

Q3 2022 QUARTERLY REPORTING

LHMC Finco 2 S.à r.l.

Attached as Annex 1 is the consolidated third quarter 2022 report of Cirsa Enterprises, S.L.U. and its subsidiaries (the “Group”). LHMC Finco 2 S.à r.l. (“Finco”) is a holding company which directly owns 100% of the capital stock of LHMC Midco S.à r.l. (“Midco”). Midco directly owns 100% of the capital stock of Cirsa Enterprises, S.L.U.

Under the indenture dated October 2, 2019 (the “Finco Indenture”) governing the €400,000,000 7.25%/ 8.00% Senior Secured PIK Toggle Notes due 2025 (the “PIK Notes”) issued by LHMC Finco 2 S.à r.l. (“Finco”), Finco is required to report certain additional financial information as set out below.

There are no material differences between the consolidated financial position and results of operations as of and for the nine-month period ended September 30, 2022, of Finco and the Group, other than in relation to €486,661,161 in aggregate principal amount of the PIK Notes and the related interest expense, and as otherwise presented below.

The table below and the discussion that follows present certain unaudited standalone profit and loss information for Finco for the nine months ended September 30, 2021 and September 30, 2022. We have not presented the financial results for Midco as they are not material.

P&L	Third quarter		
	2021	2022	Dif.
Operating costs	- 75,479	- 68,586	6,893
Finance costs	- 27,157,171	- 29,294,386	- 2,137,215
Foreign exchange gain/loss	-	-	-
Profit before tax	- 27,232,650	- 29,362,972	- 2,130,322
Other tax	- 4,815	- 6,711	- 1,896
Income tax		-	-
Net profit/(loss) for the year	- 27,237,465	- 29,369,682	- 2,132,218

Profit and loss information for Q3 2022 compared to Q3 2021

Operating costs increased by €6,893 in Q3 2022 compared to Q3 2021, primarily due to an increase in recurring annual costs related to the PIK Notes, due to the booking of invoices accrued in 2021 received in 2022 for €15,000.00. This increase is counterbalanced with a decrease of €8,953.97 in legal fees linked to the fact that in 2021 a higher amount of fees has been invoiced in connection with legal services received in relation to the payment of PIK interest, certifications and related documentation.

Finance costs are €29.3 million in Q3 2022 compared to €27.2 million in Q3 2021, mainly due to the payment of PIK interest during 2022, the principal amount of PIK Notes increased by €18 million on January 15, 2022 and €18.7 million on July 15, 2022. Accordingly, interest accruing in Q3 2022 was calculated on such increased principal amount of PIK Notes.

No invoice in any currency other than Euros was recognized in Q3 2022 and Q3 2021. Therefore, there are no reported foreign exchange gains or losses during the period.

The tax expense in Q3 2022 and Q3 2021 reflects the minimal net wealth tax applicable in Luxembourg, payable on a full year basis. Income tax of €4,815 paid in Q1 2022 was paid for the full year 2022. The additional €1,476 expenses in Q3 2022 represent the non-refundable VAT on invoices received by a foreign supplier.

The table below and the discussion that follows present certain unaudited standalone balance sheet information for Finco as of September 30, 2021, September 30, 2022 and December 31, 2021. We have not presented the financial results for Midco as they are not material.

Balance Sheet			
	30-Sep-21	31-Dec-21	30-Sep-22
<i>Assets</i>			
Financial assets	697,604,778	697,469,778	697,469,778
Cash and cash equivalents	5,991	125,614	62,128
Total Assets	697,610,769	697,595,392	697,531,905
<i>Liabilities</i>			
Share Capital	12,000	12,000	12,000
Share Premium	313,872,000	313,872,000	313,872,000
Result brought forward	- 41,369,858	- 41,369,858	- 77,938,334
Result	- 27,237,465	- 36,568,476	- 29,369,682
Total net equity	245,276,677	235,945,666	206,575,983
Payables	43,967	38,753	50,563
Accrued interest	7,499,093	16,498,005	8,111,019
Bonds	444,791,031	445,112,968	482,794,340
Total creditors	452,334,091	461,649,726	490,955,922
Total equity and liabilities	697,610,769	697,595,392	697,531,905

Balance sheet information as of September 30, 2022 compared to December 31, 2021

Financial assets held by Finco correspond to the shares it owns in Midco. Financial assets remained the same between December 31, 2021 and September 30, 2022.

Cash balance decreased by €63,487 as of September 30, 2022 compared to December 31, 2021 due to cash balance at Finco level for settlement of operational expenses in relation to administrative and accounting fees, tax advances and director fees payment.

Liabilities comprised the equity contributed by the sole shareholder of Finco (i.e., LHMC Topco S.à r.l.) and the indebtedness represented by the PIK Notes. PIK interest accrued at 8% from January 15, 2021 to July 15, 2021, from July 16, 2021 to January 15, 2022 and from January 16, 2022 to July 15, 2022 were capitalized to the principal amount of the PIK Notes at the end of each interest period.

Total net equity decreased by €29.4 million as of September 30, 2022 compared to December 31, 2021 primarily due to the interest expense included in the results of Q3 2022.

Payables increased by €11,810 as of September 30, 2022 compared to December 31, 2021, primarily due to the bookings of the accruals of the annual administration fees payable to the PIK Notes Trustee in 2022.

Other disclosure:

Cirsa and any of its subsidiaries, as well as its direct and indirect equity holders, and their respective affiliates (or funds managed or advised by such persons), and members of Cirsa's management may trade in PIK Notes or notes of any other series issued by Cirsa or any of its subsidiaries or affiliates at any time and from time to time in the open market or otherwise by means other than a redemption, whether by tender offer, open market purchases and sales, negotiated transactions or otherwise.

- Annex 1 -



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THIRD QUARTER 2022 RESULTS

November 23, 2022

- For 3Q-2022, we report EBITDA of €147.5 million.
- For YTD September 30, 2022, we report EBITDA of €397.9 million.

Ebitda Mix by Country	FY 2021	YTD Sep. 30, 2022
Spain	62.0%	51.1%
Italy	0.8%	3.7%
Panama	13.4%	14.0%
Colombia	12.4%	12.9%
Mexico	5.2%	7.5%
Peru	0.8%	1.8%
Other	5.4%	9.0%
Total	100%	100%

As of September 30, 2022 our financial position is:

- Total net debt of €2,288.9 million. -3.1% or -€73.0 million vs December 31, 2021.
- Cash of €239.1 million. Total Cash availability of €444.3 million.
- Net debt to LTM EBITDA ratio stands at 4.4x.

Highlights

Operational

3Q-2022 EBITDA of €147.5 million is 46.7% above 3Q-2021, 12.6% above 3Q-2019PF and 9%+ over our June guidance.

Results for 3Q-2022, amid a complex macroeconomic scenario, prove again the resilience of our business model and the sound execution of our client centered strategy:

- 3Q-2022 EBITDA is the highest ever EBITDA in a quarter.
- Revenues in the quarter have been 16.7% over 2Q-2022 following the continued recovery of revenues in our Latam operations, the consolidation of E-Play24 since August 2022 and the first full quarter of operations in Morocco after the re-opening of the activity in May 2022.

Margins of the operation have not been impacted by increased inflation and long-established cost efficiency plans continue to yield a positive impact on margins:

- 3Q-2022 EBITDA margin of 31.6% (vs 33.0% in 2Q-2022) is impacted by the increased contribution to revenues of the on-line business at a lower margin.

New guidance for FY-2022 EBITDA was provided on October 24th in the range of €538-548 million, up €18 million vs the previous guidance provided in June.

Financial

FOCF in the quarter of 86.9 million is 54.6% higher than in 2Q-2022.

Net Financial Debt has been reduced by €73.0 million since 31st December 2021 to €2,288.9 million which results in a leverage ratio of NFD to LTM EBITDA at 4.4x, down from 7.1x on 31st December 2021.

Having achieved three months in advance Leverage and Net Financial Debt targets previously guided for December 31st, new guidance for FY-2022 Leverage ratio was provided on October 24th at 4.2x.

ESG

Plans to achieve ESG targets set in our 2021 ESG report are on track.

In October 2022, we achieved the G4 Responsible Gaming certification.

Business Overview

For the first time since the outbreak of the COVID pandemic, with the reopening of our Moroccan operations in May 2022 and the release of most of restrictions in our Mexican operation, in 3Q-2022 we have managed to run all our operations at practically 100% of available hours with very few restrictions.

The macroeconomic environment and in particular the Ukraine war and high inflation in Europe, have had, as expected, no impact on our Latam & Morocco operations which have had significant increases in revenues vs the previous quarter, whilst our European operations have had good levels of demand despite the aforementioned situation.

The evolution of operations across the board continues to be remarkable.

- All our business units have already recovered the pre-COVID EBITDA generation.
- The Casinos business unit has increased its EBITDA generation by 31% vs 2Q-2022 and 76% vs 3Q-2021 with very significant increases across our geographies: Latam, Spain and Morocco.

Our omnichannel strategy is delivering solid results also to our digital channel. The on-line gaming and betting business unit keeps increasing its contribution to the Group results and it already represents 14.3% of total revenues, up from 8.8% in the previous quarter.

We continue implementing cost efficiency programs that protect our margins in the current inflationary scenarios.



Financial Overview

3Q-2022 Free Operating cashflow generation of €86.9 million is 54.6% higher than in 2Q-2022.

Net Financial Debt has been reduced by €39 million in the quarter and by €73 million since 31st December 2021.

NFD to LTM EBITDA leverage ratio stands at 4.4x.

Total Cash availability has also increased to €444 million, €58 million higher than at the end of 2Q-2022.

Targets previously sets for 2022-year end have been achieved or exceeded three months in advance: leverage (4.4x), NFD (€2,285-2,295 million) and total cash availability (€430-440 million).

Cash generation

Free Operating Cash Flow (after lease payments) has the following composition:

€ millions	2Q-2022	3Q-2022
EBITDA	132,2	147,5
Working capital & other	-8,2	21,0
Income Taxes paid *	-10,7	-5,0
CAPEX	-29,0	-29,3
Other investing activities	-13,1	-30,9
Lease payments	-15,0	-16,4
FOCF	56,2	86,9

*Income Taxes paid correspond to Corporate Income Tax. Gaming taxes are included under EBITDA.

The positive impact of working capital is mainly due to seasonality.

Other investing activities includes, amongst others, the acquisition of a 60% stake in E-Play24.

Deleveraging capacity

Leverage ratio is down to 4.4x from 4.9x in 2Q-2022. Leverage ratio calculated at current level of EBITDA generation stands at 4.2x.

€ millions	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
NFD	2.424	2.397	2.386	2.362	2.355	2.328	2.289

The main driver for the leverage ratio reduction is the increase of LTM EBITDA by 9.9% vs previous quarter and the reduction of NFD in the quarter of €39 million (accumulated €135 million since 1Q-2021).

For the next quarters we expect to continue reducing our leverage ratio through both increases in LTM EBITDA and reductions of NFD.

M&A acquisitions of mid-size targets at reasonable multiples will be a key element not only to increase enterprise value in the short term but also to reduce the leverage ratio. Cirsa's M&A acquisition strategy and know-how for generation of synergies has historically resulted in a reduction of the leverage ratio.

Issuance of new notes

On October 26th 2022, under very tough market conditions, CIRSA announced the successful pricing of its offering of €425 million aggregate principal amount of 10.375% senior secured notes due 2027 (the "Notes") issued by its subsidiary Cirsa Finance International S.à r.l. (the "Issuer"). The proceeds from the offering were used (i) to redeem a portion (€403 million) of the outstanding principal amount of the Issuer's 6.250% Senior Secured Notes due 2023 (the "Existing 2023 Notes") issued pursuant to the indenture dated as of July 2, 2018 (as amended and supplemented), and (ii) to pay accrued and unpaid interest on the Existing 2023 Notes being redeemed, as well as related fees and expenses.

Outlook

New guidance for FY-2022 EBITDA was provided on the 24th of October in the range of €538-548 million, up €18 million vs the guidance provided in June 2022.

Also, new guidance for leverage ratio was provided at 4.2x, down from 4.4x in the guidance provided in June 2022.

Consolidated P&L - Cirsa Enterprises, S.L.U.

Consolidated P&L <i>Thousands of Euros</i>	Third Quarter			YTD September 30		
	2021	2022	Dif.	2021	2022	Dif.
Operating Revenues	400,053	540,070	140,017	888,106	1,463,886	575,780
Variable rent	-65,064	-73,229	-8,165	-149,174	-218,677	-69,503
Net Operating Revenues	334,989	466,841	131,852	738,932	1,245,209	506,277
Consumptions	-13,369	-16,495	-3,126	-31,804	-45,558	-13,754
Personnel	-52,790	-72,906	-20,116	-146,832	-205,069	-58,237
Gaming taxes	-111,932	-130,983	-19,051	-198,671	-369,643	-170,972
External supplies & services	-56,297	-98,914	-42,617	-151,349	-227,075	-75,726
Depreciation, amort. & impairment	-73,001	-77,140	-4,139	-223,790	-225,727	-1,937
EBIT	27,600	70,403	42,803	-13,514	172,137	185,651
Financial results	-55,261	-32,523	22,738	-129,872	-97,284	32,588
Foreign exchange results	-6,291	-284	6,007	-19,107	-198	18,909
Results on sale of non-current assets	-1,646	1,952	3,598	-941	-794	147
Profit before Income Tax	-35,598	39,548	75,146	-163,434	73,861	237,295
Income Tax	4,252	-7,897	-12,149	24,131	-18,739	-42,870
Minority interest	-3,068	-7,909	-4,841	-680	-17,299	-16,619
Net Profit	-34,414	23,742	58,156	-139,983	37,823	177,806
EBITDA	100,601	147,541	46,940	210,276	397,860	187,584

Quarter YoY evolution

Net operating revenues reached €466.8 million, recording an increase of €131.9 million or 39.4 % from 3Q-2021, mainly due to the strict execution of our commercial plans to recover our customer base resulting in a good performance across all geographies and especially of our casino, bingo and on-line gaming business units, the latter affected by organic growth and the contribution of the recent acquisition of E-Play 24 (27/07/22).

EBITDA reached €147.5 million, €46.9 million (+ 46.7 %) more than in 3Q-2021. EBITDA Margin increased from 30.0 % in 3Q-2021 to 31.6 % in 3Q 2022, well above the 30.3 % in 3Q-2019. The increase in EBITDA was mainly due to the good performance of all our business units across our different markets and the sustainable productivity measures implemented during and after the pandemic.

Financial expenses decreased by €22.7 million due to a lower level of indebtedness and 3Q-2021 was impacted by €9.8 million of premium paid for the redemption of Senior Notes and a €7.1 million of write-off corresponding to capitalized issuance costs.

As a result of the foregoing, Net Profit in 3Q-2022 was €23.7 million compared to a Net Loss of €34.4 million in 3Q-2021.

Average Exchange Rates	YTD	YTD	
<i>One Euro equals:</i>	<i>Sep. 30, 2021</i>	<i>Sep. 30, 2022</i>	<i>Variation</i>
Colombia Peso	4,458.03	4,316.19	-3.2%
Costa Rica Colon	741.31	701.10	-5.4%
Dominican Republic Peso	68.36	58.14	-15.0%
Mexico Peso	24.16	21.32	-11.7%
Morocco Dirham	10.68	10.61	-0.7%
Panama US Dollar	1.19	1.06	-11.6%
Peru Nuevo Sol	4.61	4.04	-12.5%



Slot Route Operation Business Unit

Consolidated P&L <i>Thousands of Euros</i>	Third Quarter			YTD September 30		
	2021	2022	Dif.	2021	2022	Dif.
Operating Revenues	233,767	250,315	16,548	485,452	760,325	274,873
Variable rent	-63,428	-70,349	-6,921	-145,198	-211,351	-66,153
Net Operating Revenues	170,339	179,966	9,627	340,254	548,974	208,720
Consumptions	-8,083	-7,872	211	-18,864	-24,225	-5,361
Personnel	-16,417	-20,977	-4,560	-45,484	-61,970	-16,486
Gaming taxes	-85,405	-86,779	-1,374	-134,712	-261,798	-127,086
External supplies & services	-16,390	-19,614	-3,224	-40,224	-56,080	-15,856
Depreciation, amort. & impairment	-26,688	-27,204	-516	-82,611	-80,506	2,105
EBIT	17,356	17,520	164	18,359	64,394	46,035
EBITDA	44,044	44,724	680	100,970	144,899	43,929

Quarter YoY evolution

Net operating revenues reached €180.0 million, an increase of €9.6 million compared to 3Q-2021, and EBITDA increased to €44.7 million.

The 3Q-2022 EBITDA reported by country was as follows:

- EBITDA of Spanish operations was €41.1 million vs €40.2 million in 3Q-2021. The increase is mainly due to net revenue per slot machines growth and the implementation of productivity measures.
- EBITDA of Italian operations was €3.6 million vs €3.8 million in 3Q-2021, without significant changes since the introduction of the sanitary card.

Slot Machines <i>As of September 30</i>	2021	2022	Var. units	Var. %
Slot machines, Spain	34,119	33,499	-620	-1.8
Slot machines, Italy	6,960	7,358	398	5.7
VLTs, Italy	2,433	2,385	-48	-2.0
Total	43,512	43,242	-270	-0.6

Casinos Business Unit

Consolidated P&L <i>Thousands of Euros</i>	Third Quarter			YTD September 30		
	2021	2022	Dif.	2021	2022	Dif.
Operating Revenues	96,315	158,330	62,015	220,826	394,320	173,494
Variable rent	-374	-748	-374	-1,075	-1,529	-454
Net Operating Revenues	95,941	157,582	61,641	219,751	392,791	173,040
Consumptions	-1,082	-2,266	-1,184	-2,232	-5,579	-3,347
Personnel	-15,562	-24,954	-9,392	-40,764	-66,260	-25,496
Gaming taxes	-15,347	-23,232	-7,885	-35,924	-59,948	-24,024
External supplies & services	-20,771	-30,794	-10,023	-51,886	-80,202	-28,316
Depreciation, amort. & impairment	-29,979	-32,095	-2,116	-91,338	-93,581	-2,243
EBIT	13,200	44,240	31,040	-2,393	87,221	89,614
EBITDA	43,179	76,335	33,156	88,945	180,802	91,857

Quarter YoY evolution

Net operating revenues increased by €61.6 million (+ 64.3 %) compared to 3Q-2021 which was affected by significant operational restrictions, reaching €157.6 million and reflecting the full operation of our casinos in Morocco that were closed until May 2022.

EBITDA margin has also recovered pre-pandemic levels and has increased to 48.4% on Net operating revenues compared to 43.0% in 4Q-2019, a comparable quarter before the pandemic started. Margin recovery is based on recovery of customer base and visit frequency combined with maintaining and improving productivity through cost reduction plans.

<i>As of September 30</i>	Casinos	2021		Casinos	2022		Variation		
		Slots	Tables		Slots	Tables	Casinos	Slots	Tables
Panama	33	7,889	20	34	8,020	17	1	131	-3
Colombia	72	7,204	261	72	7,228	244	0	24	-17
Peru	22	3,366	38	22	3,389	38	0	23	0
Costa Rica	8	855	22	7	845	18	-1	-10	-4
Dominican Republic	6	853	75	6	802	75	0	-51	0
Spain	6	532	57	6	555	59	0	23	2
Morocco	2	281	29	3	397	49	1	116	20
Total	149	20,980	502	150	21,236	500	1	256	-2

Bingos Business Unit

Consolidated P&L <i>Thousands of Euros</i>	Third Quarter			YTD September 30		
	2021	2022	Dif.	2021	2022	Dif.
Operating Revenues	40,886	61,112	20,226	92,910	165,251	72,341
Variable rent	-1,355	-2,258	-903	-2,981	-6,123	-3,142
Net Operating Revenues	39,531	58,854	19,323	89,929	159,128	69,199
Consumptions	-1,769	-2,822	-1,053	-3,908	-7,367	-3,459
Personnel	-8,527	-12,656	-4,129	-23,584	-35,248	-11,664
Gaming taxes	-7,141	-8,381	-1,240	-15,864	-24,611	-8,747
External supplies & services	-10,710	-15,607	-4,897	-27,407	-42,640	-15,233
Depreciation, amort. & impairment	-11,923	-12,849	-926	-36,467	-37,758	-1,291
EBIT	-539	6,537	7,076	-17,301	11,504	28,805
EBITDA	11,384	19,387	8,003	19,166	49,261	30,095

Quarter YoY evolution

Net operating revenues and EBITDA grew by €19.3 million and €8.0 million respectively compared to 3Q-2021. Growth is due to the recovery of traditional bingo customers in Spain and the removal of most of the sizeable restrictions in hours and capacity in our gaming halls in Mexico.

EBITDA margin in 3Q-2022 of 32.9% is well above 3Q-2019 EBITDA pre-pandemic margin of 29.9%.

The 3Q-2022 EBITDA reported by country was as follows:

- EBITDA of Spanish operations was €7.0 million vs €6.3 million in 3Q-2021.
- EBITDA of Mexican operations was €12.4 million vs €5.1 million in 2Q-2021.

Halls			
<i>As of September 30</i>	2021	2022	Var.
Spain	40	40	0
Mexico	28	28	0
Italy	12	10	-2
Total	80	78	-2

On-line Gaming & Betting Business Unit

Consolidated P&L <i>Thousands of Euros</i>	Third Quarter			YTD September 30		
	2021	2022	Dif.	2021	2022	Dif.
Operating Revenues	31,050	66,805	35,755	92,475	139,968	47,493
Variable rent	-28	-30	-2	-70	-105	-35
Net Operating Revenues	31,022	66,775	35,753	92,405	139,863	47,458
Consumptions	-162	-159	3	-410	-876	-466
Personnel	-5,384	-5,208	176	-14,398	-14,264	134
Gaming taxes	-3,990	-12,524	-8,534	-12,136	-23,078	-10,942
External supplies & services	-16,035	-40,595	-24,560	-52,536	-73,892	-21,356
Depreciation, amort. & impairment	-4,986	-6,061	-1,075	-14,082	-15,948	-1,866
EBIT	465	2,229	1,764	-1,157	11,804	12,961
EBITDA	5,451	8,290	2,839	12,925	27,752	14,827

Quarter YoY evolution

Net operating revenues increased by €35.8 million (+ 115.3 %) compared to 3Q-2021, reaching €66.8 million, mainly impacted by the overall good performance of our On-line gaming business in Spain (+36.0 %) and the contribution of our last acquisition, made on July 27, of the Italian online gaming operator E-Play 24.

EBITDA reached €8.3 million (+52.1% vs 3Q-2021), an increase of €2.8 million, due to the good performance of our Spanish On-line gaming & betting business and the contribution of E-Play24.

The expansion strategy into our geographies in Latin America where online gaming is regulated, is based on an omni-channel model implemented through a wide retail payments network and strong local casino brands. During 3Q-2022 we operated in Colombia, Panama and Peru.

<i>As of September 30</i>	Betting Points			Terminals		
	2021	2022	Var.	2021	2022	Var.
Spain	2,440	2,259	-181	8,544	8,340	-204
Colombia	208	247	39	64	144	80
Panama	32	38	6	240	277	37
Peru		70	70		342	342
Italy		2,973	2,973			0
Total	2,680	5,587	2,907	8,848	9,103	255

B2B Business Unit

Consolidated P&L <i>Thousands of Euros</i>	Third Quarter			YTD September 30		
	2021	2022	Dif.	2021	2022	Dif.
Operating Revenues	13,107	16,567	3,460	33,212	59,536	26,324
Variable rent	0	0	0	0	0	0
Net Operating Revenues	13,107	16,567	3,460	33,212	59,536	26,324
Consumptions	-7,087	-8,566	-1,479	-17,762	-31,196	-13,434
Personnel	-4,055	-4,022	33	-12,394	-15,269	-2,875
Gaming taxes	-37	-30	7	-122	-131	-9
External supplies & services	-1,275	-1,503	-228	-4,278	-5,558	-1,280
Depreciation, amort. & impairment	-1,241	-682	559	-4,700	-3,142	1,558
EBIT	-588	1,764	2,352	-6,044	4,239	10,283
EBITDA	653	2,446	1,793	-1,344	7,381	8,725

Quarter YoY evolution

Net operating revenues increased by €3.5 million (+26.4 %) to €16.7 million compared to 3Q-2021, showing the continuous recovery of the Spanish market.

EBITDA increased from 0.6 € million in 3Q-2021 to €2.4 million in 3Q-2022 and EBITDA margin reached 14.8 % vs 5.0% in 3Q-2021.

We keep a consolidated market leadership position in the Spanish market, reinforced by a new recently launched range of top performing slot machines models, and our priority is to maintain and improve productivity through slot design improvement and cost reductions implemented during COVID.

Other information

Structure & adjustments

Consolidated P&L <i>Thousands of Euros</i>	Third Quarter			YTD September 30		
	2021	2022	Dif.	2021	2022	Dif.
Operating Revenues	-15,072	-13,059	2,013	-36,769	-55,514	-18,745
Variable rent	121	156	35	150	431	281
Net Operating Revenues	-14,951	-12,903	2,048	-36,619	-55,083	-18,464
Consumptions	4,814	5,190	376	11,372	23,685	12,313
Personnel	-2,845	-5,089	-2,244	-10,208	-12,058	-1,850
Gaming taxes	-12	-37	-25	87	-77	-164
External supplies & services	8,884	9,199	315	24,982	31,297	6,315
Depreciation, amort. & impairment	1,816	1,751	-65	5,408	5,208	-200
EBIT	-2,294	-1,889	405	-4,978	-7,027	-2,049
EBITDA	-4,110	-3,641	469	-10,386	-12,235	-1,849

CAPEX

<i>Millions of Euros</i>			
CAPEX			
<i>YTD September 30</i>	2021	2022	Var.
Slot Route Operation	42.8	55.6	12.8
Casinos	22.5	20.1	-2.4
Bingos	4.9	8.8	3.9
On-line Gaming & Betting	5.2	9.7	4.5
B2B	1.6	2.9	1.3
Structure	0.1	0.1	0.0
Total	77.1	97.2	20.1

Other financial information

<i>Millions of Euros</i>	<i>EBITDA</i>				
	2021		Mar-31	2022	
Leverage	Sep-30	Dec-31		Jun-30	Sep-30
LTM Ebitda	261.4	331.4	420.9	472.1	519.0
Net Interest Expense	159.8	153.3	147.7	143.5	130.6
Cash & Cash Equivalents	289.1	280.2	297.1	196.9	239.1
Total Debt	2,675.5	2,642.1	2,652.5	2,525.5	2,528.0
Total Net Debt	2,386.4	2,361.9	2,355.4	2,328.5	2,288.9
Total Net Debt to EBITDA	9.1x	7.1x	5.6x	4.9x	4.4x
Ebitda to Net Interest Expense	1.6x	2.2x	2.8x	3.3x	4.0x

<i>Millions of Euros</i>					
	2021		Mar-31	2022	
Financial Debt <i>As of</i>	Sep-30	Dec-31		Jun-30	Sep-30
Bank Loans	295.2	289.8	288.2	166.3	145.5
Capital Lease Agreements	1.2	1.1	1.0	1.0	1.3
Senior Notes	2,050.2	2,042.7	2,052.7	2,048.0	2,056.5
Tax Deferrals	26.7	7.1	4.3	4.2	4.2
Capitalization of Operating Leases	285.0	274.3	278.9	283.2	288.0
Other Loans	17.2	27.0	27.4	22.8	32.4
Total Financial Debt	2,675.5	2,642.1	2,652.5	2,525.5	2,528.0
Cash & Cash Equivalents	289.1	280.2	297.1	196.9	239.1
Total Net Financial Debt	2,386.4	2,361.9	2,355.4	2,328.6	2,288.9

Cirsa and any of its subsidiaries, as well as its direct and indirect equity holders, and their respective affiliates (or funds managed or advised by such persons), and members of Cirsa's management may continue to trade in the notes of any series issued by Cirsa or any of its subsidiaries or affiliates at any time and from time to time in the open market or otherwise.

Cash-flow Statement

<i>Millions of Euros</i>	YTD September 30		
	2021	2022	Dif.
<i>Cash-flows from operation activities</i>			
Profit before tax, as per the consolidated P&L accounts	-163.4	73.9	237.3
Adjustments for non-cash revenues and expenses:			
Depreciation, amortization and impairment	222.8	223.5	0.7
Allowances for doubtful accounts & inventories	1.0	2.2	1.2
Other	5.6	0.7	-4.9
Financial items included in profit before tax:			
Financial results	129.9	97.3	-32.6
Foreign exchange results	19.1	0.2	-18.9
Results on sale of non-current assets	0.9	0.8	-0.1
Adjusted profit from operations before tax and changes in net operating assets	215.9	398.6	182.7
Variations in:			
Receivables	-6.1	-11.6	-5.5
Inventories	-0.4	-5.3	-4.9
Suppliers, gaming taxes and other payables	37.7	13.1	-24.6
Accruals, net	9.7	11.9	2.2
Cash generated from operations	256.8	406.7	149.9
Income tax paid	0.5	-19.5	-20.0
Net cash-flows from operating activities	257.3	387.2	129.9
<i>Cash-flows used in / from investing activities</i>			
Purchase and development of property, plant and equipment	-44.3	-49.3	-5.0
Purchase and development of intangibles	-32.8	-47.9	-15.1
Acquisition of participating companies, net of cash acquired	-16.9	-46.3	-29.4
Proceeds from other financial assets	6.6	3.6	-3.0
Purchase of other financial assets	-5.1	-4.9	0.2
Interest received on loans granted & cash revenues from other financial assets	0.7	1.1	0.4
Net cash-flows used in investing activities	-91.8	-143.7	-51.9
<i>Cash-flows from / used in financing activities</i>			
Cash inflows in bank accounts	1,430.6	984.5	-446.1
Cash outflows in bank accounts	-1,488.0	-1,129.3	358.7
Issuance of bonds	615.0	0.0	-615.0
Repayment of bonds	-530.3	0.0	530.3
Deferred gaming taxes, payable	-53.6	-2.8	50.8
Capital lease payments	-0.5	-0.4	0.1
Lease principal payments	-36.2	-47.5	-11.3
Interest paid on financial debt	-90.7	-76.7	14.0
Dividends and other	-5.4	-12.4	-7.0
Net cash-flows from / used in financing activities	-159.1	-284.6	-125.5
Net variation in cash & cash equivalents	6.4	-41.1	-47.5
Net foreign exchange difference	-0.6	0.0	0.6
Cash & cash equivalents at January 1	283.3	280.2	-3.1
Cash & cash equivalents at September 30	289.1	239.1	-50.0

Consolidated Balance Sheet

<i>Thousands of Euros</i>	30-Sep-21	31-Dec-21	30-Sep-22
Assets			
Intangibles	944,581	944,573	1,071,834
Goodwill	1,228,505	1,228,475	1,230,238
Property, plant & equipment	273,877	266,809	263,862
Right of use assets	248,570	236,774	249,827
Financial assets	69,232	71,482	78,890
Deferred income tax	111,696	98,595	98,105
Total non-current assets	2,876,461	2,846,708	2,992,756
Inventories	17,785	19,357	26,112
Accounts receivable	84,662	86,463	119,581
Financial assets	11,735	14,616	17,868
Cash & cash equivalents	289,052	280,201	239,107
Other	16,102	14,685	15,092
Total current assets	419,336	415,322	417,760
Total Assets	3,295,797	3,262,030	3,410,516
Liabilities			
Share capital	70,663	70,663	70,663
Share premium	626,793	626,583	626,583
Reserves	-457,662	-458,589	-612,075
Cumulative translation reserve	-68,637	-62,432	32,303
Consolidated result for the period	-139,982	-150,876	37,826
Minority interest	90,740	97,399	102,669
Total net equity	121,915	122,748	257,969
Provisions	15,615	16,068	18,954
Credit institutions	63,500	64,050	52,584
Bonds	2,034,383	2,033,563	2,039,816
Lease liabilities	242,224	228,759	237,433
Tax authorities	4	0	3
Other creditors	32,427	32,153	42,355
Deferred income tax	232,565	230,432	253,912
Total non-current liabilities	2,620,718	2,605,025	2,645,057
Credit institutions	232,917	226,897	94,249
Bonds	15,770	9,184	16,711
Lease liabilities	42,822	45,522	50,615
Accounts payable	33,199	34,906	53,115
Other creditors	216,322	208,046	254,186
Current income tax payable	12,133	9,702	38,613
Total current liabilities	553,164	534,257	507,490
Total equity & liabilities	3,295,797	3,262,030	3,410,516

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This interim report of our results includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this interim report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this interim report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this interim report, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- *Public health outbreaks, epidemics or pandemics, such as the Covid-19, could have a material adverse effect on our business, financial position, results of operations and cash flows.*
- *Our business may be negatively impacted by the economic volatility and political conditions in Spain and other markets in which we operate.*
- *There are risks associated with our operations outside of Spain.*
- *We do not control certain of our joint venture businesses.*
- *We may experience significant losses with respect to individual events or betting outcomes and the failure to determine accurately the odds at which we will accept bets in relation to any particular event or any failure of our risk management processes may adversely affect our results.*
- *The technological solutions we have in place to block access to our online services by players in certain jurisdictions may prove inadequate, which may harm our business and expose us to liability.*
- *The gaming industry is subject to extensive regulation (including applicable anti-corruption and economic sanctions laws) and licensing requirements and our business may be adversely affected by our inability to comply with these extensive regulation and licensing requirements, regulatory changes and increases in the taxation of gaming, which could result in litigation.*
- *Failure to maintain our online gaming licenses or comply with online gaming rules and regulations could adversely affect our business.*
- *Our failure to keep up with technological developments in the online gaming market could negatively impact our business, results of operations and financial condition.*
- *We may not be able to manage growth in our business.*
- *We are dependent upon our ability to provide secure gaming products and maintain the integrity of our employees in order to attract customers, and any event damaging our reputation could adversely affect our business.*
- *We are in a competitive business environment and, as a result, our market share and business position may be adversely affected by factors beyond our control.*
- *Changes in consumer preferences could also harm our business.*
- *Our success is dependent on maintaining and enhancing our brand.*
- *We may fail to detect money laundering or fraudulent activities of our customers or third parties.*
- *Our results of operations could be adversely affected by a disruption of operations at our manufacturing facilities.*
- *Certain countries in which we operate have been subject to significant security issues in the past several years, and if such issues continue or worsen, our operations could be materially adversely affected.*
- *The Group's significant leverage and debt service obligations could materially adversely affect its business.*
- *We are subject to restrictive covenants under our Revolving Credit Facility Agreement and Indentures, which may limit our ability to operate our business, finance our future operations and capital needs and to pursue business opportunities and activities.*
- *Our failure to comply with regulations regarding the use of personal customer data could subject us to lawsuits, administrative fines or result in the loss of goodwill of our customers.*
- *Our systems may be vulnerable to hacker intrusion, distributed denial of service attack, malicious viruses and other cybercrime attacks.*
- *We are subject to taxation which is complex and often requires us to make subjective determinations.*
- *Our results of operations are impacted by fluctuations in foreign currency exchange rates.*
- *Terrorist attacks and other acts of violence or war may affect our business and results of operations.*
- *Negative perceptions and negative publicity surrounding the gaming industry could damage our reputation or lead to increased regulation or taxation, which could adversely affect our business.*

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

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