



Independent Audit Report in accordance with  
International Standards on Auditing

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

INDEPENDENT AUDIT REPORT IN ACCORDANCE WITH  
INTERNATIONAL STANDARDS ON AUDITING

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

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

Opinion

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

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

Basis for opinion

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

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

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

## Other matters

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

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

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

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

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

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

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

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

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

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

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

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Joan Tubau Roca

March 21, 2022

## **Cirsa Enterprises Group**

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

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

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

**ASSETS**

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

**EQUITY AND LIABILITIES**

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



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

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

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

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

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

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

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

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

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

**1. GROUP INFORMATION**

**1.1 Group activity**

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

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

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

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

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

**1.2 Going concern - COVID-19**

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

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

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

- Reinforcement of liquidity position:

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

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

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

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

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

- Cost optimization:

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

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

### 1.3 Group structure

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

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

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

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

### 1.4 Changes in the scope of consolidation

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

#### 2021

- Acquisition of companies

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

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

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

- Winding-up of companies

In 2021, the following companies have been wound up:

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

- Changes in the ownership percentage

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

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

- Other changes in equity

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

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

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

## 2020

- Acquisition of companies

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

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

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



- Incorporation of companies

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

- Sale of companies resulting in loss of control

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

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

- Winding-up of companies

In 2020, the following companies have been wound up:

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

- Changes in the ownership percentage

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

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

## **2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS**

### **2.1 Basis of presentation**

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

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

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

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

### **2.2 Estimates and judgments**

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

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

- Business combinations and goodwill

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

- Impairment of assets

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

- Recoverability of deferred tax assets

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

- Consolidation methods

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

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

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

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

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

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

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

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

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

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

## 2.5 Consolidation methodology

Consolidation methodology is described in the following sections:

### Consolidation methods

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

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

### Harmonization

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

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

### Elimination of internal transactions

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

### Translation of financial statements in foreign currency

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

## **2.6 Business combinations**

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

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

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

## **2.7 Intangible assets**

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

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

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

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

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

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

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

## 2.8 Property, plant and equipment

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

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

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

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

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

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

## 2.9 Investments in associates

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

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

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

## **2.10 Financial assets**

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

### Loans and receivables

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

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

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

## **2.11 Derecognition of financial assets and liabilities**

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

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

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

## **2.12 Inventories**

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

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

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

## **2.13 Cash and cash equivalents**

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

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

## **2.14 Impairment of assets**

### Non-financial assets

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

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

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

### Financial assets

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

- Assets measured at amortized cost

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

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

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



## 2.15 Provisions

Provisions are recognized when:

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

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

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

## 2.16 Interest yield loans and credits

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

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

## 2.17 Translation of balances in foreign currency

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

## 2.18 Leases

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

### Group as lessee

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

#### *i) Right-of-use assets*

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

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

#### *ii) Lease liabilities*

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

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

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

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

### **2.19 Income**

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

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

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

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

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

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

## **2.20 Restructuring expenses**

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

## **2.21 Income tax**

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

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

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

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

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

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

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

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

## **2.22 Contingencies**

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

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

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

## **3. FINANCIAL INFORMATION BY OPERATING SEGMENT**

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

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

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

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

### **3.1 Operating segments**

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

#### Slots:

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

#### B2B:

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

#### Casinos:

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

#### Bingos:

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

#### Bets:

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

#### Other segments:

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

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

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

## 2021

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

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

## 2020

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

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

### 3.2 Information on geographical segments

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

#### 2021

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

#### 2020

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

## 4. BUSINESS COMBINATIONS AND ACQUISITIONS OF SUBSIDIARIES

### 4.1 Acquisitions in 2021

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

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

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



## 4.2 Acquisitions in 2020

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

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

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

## 5. GOODWILL

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

### 2021

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

### 2020

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

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

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

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

## 6. OTHER INTANGIBLE ASSETS

### 6.1 Movements

#### 2021

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

#### 2020

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

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

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

## **6.2 Development costs and patents**

They mainly correspond to:

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

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

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

## **6.3 Service concession arrangements**

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

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

## 6.4 Installation rights

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

## 6.5 Impairment losses

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

## 6.6 Other information

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

# 7. PROPERTY, PLANT AND EQUIPMENT

## 7.1 Movements

### 2021

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

## 2020

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

The “Additions” column in 2021 mainly shows:

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

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

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

## **7.2 Work performed by the Group and capitalized**

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

## **7.3 Assets used as guarantees**

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

## **7.4 Assets subject to charges and limitations**

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

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

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

## **7.6 Investment commitments**

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

## 8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

### 2021

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

### 2020

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

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

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

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

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

## 9. FINANCIAL ASSETS

This caption consists of the following balances:

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

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

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

### 9.1 Loans and receivables

#### Balances with joint ventures and associates

This caption breaks down as follows:

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

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

The annual maturity of these assets is as follows:

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

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



### Loans to third parties

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

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

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

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

### Trade and other receivables

This caption consists of the following balances:

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

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

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

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

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

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

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

## 10. IMPAIRMENT TEST

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

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

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

#### Cash flow projection

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

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

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

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

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

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

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

## 10.1 On goodwill

### Cash-generating units

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

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

### Impairment test

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

### Key assumptions

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

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

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

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

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

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

### Test results

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

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

### Sensitivity analysis

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

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

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

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

## 10.2 Other assets

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

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

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

## 11. INVENTORIES

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

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

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

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

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

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

## 12. CASH AND CASH EQUIVALENTS

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

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

These assets are unrestricted and earn market interest rates.

## 13. EQUITY

### 13.1 Subscribed capital and share premium

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

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

### 13.2 Retained earnings

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

#### Legal reserve

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

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

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

### 13.3 Non-controlling interests

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

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

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

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

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

## 14. CORPORATE BONDS

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

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

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

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

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

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

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

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

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

(\*\*) Issuer of the bonds

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

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

## 15. BANK BORROWINGS

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

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

Average interest rates accrued by these borrowings are as follows:

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



The annual maturity date of these liabilities is as follows:

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

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

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

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

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

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

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

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

## 16. OTHER NON-TRADE PAYABLES

The breakdown of this caption is the following:

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

The “Public administrations” caption includes:

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

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

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

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

The “Current sundry creditors” caption mainly includes:

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

## 17. NON-CURRENT PROVISIONS

The breakdown of this caption is as follows:

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

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

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

The variation of the balance is as follows:

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

## 18. TAXES

### 18.1 Tax group

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

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

## 18.2 Accrued and payable income tax

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

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

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

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

## 18.3 Analysis of tax expense

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

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

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

#### 18.4 Deferred tax assets and liabilities

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

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

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

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

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

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

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

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

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

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

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

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

## 18.5 Other information

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

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

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

## 19. LEASES

### 19.1 Group as lessee

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

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

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

#### 2021

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

#### 2020

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



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

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

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

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

The amounts recognized in the income statement are as follows:

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

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

## 20. INCOME AND EXPENSES

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

### 20.1 Employee benefits expense

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

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

## 20.2 Utilities and external services

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

## 20.3 Exchange gains (losses)

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

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

## 21. RELATED PARTIES

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

## 22. CONTINGENCIES

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

## 23. INFORMATION ON ENVIRONMENTAL ISSUES

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

## 24. AUDIT FEES

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

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

## 25. OTHER RELATED PARTIES

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

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

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

## 26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

## 26.1 Credit risk

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

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

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

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

## 26.2 Interest rate risk

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

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

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

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

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

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

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

### 26.3 Foreign currency risk

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

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

The following study on sensitivity shows the foreign currency risk:

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

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

### 26.4 Liquidity risk

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

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

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

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

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

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

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

## **27. CAPITAL MANAGEMENT POLICY**

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

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

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

## **28. SUBSEQUENT EVENTS**

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

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

Terrassa, March 17, 2022

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Mr. Joaquin Agut  
Chair

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Mr. Lionel Yves Assant  
Vice-Chair

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Mr. Haide Hong  
Vice-Secretary

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Mr. Miguel García  
Board member

---

Mr. Antonio Hostench  
Board member

## List of subsidiaries

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



## List of subsidiaries

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

## List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Merengue Bar Gran Casino Jaragua, GCJ, S.R.L.	Casinos	100,00%	100,00%	Casinos Del Caribe, S.R.L.	Avda. George Washinton, 367 2º Piso	Sto. Domingo de Guzmán	R. Dominicana
Miky, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Montri, S.A.	Operacional	75,50%	75,50%	Iber Matic Games, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
New Laomar, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almería
New York Game, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Nightfall Construccions, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
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.I.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago	Italia
Orlando Play, S.A.	Operacional	51,00%	51,00%	Global Game Machine Corporation, S.A.	Sierra Telar, 40 P.I. La Juaida	Viator	Almería
Palabingo, S.R.L.	Bingos	100,00%	100,00%	Cirsa Retail, S.R.L.	Via Ludovico il Moro 6/C Palazzo Ferraris	Assago	Italia
Piscis 28 Castilla y León, S.L.	Operacional	100,00%	-	Cirsa Slot Corporation, S.A.	C/ Andalucía, 30	Palencia	Palencia
Playcat, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Cádiz, 1	Terrassa	Barcelona
Playspace, S.L.	Apuestas	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Princesa 31, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A. y Bingos de Madrid Reunidos, S.A.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100,00%	100,00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camarena, 600 P8 Col. Ste	México D.F.	México
Promociones Sol Ibiza, S.A.	Operacional	51,00%	51,00%	Oper Ibiza, S.L.	C/ dels Llauradors, 45	Sant Antoni de Portmany	Baleares
Radiamon, S.L.	Operacional	51,00%	50,00%	Giga Game System Operation, S.L. y Tot Patrimoni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recrea, S.L.	Operacional	80,00%	80,00%	Giga Game System Operation, S.L.	C/ C-k, P.I. Cami dels Frases	Lleida	Lleida
Recreativos Arranz, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Ergosa, S.L.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Recreativos Hatuey, S.A.	Operacional	100,00%	100,00%	Bema - Euromatic, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Manchegos, S.L.	Operacional	51,00%	51,00%	Interservi, S.A.	Ctra. Nacional 420, Km 286	Alcazar de San Juan	Ciudad Real
Recreativos Martos, S.L.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Ociomar Levante, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.	Operacional	51,00%	51,00%	Orlando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Sortia, S.L.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recreativos Xativa, S.A.	Operacional	55,00%	55,00%	Eleva, Electronics 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%	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	100,00%	50,00%	Global Bingo Corporation, S.A.	Cuenca, 20	Valencia	Valencia
Sala Versailles, 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 Tecnologías, S.L.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Sena, nº 2	Sant Cugat del Valles	Barcelona
Saturno 5 Conexión, S.L.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
SCB Almirante Dominicana, S.R.L	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln , 403, La Julia	Santo Domingo	R. Dominicana
SCB Anil Dominicana, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Grand Victoria Dominicana, SRL	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Hispaniola Dominicana, S.R.L.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln /Correa y Cidron	Santo Domingo	R. Dominicana
SCB Malecon Dominicana, S.A.	Casinos	100,00%	100,00%	Cirsa International Business Corporation, S.L.	Malecón	Santo Domingo	R. Dominicana
Sertebi, S.A.	Bingos	100,00%	100,00%	Inversiones Zental, S.L.	Avda. Sarria, 47	Barcelona	Barcelona
Servi D'Aro, S.A.	Bingos	100,00%	100,00%	Talzen Inversions, S.L.	Avda. Estrasburgo, 11	Castell - Platja D'Aro	Girona
Servicios Especializados Del Juego, S.A. De C.V.	Bingos	-	100,00%	Bincamex, S.A. de CV.	Guillermo González Camarena 600, Piso 8, Santa Fe	México D.F.	México
Servicios y Distribucion de Recreativos, S.A.	Operacional	-	100,00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Servi-Joc, S.A.	Operacional	85,00%	85,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Sobima, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S. A.	Av. Los Vegas, 27	Málaga	Málaga

## List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Social Games Online, S.L.	Apuestas	100,00%	100,00%	Cirsa Interactive Corporation, S.L.	Ctra. Castellar, 338	Terrassa	Barcelona
Societe Du Casino Le Mirage, S.A.	Casinos	51,00%	51,00%	Cirsa International Business Corporation, S.L.	Club Valtur STB, Parcelle nº 31	Agadir	Marruecos
Sodemar, S.L.	Bingos	100,00%	100,00%	Telma Enea, S.L.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sportium Apostes Catalunya, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Andalucia, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Sportium Apuestas Aragon, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Asturias, S.A.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ B, Parcela 45B pol. Ind Asipo	Cayes - Llanera	Asturias
Sportium Apuestas Baleares, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Gremi des Sabaters, 21	Palma de Mallorca	Mallorca
Sportium Apuestas Canarias, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Garcia Morato, 1	Telde	Gran Canaria
Sportium Apuestas Castilla La Mancha, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Santa María Magdalena, 10 -12	Madrid	Madrid
Sportium Apuestas Ceuta, S.L.	Apuestas	100,00%	100,00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Colombia, S.A.S.	Apuestas	50,01%	100,00%	Sportium Apuestas Deportivas, S.A.	Carrera 12 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
Tecnología y Sistemas, S.A.	Operacional	100,00%	100,00%	Eleva, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Tefle, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Tenor Fleta, 57	Zaragoza	Zaragoza
Telma Enea, S.L.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	Sevilla, 10-14	Jerez de la Frontera	Cádiz
Teo Servicios Corporativos Slots, S.L.	Operacional	100,00%	100,00%	Giga Game System Operation, S.L.	C/ De L'aire, 1	Terrassa	Barcelona
Tres Rios Hotel la Carpintera, S.A.	Casinos	100,00%	100,00%	Grupo Cirsa De Costa Rica, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Unidesa Operations Services, S.I.	B2B	100,00%	100,00%	Universal de desarrollos Electronicos, S.A.	C/ Sena, 2	Sant Cugat del Valles	Barcelona
Uniplay, S.A.	Operacional	100,00%	100,00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	B2B	100,00%	100,00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Universal de Desarrollos Electrónicos, S. A. De C.V.	B2B	100,00%	100,00%	International Mex Business, S.L.	Guillermo Gonzalez Camanera, 660 Piso 9 Of. 5	México D.F.	México
Urban Leisure, S.L.	Operacional	75,00%	75,00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Verneda 90, S.A.	Bingos	100,00%	100,00%	International Bingo Technology, S.A.	Guipuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50,01%	50,01%	Investments & Securities Iberica, S.A.	Calle 90, nº 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	100,00%	100,00%	Global Bingo Corporation, S.A.	San Fernando, 48	Santander	Cantabria

## List of associates

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
AOG, S.r.l.	Bingos	50,00%	50,00%	Gema Srl. U.	Vía Langhena, 1	San Vendemiano	Italia
Automáticos Quintana, S.L.	Operacional	50,00%	50,00%	Comercial Jupama, S.A.	C/ Parque de la libertad, 30	Santa Lucía de Tirajana	Gran Canaria
Audiovisual Fianzas, S.G.R.	Estructura	5,68%	5,68%	Varios	c/ Luis Buñuel, 2 2ª	Madrid	Madrid
Bingo Amico, S.r.l.	Bingos	-	50,00%	Gema, S.r.l.U.	Vía Langhena, 1	San Vendemiano	Italia
Binsavo, S. A.	Bingos	50,00%	50,00%	Global Bingo Corporation, S.A.	Ruiz Morote, 5	Ciudad Real	Ciudad Real
Casino la Toja, S.A.	Casinos	50,00%	50,00%	Global Casino Technology Corporation, S.A.	Isla de La Toja	El Grove	Pontevedra
Cludeen, S.L.	B2B	-	50,00%	Universal de Desarrollos Electrónicos, S.A.	C/ Enrique Mariñas, 36 planta 5 local 1B	A Coruña	A Coruña
Compañía Europea de Salones Recreativos, S.L.	B2B	20,00%	20,00%	Universal de Desarrollos Electronicos, S.A.	C/ Toledo, 137	Madrid	Madrid
Competiciones Deportivas, S.A.	Casinos	50,00%	50,00%	Gaming & Services de Panamá, S.A.	Calle 50 y 73 Este San Francisco	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	A Coruña	A Coruña
Unión de Operadores Reunidos, S.A.	Operacional	50,00%	50,00%	Cirsa Slot Corporation, S.A.	C/ Severo Ochoa, 3	A Coruña	A Coruña