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 and opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

CORTÉS & PÉREZ AUDITORES Y ASESORES ASOCIADOS, S.L.
(Signature on the original in Spanish)

Joan Tubau Roca

Jaume Cetrà Oliva

March 22, 2021

# Cirsa Enterprises Group

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

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

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

### ASSETS

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

### EQUITY AND LIABILITIES

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

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

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

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

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

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

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

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

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

## 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:

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

- Changes in the ownership percentage

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

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

## 2019

- Acquisition of companies

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

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

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

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

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

- Incorporation of companies

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

- Sale of companies resulting in loss of control

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

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

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

- Changes in the consolidation method

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

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

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

- Changes in the ownership percentage

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

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

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

- Other changes in equity

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

| | At December 31, 2018 | | |
|---|---|---|---|
| (thousands of euros) | % 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.

<u>Group as lessee</u>

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

*i) Right-of-use assets*

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

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

*ii) Lease liabilities*

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

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

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

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

### 2.19 Income

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

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

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

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

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

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

### 2.20 Restructuring expenses

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

### 2.21 Income tax

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

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

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

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

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

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

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

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

### 2.22 Contingencies

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

### 2.23 Classification of current and non-current assets and liabilities

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

## 3. FINANCIAL INFORMATION BY OPERATING SEGMENT

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

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

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

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

### 3.1 Operating segments

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

Slots:

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

B2B:

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

Casinos:

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

Bingos:

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

Bets:

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

Other segments:

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

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

## 2020

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

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

## 2019

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

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

### 3.2 Information on geographical segments

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

**2020**

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

**2019**

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

## 4. BUSINESS COMBINATIONS AND ACQUISITIONS OF SUBSIDIARIES

### 4.1 Acquisitions in 2020

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

| | | (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) |
| Playspace, S.L. | November 2020 | 11,814 | 11,814 | - | - | - |

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

### 4.2 Acquisitions in 2019

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

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

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

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

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

### 4.3 Other acquisitions in 2019

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

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

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

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

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

## 5. GOODWILL

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

**2020**

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

**2019**

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

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

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

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

## 6. OTHER INTANGIBLE ASSETS

### 6.1 Movements

**2020**

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

**2019**

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

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

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

### 6.2 Development costs and patents

They mainly correspond to:

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

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

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

### 6.3 Service concession arrangements

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

- Official contract to manage and operate slot machine halls in the Republic of Panama for an amount of 12,904 thousand euros (13,316 thousand euros at December 31, 2019). The net value of this concession at December 31, 2020 amounts to 11,054 thousand euros (11,984 thousand euros at December 31, 2019).

- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,768 thousand euros at December 31, 2020 (40,768 thousand euros at December 31, 2019). The net value of this concession at December 31, 2020 amounts to 4,177 thousand euros (8,257 thousand euros at December 31, 2019).

### 6.4 Installation rights

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

### 6.5 Impairment losses

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

### 6.6 Other information

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

## 7. PROPERTY, PLANT AND EQUIPMENT

### 7.1 Movements

**2020**

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

**2019**

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

The ‘Additions’ column in 2020 mainly shows:

- The effect of the other business combinations (Note 4), which has amounted to an overall gross value of 172 thousand euros (189,702 thousand euros in the prior year) and accumulated depreciation of 95 thousand euros (110,322 thousand euros in the prior year).

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

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

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

### 7.2 Work performed by the Group and capitalized

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

### 7.3 Assets used as guarantees

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

### 7.4 Assets subject to charges and limitations

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

### 7.5 Assets located outside of Spain

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

### 7.6 Investment commitments

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

## 8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

**2020**

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

**2019**

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

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

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

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

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

## 9. FINANCIAL ASSETS

This caption consists of the following balances:

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

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

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

## 9.1 Loans and receivables

Balances to joint ventures and associates

This caption breaks down as follows:

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

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

The annual maturity of these assets is as follows:

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

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

Loans to third parties

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

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

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

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

Trade and other receivables

This caption consists of the following balances:

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

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

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

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

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

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

# 10. IMPAIRMENT TEST

## 10.1 Goodwill

Cash-generating units

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

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

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

*Key assumptions*

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

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

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

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

*Test results*

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

*Sensitivity analysis*

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

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

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

### 10.2 Other assets

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

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

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

## 11. INVENTORIES

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

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

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

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

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

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

## 12. CASH AND CASH EQUIVALENTS

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

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

These assets are unrestricted and earn market interest rates.

## 13. EQUITY

### 13.1 Subscribed capital and share premium

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

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

### 13.2 Retained earnings

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

Legal reserve

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

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

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

### 13.3 Non-controlling interests

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

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

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

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

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

## 14. CORPORATE BONDS

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

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

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

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

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

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

## 15. BANK BORROWINGS

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

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

Average interest rates accrued by these borrowings are as follows:

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

The annual maturity date of these liabilities is as follows:

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

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

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

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

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

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

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

## 16. OTHER NON-TRADE PAYABLES

The breakdown of this caption is the following:

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

The “Public administrations” caption includes:

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

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

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

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

The *Current sundry creditors* caption mainly includes:

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

## 17. NON-CURRENT PROVISIONS

The breakdown of this caption is as follows:

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

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

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

The variation of the balance is as follows:

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

## 18. TAXES

### 18.1 Tax group

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

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

### 18.2 Accrued and payable income tax

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

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

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

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

### 18.3 Analysis of tax expense

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

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

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

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

### 18.4 Deferred tax assets and liabilities

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

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

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

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

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

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

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

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

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

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

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

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

### 18.5 Other information

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

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

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

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

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

## 19. LEASES

### 19.1 Group as lessee

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

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

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

**2020**

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

**2019**

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

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

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

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

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

The amounts recognized in the income statement are as follows:

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

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

## 20. INCOME AND EXPENSES

### 20.1 Employee benefits expense

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

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

### 20.2 Utilities and external services

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

### 20.3 Exchange gains (losses)

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

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

## 21. RELATED PARTIES

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

## 22. CONTINGENCIES

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

## 23. INFORMATION ON ENVIRONMENTAL ISSUES

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

## 24. AUDIT FEES

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

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

## 25. OTHER RELATED PARTIES

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

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

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

## 26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

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

### 26.1 Credit risk

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

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

### 26.2 Interest rate risk

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

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

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

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

The Group estimates that fair value of the financial liabilities' instruments does not differ significantly from the accounted amounts, except for that indicated in Note 14.

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

| | 2020 | | 2019 | |
|---|---|---|---|---|
| **(Thousands of euros)** | **Fixed interest rate** | **Floating interest rate** | **Fixed interest rate** | **Floating interest rate** |
| Loans to joint ventures and associates | 1,705 | - | 3,408 | - |
| Loans to third parties | 10,164 | 13,277 | 13,768 | 16,105 |
| Guarantees and deposits | 16,893 | - | 28,989 | - |
| Fixed income securities and deposits | 341 | - | 12,551 | - |
| | **29,103** | **13,277** | **58,716** | **16,105** |

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

### 26.3 Foreign currency risk

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

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

The following study on sensitivity shows the foreign currency risk:

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

| Change | Thousands of euros 2020 | Thousands of euros 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<br>Chair | Mr. Lionel Yves Assant<br>Vice-Chair | Mr. Haide Hong<br>Vice-Secretary |
| Mr. Miguel García<br>Board member | | Mr. Antonio Hostench<br>Board member |

**List of subsidiaries**

| Company | Activity | Ownership Percentage 2020 | Ownership Percentage 2019 | Investment holder | Business address | City | Province/Country |
|---|---|---|---|---|---|---|---|
| Administradores De Personal En Entretenimiento, 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. | 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 |
| 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. | 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. | 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 |
| 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 | 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% | Eleval, 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 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 | 50,00% | 50,00% | Bis Line, S.L. | Ctra. de Castellar, 298 | Terrassa | Barcelona |
| Cirsa Brasil Participaçoes, LTDA. | Casinos | 100,00% | 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.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 |
| Cirsagest, 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% | Eleval, 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 |
| Comercial de Recreativos Salamanca, S.A. | Operacional | 75,50% | 75,50% | Tecnoappel, S.L. | C/ Cuarta, 17 P.I. El Montalvo | Carbajosa de la 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 |
| Eleval, Electronicos Valencia, S.A. | Operacional | 100,00% | 100,00% | Giga Game System Operation,S.L. | C/ Guadalquivir, 84 | Horno de Alcedo | Valencia |
| First Game, S.L. | Operacional | 100,00% | 100,00% | Uniplay, S.A. | C/ Fermina Sevillano, 5 -7 | Madrid | Madrid |

**List of subsidiaries**

| Company | Activity | Ownership Percentage 2020 | Ownership Percentage 2019 | Investment holder | Business address | City | Province/Country |
|---|---|---|---|---|---|---|---|
| Flamingo Euromatic-100, S.L. | Operacional | 51,00% | 51,00% | Orlando Play, S.A. | P.I. La Juaida, C/Sierra Telar, 40 | Viator | Almería |
| Fomento Advenio 1, S.A. DE C.V. | Bingos | 100,00% | 100,00% | Promociones e Inversiones de Guerrero, S.A.P.I. De C.V. | Guillermo González Camarena 600, Piso 7, Santa Fe | México D.F. | México |
| Gaming & Services de Panamá, S.A. | Casinos | 100,00% | 100,00% | Cirsa International Business Corporation, S.L. | Calle 50, PH. Torre Global, piso 40 | Ciudad de Panamá | Panamá |
| Gaming & Services, S.A.C. | Casinos | 100,00% | 100,00% | Cirsa International Business Corporation, S.L. | Av. Ricardo Palma, 341 Miraflores | Lima | Perú |
| Garbimatic, S.L. | Operacional | 50,00% | 50,00% | Alfematic, S.A. | Ctra. Rellinars, 345 | Terrassa | Barcelona |
| Garrido Player, S.L. | Operacional | 100,00% | 100,00% | Cirsa Slot Corporation, S.A. | Fermina Sevillano, 5-7 | Madrid | Madrid |
| Gema, S.r.l. | Bingos | 100,00% | 100,00% | Cirsa International Business Corporation, S.l. | 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 |
| Gimenca,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. | 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% | 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 Bolivar, 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 |
| Hosteleria 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 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% | 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 | 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. | 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 |
| 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. | 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% | Eleval, 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 | Almeria |
| 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 | 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 |
| 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. | Crta. 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% | Eleval, 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% | 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 | 50,00% | 50,00% | 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 |
| 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 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% | 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 Nº 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 |
| 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 |
| Tecnologia y Sistemas, S.A. | Operacional | 100,00% | 100,00% | Eleval, 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 |
| 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.l. | 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. | San 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. | Via 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 | 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, 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 | 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 | 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 |