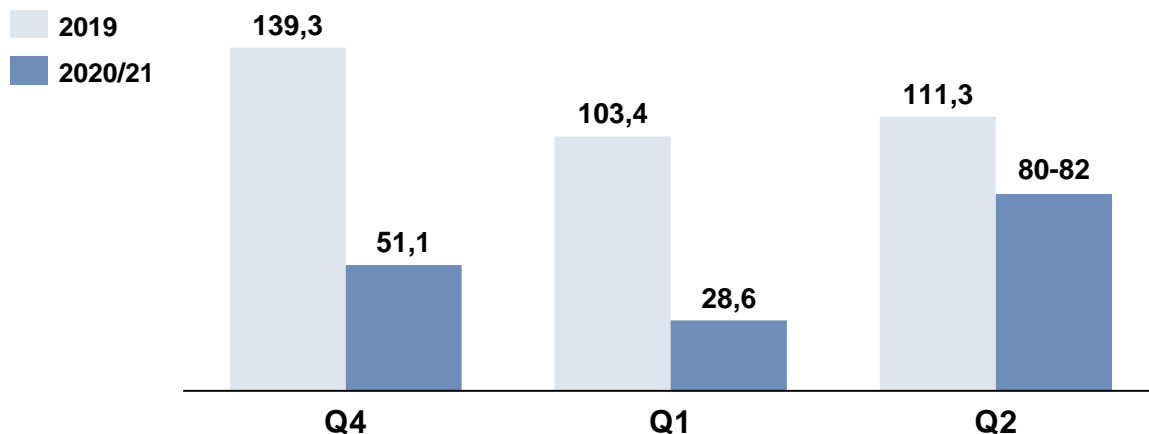
% Vaccinated Population (at least 1st dose)



Vaccination progressing faster in Europe than in Latam but older population covered in all markets. Latam aprox 3 months behind Europe

H2-2020 and 2021 Outlook

2021 EBITDA (€m)



	Q4'20	Q1'21	FQ2'21
NFD	2,371	2,423	2,385-2,395
Leverage	18.8x	36.8x	12.1x-12.5x
Adjusted leverage *	4.5x	4.6x	4.5x
Cash position	283	267	230-240

2021 highlights

Q1'21

- **Q1'21 EBITDA €28,6 M** as operating hours hit a record low since 1st wave reopening (34% of pre COVID)
- **Significant recovery of EBITDA in March** €23 M, as operating hours increased.
- **Positive Operating Cash Flow in the first quarter** and already positive Financial Cash Flow in March because of increased EBITDA and reduced CAPEX

2021 outlook

- **Q2'21 forecast EBITDA of €80-82 M, (68%-72% of pre-pandemic level)** as operational hours improve
- **Expected positive Financial Cash Flow in Q2. Cash balance** on June 30th expected to be in the range of **€230-240 M** after payment of €51 M of bonds coupon and **reduction of NFD of ca €30 M**
- Under current vaccination trend we expect to achieve **2019 EBITDA run rate by the end of 2021**

The actual business recovery and a solid cash position supports a good 2021, expecting to reach 2019 levels by Q4'21

Summary

- **Since 2006, current management team always delivered all financial commitments during 54 consecutive quarters YoY, and deserved Blackstone acquisition in July 2018**
 - 6.7x EBITDA: €71M (2005) to €473M (2019)
 - 3,2x EBITDA margin: 9% (2005) to 29% (2019)
 - Leverage reduction: 5.0x (Dec'05) to 2.2x (Jun'18, pre-BX transaction) and 4.3x (Dec'19)
- **During pandemic, all our businesses showed a fast recovery following the re-opening of the market reaching 70-90% revenues vs 2019. This was supported by solid contingency plans based on strong processes and an accountable organization that can be easily replicated, aiming to:**
 - Preserve cash position through 60% fixed Cost reduction, cash management and new liquidity sources
 - Specific commercial plan combining unique sanitary measures and segmented sales promotions through our CRM system to be #1 in coming back to the market in each country ... vast majority of clients (>85%) already came back
- **After a difficult start of the year, with toughest restriction since Jun'20, we are since March improving EBITDA month on month and expecting to reach 2019 levels by 4Q'21**
 - Following a fast vaccination program in Europe and with a 3 months delay in Latam, as of June 14th 83% of our operational capacity is up and running
 - EQ2'21 EBITDA of 80-82 M, with a positive trend during the quarter
 - Positive Financial Free Cash Flow since March'21
 - Solid cash position to support the due course of business during 2021

Ready to recover 2019 business levels by end of 2021 and continue delivering our financial commitments



Thank you