

## Q1 2021 QUARTERLY REPORTING

### LHMC Finco 2 S.à r.l.

Attached as Annex 1 is the consolidated first quarter 2021 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 three-month period ended March 31, 2021, of Finco and the Group, other than in relation to €400 million 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 three months ended March 31, 2020 and for the three-month period ended March 31, 2021. We have not presented the financial results for Midco as they are not material.

| P&L                                   | First Quarter      |                    |                    |
|---------------------------------------|--------------------|--------------------|--------------------|
|                                       | 2020               | 2021               | Dif.               |
| Operating costs                       | 26,982             | - 29,797           | - 56,779           |
| Finance costs                         | - 7,568,229        | - 8,919,270        | - 1,351,042        |
| Foreign exchange gain/loss            | - 252              |                    | 252                |
| <b>Profit before tax</b>              | <b>- 7,541,499</b> | <b>- 8,949,067</b> | <b>- 1,407,568</b> |
| Income tax                            | - 4,815            | - 4,815            | -                  |
| <b>Net profit/(loss) for the year</b> | <b>- 7,546,314</b> | <b>- 8,953,882</b> | <b>- 1,407,568</b> |

#### *Profit and loss information for Q1 2021 compared to Q1 2020*

Operating costs increased by €56,779 in Q1 2021 compared to Q1 2020, primarily due to certain costs relating to financial audits carried out in FY 2019, which were reversed during the first quarter 2020 as the consolidated audit of Finco was subsequently not required. Operating costs in Q1 2021 were mainly comprised of administration, tax and renting costs.

Finance costs were €8.9 million in Q1 2021 compared to €7.6 in Q1 2020, mainly due to interest accruing on the PIK Notes at 8% for Q1 2021 instead of 7.25% in the comparative period. In addition, due to payment of PIK interest during 2020, the principal amount PIK Notes increased by €16 million on July 15, 2020 and €16.6 million on January 1, 2021. Accordingly, interest accruing in Q1 2021 was calculated on such increased principal amount of PIK Notes.

Foreign exchange gain in Q1 2020 reflected a loss made on an invoice paid in a currency other than euro. No invoice in any currency other than Euros was recognized in Q1 2021.

The income tax paid in Q1 2021 reflected the minimal net wealth tax applicable in Luxembourg payable on a full year basis. Income tax of €4,815 was paid for the full year 2021.

The table below and the discussion that follows present certain unaudited standalone balance sheet information for Finco as of March 31, 2020 and March 31, 2021 and certain audited standalone balance sheet information for Finco as of December 31, 2020 . We have not presented the financial results for Midco as they are not material.

| <b>Balance Sheet</b>                |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|
|                                     | <b>31-Mar-20</b>   | <b>31-Dec-20</b>   | <b>31-Mar-21</b>   |
| <b>Assets</b>                       |                    |                    |                    |
| Financial assets                    | 697,904,778        | 697,604,778        | 697,604,778        |
| Cash and cash equivalents           | 165,012            | 78,501             | 49,556             |
|                                     |                    |                    |                    |
| <b>Total Assets</b>                 | <b>698,069,790</b> | <b>697,683,279</b> | <b>697,654,334</b> |
|                                     |                    |                    |                    |
| <b>Liabilities</b>                  |                    |                    |                    |
| Share Capital                       | 12,000             | 12,000             | 12,000             |
| Share Premium                       | 313,872,000        | 313,872,000        | 313,872,000        |
| Result brought forward              | - 7,598,594        | - 7,598,594        | - 41,369,858       |
| Result                              | - 7,546,314        | - 33,771,263       | - 8,953,882        |
|                                     |                    |                    |                    |
| <b>Total net equity</b>             | <b>298,739,092</b> | <b>272,514,142</b> | <b>263,560,260</b> |
|                                     |                    |                    |                    |
| Payables                            | 293,598            | 36,184             | 41,850             |
| Accrued interest                    | 6,041,667          | 15,253,333         | 7,210,667          |
| Bonds                               | 392,995,433        | 409,879,620        | 426,841,557        |
|                                     |                    |                    |                    |
| <b>Total creditors</b>              | <b>399,330,698</b> | <b>425,169,137</b> | <b>434,094,074</b> |
|                                     |                    |                    |                    |
| <b>Total equity and liabilities</b> | <b>698,069,790</b> | <b>697,683,279</b> | <b>697,654,334</b> |

***Balance sheet information as of March 31, 2021 compared to December 31, 2020***

Financial assets held by Finco correspond to the shares it owns in Midco. Financial assets remained the same between December 31, 2020 and March 31, 2021.

Cash balance decreased by €28,945 as of March 31, 2021 compared to December 31, 2020 due to cash balance at Finco level for settlement of operational expenses in relation to accounting fees, tax advances and director fees payment.

Liabilities comprised the equity contributed by the sole shareholder of Finco (i.e., LPMC Topco S.à r.l.) and the indebtedness represented by the PIK Notes. PIK interest accrued at 8% from January 15, 2020 to July 15, 2020 and from July 16, 2020 to January 15, 2021 were capitalized to the principal amount of the PIK Notes at the end of each interest period.

Total net equity decreased by €8.95 million as of March 31, 2021 compared to December 31, 2020 primarily due to the interests expense making the result of Q1 2021.

Payables increased by €5,666 as of March 31, 2021 compared to December 31, 2020, primarily due to the bookings of the accruals of the annual administration fees payable to the PIK Notes Trustee in 2021.

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.

## Annex 1



### FIRST QUARTER 2021 RESULTS May 19, 2021

- For 1Q-2021, we report EBITDA of €28.6 million.

| <b>Ebitda Mix<br/>by Country</b> | <b>FY<br/>2020</b> | <b>1Q<br/>2021</b> |
|----------------------------------|--------------------|--------------------|
| Spain                            | 77.3%              | 59.4%              |
| Italy                            | 2.2%               | -12.8%             |
| Panama                           | 9.7%               | 15.9%              |
| Colombia                         | 10.9%              | 26.9%              |
| Mexico                           | -0.7%              | -2.5%              |
| Peru                             | -2.1%              | -0.5%              |
| Other                            | 2.7%               | 13.6%              |

- As of March 31, 2021 our financial position is:
  - Total net debt of €2,423.5 million. +2.2% vs 31<sup>st</sup> December 2020.
  - Cash of €267.4 million. €15.9 million reduction vs 31<sup>st</sup> December 2020.
  - Net debt to EBITDA ratio stands at 36.8x.

## **Q1 2021 Highlights**

### **Operational Highlights**

In January and February, we suffered the heaviest level of restrictions since the full closure of our operations in Q2 2020.

In March, we experienced an important recovery of operating hours following a release of restrictions in most geographies. This positive trend has continued in April and month to date.

EBITDA rapidly increased in March allowing for significant positive Free Operating Cash Flow generation in the quarter.

#### **Increase in capacity after favourable pandemic evolution**

- Available operating hours had a significant swift during the quarter: From 28% in January/February to 46% in March, having reached by the end of the quarter a level of 50% of operating hours compared to same period in 2019.
- Average available hours in the full quarter have been at 34%.
- The favourable evolution of the pandemic in Spain and Latam has allowed for significant increases in operating hours during the quarter in both regions:
  - Available hours in Spain grew from 40% in Jan/Feb to 57% in March.
  - Available hours in Latam increased from 31% in Jan/Feb to 60% in March.
  - Italian and Moroccan operations have been fully closed during the quarter and they remain fully closed as of today.

#### **Significant improvement of EBITDA during the quarter.**

- Total EBITDA for the quarter was of €28.6 million.
- January and February EBITDA amounted to €5.6 million altogether as operating hours were below 30%, whilst March EBITDA rose to €23.0 million following the increase in operating hours to 46%.
- March EBITDA of €23.0 million represents ca 60% of pre-pandemic monthly EBITDA level.
- Q1 revenues have been at 44% vs Q1 2020 compared to 34% available operational hours.
- A cost reduction of 52% vs Q1 2020 has been achieved.
- On-line business continues to have a very good performance reporting growth in revenues of 27% and EBITDA of 25% vs Q1 2020.

### **Once more, very fast recovery of customers and revenues after 3<sup>rd</sup> wave.**

- In general terms, it is taking less than 30 days from re-openings to get to a higher level of revenues than the percentage of available operating hours. During March, both Spain and Latam are achieving a higher percentage of revenues than the percentage of available operating hours.
- Unlike tourism linked gaming models, our local gaming model strategy (retail, low wage, high volume, proximity customers, not linked to tourism...) is proving its resilience by recovering revenues as fast as restrictions are released.
- Fast revenue recovery has been occurring after each Covid-19 wave. As an example, the following table shows the evolution of revenues for our top-3 businesses in the month of the release of restrictions of the third wave:

| Business /<br>month of restrictions release | %<br>Hours<br>available | %<br>Revenues<br>achieved | Increase in<br>revenues vs<br>previous month | % Revenues /<br>% hours |
|---------------------------------------------|-------------------------|---------------------------|----------------------------------------------|-------------------------|
| Spain slots / March 2021                    | 57%                     | 69%                       | +64%                                         | 1,21                    |
| Panama casinos / March 2021                 | 55%                     | 63%                       | +425%                                        | 1,15                    |
| Colombia casinos / Feb 2021                 | 83%                     | 82%                       | +55%                                         | 0,99                    |

- Other countries and businesses have also reached rates of revenue recovery in relation to hours which are close to 1 or higher, with the exception of the bingo division which has experienced a steady recovery of revenues, but they still do not reach the percentage of operational hours, mostly due to some restrictions having affected 60+ years old customers accessing the premises.
- Other restrictions on capacity, on food and beverage distribution and the beforementioned restriction on 60+ year old customers, have been applying in addition to the hourly restrictions.

### **Significant cost reductions in the quarter which add to a tight management of CAPEX**

- Our cost management has continued to stick to our policy of aligning all costs, including fixed costs, as close as possible to the level of revenues.
- In Q1 2021, EBITDA costs amounted to €127.8 million which compare to €266.9 million in Q1 2020. This is a reduction of 52%.
- Cost reductions have impacted on all cost concepts and, in particular, on fixed costs such as personnel and external supplies that have had a decrease in respect to Q1 2020 of 40% and 34% respectively.

- Efficiency and productivity gains in personnel and other costs are not only linked to a lower level of operating hours but part of these gains is expected to be maintained after full recovery of operating hours.
- Spanish fixed gaming taxes charges have been reduced by local authorities in several regions to compensate the loss of operating hours caused by the restrictions. The reductions of charges will also impact on Q2 2021 results.
- In addition to cost reductions and following reductions in CAPEX in the previous three quarters, in Q1 2021 a further reduction of CAPEX has been implemented in order to maximize the generation of Free Operating Cash Flow.
- Q1 CAPEX of €16.5 million was reduced by 65% in respect to €46.9M in Q1 2020. CAPEX is expected to increase in the next quarters as we recover operational hours, revenues and EBITDA.

### **Current situation**

- During April, there have been significant restrictions improvements in Spain, Panama, Mexico, Peru and Dominican Republic. In Colombia and Costa Rica, there has been a temporary step back in the release of restrictions, however both of them are as of today loosening restrictions again.
- Italy and Morocco continue to be fully closed.
- Overall available hours in April are estimated to be between 45% and 50%.
- Current situation as of 17<sup>th</sup> May 2021

| <b><u>Country</u></b> | <b><u>Situation</u></b>                                                                                                       |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Spain                 | The vast majority of regions allow for premises to be open with night hour restrictions, ban on F&B & other capacity measures |
| Italy                 | Closed                                                                                                                        |
| Colombia              | 72/72 open with hourly and F&B/events restrictions                                                                            |
| Panama                | 33/33 open with hourly and F&B/events restrictions                                                                            |
| Mexico                | 27/28 open with hourly restrictions and F&B/events & other capacity measures                                                  |
| Costa Rica            | 8/8 open with hourly restrictions & other capacity measures                                                                   |
| Dominican R.          | 6/6 open with hourly restrictions                                                                                             |
| Peru                  | 23/23 open with hourly restrictions and F&B/events & other capacity measures                                                  |
| Morocco               | Closed                                                                                                                        |

- We expect that the progress of vaccination campaigns up to now and in the coming months sets a positive scenario in terms of restrictions and for our path back to 'normality'.

## **Financial Highlights**

**High level of cash.**

**Current monthly EBITDA level driving to positive Free Cash Flow generation.**

**Expected stable working capital.**

### **Strong cash position of €267.4 million**

- Cash balance at quarter end was of €267.4 million. Unused credit lines as of the end of the quarter were of €14.2 million, thus total cash availability amounted to €281.6 million.
- During the quarter, deferred gaming taxes have been reduced by €18.5 million corresponding mainly to the payment of 2020 Italian deferred gaming taxes. Spanish deferred gaming taxes balance has remained stable.
- Net Financial Debt as of March 31<sup>st</sup> is of €2,423.5 million. The increase of €52.7 million is mainly due to interest expenses accruals and the foreign exchange adjustment of USD notes after the US Dollar hit last four months high vs the Euro on the 31<sup>st</sup> of March.
- Leverage ratio rose as a consequence of the LTM EBITDA being built up of 4 quarters very heavily affected by the pandemic. Recovery of EBITDA will allow to significantly reduce leverage in the coming quarters.

### **Positive FOCF in Q1 and already positive FCF in March**

- We have had positive Free Operating Cash Flow (before financial interest and capitalised leases payments) in the quarter for an amount of €25.7 million.
- The increased EBITDA in March, the reduced CAPEX for the quarter and the positive evolution of working capital have been key elements to achieve positive FOCF in the quarter despite of the high level of restrictions already described in January and February.
- The €23.0 million EBITDA in March combined with a low level of CAPEX have allowed to obtain positive Free Cash Flow (after financial interest charges and capitalised leases payments) in March.

**Cirsa Enterprises S.L.U.**

| P&L Consolidated<br><i>Thousands of Euros</i> | First Quarter  |                 |                 |
|-----------------------------------------------|----------------|-----------------|-----------------|
|                                               | 2020           | 2021            | Dif.            |
| <b>Operating Revenues</b>                     | <b>413,603</b> | <b>189,763</b>  | <b>-223,840</b> |
| Variable rent                                 | -57,897        | -33,356         | 24,541          |
| <b>Net Operating Revenues</b>                 | <b>355,706</b> | <b>156,407</b>  | <b>-199,299</b> |
| Consumptions                                  | -15,031        | -8,784          | 6,247           |
| Personnel                                     | -70,538        | -42,621         | 27,917          |
| Gaming taxes                                  | -117,702       | -34,357         | 83,345          |
| External supplies & services                  | -63,625        | -42,020         | 21,605          |
| Depreciation, amort. & impairment             | -82,236        | -76,285         | 5,951           |
| <b>EBIT</b>                                   | <b>6,574</b>   | <b>-47,660</b>  | <b>-54,234</b>  |
| Financial results                             | -35,686        | -37,686         | -2,000          |
| Foreign exchange results                      | -18,364        | -18,041         | 323             |
| Results on sale of non-current assets         | -1,645         | 1,611           | 3,256           |
| <b>Profit before Income Tax</b>               | <b>-49,121</b> | <b>-101,776</b> | <b>-52,655</b>  |
| Income Tax                                    | -1,321         | 23,542          | 24,863          |
| Minority interest                             | -688           | 3,272           | 3,960           |
| <b>Net Profit</b>                             | <b>-51,130</b> | <b>-74,962</b>  | <b>-23,832</b>  |
| <b>EBITDA</b>                                 | <b>88,811</b>  | <b>28,625</b>   | <b>-60,186</b>  |

**First quarter of 2021 compared to first quarter 2020**

Net operating revenues declined by 56.0 % and EBITDA decreased by 67.8 % from 1Q-2020 due to the recurrent changes in restrictions and closings by country and region, which significantly impacted the months of January and February 2021. Income Tax improved by €24.9 million in 1Q-2021 from 1Q-2020 due to tax credits capitalized in all geographies.

| <b>Average Exchange Rates</b><br><i>One Euro equals:</i> | <b>YTD</b><br><i>Mar. 31, 2020</i> | <b>YTD</b><br><i>Mar. 31, 2021</i> | <b>Variation</b> |
|----------------------------------------------------------|------------------------------------|------------------------------------|------------------|
| Colombia Peso                                            | 4,036.4816                         | 4,364.8035                         | 8.1%             |
| Costa Rica Colon                                         | 635.1489                           | 738.7562                           | 16.3%            |
| Dominican Republic Peso                                  | 58.8868                            | 69.2682                            | 17.6%            |
| Mexico Peso                                              | 22.8870                            | 24.6485                            | 7.7%             |
| Morocco Dirham                                           | 10.7656                            | 10.7764                            | 0.1%             |
| Panama US Dollar                                         | 1.0995                             | 1.1994                             | 9.1%             |
| Peru Nuevo Sol                                           | 3.7635                             | 4.4172                             | 17.4%            |

| <b>Slots Division</b>                                    |                      |                |                 |
|----------------------------------------------------------|----------------------|----------------|-----------------|
| <b>P&amp;L Consolidated</b><br><i>Thousands of Euros</i> | <b>First Quarter</b> |                |                 |
|                                                          | <b>2020</b>          | <b>2021</b>    | <b>Dif.</b>     |
| <b>Operating Revenues</b>                                | <b>217,517</b>       | <b>94,127</b>  | <b>-123,390</b> |
| Variable rent                                            | -55,340              | -32,500        | 22,840          |
| <b>Net Operating Revenues</b>                            | <b>162,177</b>       | <b>61,627</b>  | <b>-100,550</b> |
| Consumptions                                             | -7,333               | -4,579         | 2,754           |
| Personnel                                                | -20,284              | -11,776        | 8,508           |
| Gaming taxes                                             | -86,726              | -19,774        | 66,952          |
| External supplies & services                             | -16,843              | -10,590        | 6,253           |
| Depreciation, amort. & impairment                        | -30,675              | -28,238        | 2,437           |
| <b>EBIT</b>                                              | <b>315</b>           | <b>-13,329</b> | <b>-13,644</b>  |
| <b>EBITDA</b>                                            | <b>30,990</b>        | <b>14,909</b>  | <b>-16,081</b>  |

***First quarter of 2021 compared to first quarter 2020***

Net operating revenues and EBITDA were negatively impacted by the temporary operating restrictions and regional closures in Spain (particularly tough in January and February), and the full closure of all our operations in Italy. In all cases we were immediately realigning our base cost (personnel and taxes) to the different levels of activity caused by closures and other restrictions, mostly impacting available operating hours and capacity.

The 1Q-2021 EBITDA reported by country is as follows:

- EBITDA of Spanish operations was €18.7 million from €30.1 million in 1Q-2020.
- EBITDA of Italian operations was - €3.8 from €0.9 million in 1Q-2020.

| <b>Slot Machines</b><br><b><i>As of Mar. 31</i></b> | <b>Var.</b>   |               |               | <b>Var.</b><br><b>%</b> |
|-----------------------------------------------------|---------------|---------------|---------------|-------------------------|
|                                                     | <b>2020</b>   | <b>2021</b>   | <b>units</b>  |                         |
| Slot machines, Spain                                | 38,065        | 34,341        | -3,724        | -9.8                    |
| Slot machines, Italy                                | 7,303         | 7,043         | -260          | -3.6                    |
| VLTs, Italy                                         | 2,505         | 2,468         | -37           | -1.5                    |
| <b>Total</b>                                        | <b>47,873</b> | <b>43,852</b> | <b>-4,021</b> | <b>-8.4</b>             |

***Projects & main operational issues***

We have adapted our operational processes to comply with all required health standards and maintain regular contact with bars' owners.

Slot machines reductions in Spain & Italy are driven by bar closures or bars pending to re-open. We believe that the current level of bar closures will not impact significantly once normality comes back as people willing to play will reallocate to remaining open bars.

| <b>Casinos Division</b>           |                      |                |                |
|-----------------------------------|----------------------|----------------|----------------|
| <b>P&amp;L Consolidated</b>       | <b>First Quarter</b> |                |                |
| <i>Thousands of Euros</i>         | <b>2020</b>          | <b>2021</b>    | <b>Dif.</b>    |
| <b>Operating Revenues</b>         | <b>107,115</b>       | <b>49,117</b>  | <b>-57,998</b> |
| Variable rent                     | -485                 | -340           | 145            |
| <b>Net Operating Revenues</b>     | <b>106,630</b>       | <b>48,777</b>  | <b>-57,853</b> |
| Consumptions                      | -1,705               | -382           | 1,323          |
| Personnel                         | -21,712              | -10,517        | 11,195         |
| Gaming taxes                      | -16,840              | -8,476         | 8,364          |
| External supplies & services      | -24,553              | -14,087        | 10,466         |
| Depreciation, amort. & impairment | -35,562              | -31,162        | 4,400          |
| <b>EBIT</b>                       | <b>6,258</b>         | <b>-15,848</b> | <b>-22,106</b> |
| <b>EBITDA</b>                     | <b>41,820</b>        | <b>15,314</b>  | <b>-26,506</b> |

***First quarter of 2021 compared to first quarter 2020***

Net operating revenues and EBITDA were negatively impacted by significant operating restrictions (opening hours, capacity, F&B....) and the temporary closure of 26 out of 33 of our casinos in Panama which resumed operations in early March.

| <b>As of Mar. 31</b> | <b>2020</b>    |               |               | <b>2021</b>    |               |               | <b>Variation</b> |              |               |
|----------------------|----------------|---------------|---------------|----------------|---------------|---------------|------------------|--------------|---------------|
|                      | <b>Casinos</b> | <b>Slots</b>  | <b>Tables</b> | <b>Casinos</b> | <b>Slots</b>  | <b>Tables</b> | <b>Casinos</b>   | <b>Slots</b> | <b>Tables</b> |
| Panama               | 33             | 8,019         | 19            | 33             | 7,857         | 19            | 0                | -162         | 0             |
| Colombia             | 65             | 6,482         | 239           | 72             | 7,232         | 246           | 7                | 750          | 7             |
| Peru                 | 24             | 3,611         | 38            | 24             | 3,596         | 38            | 0                | -15          | 0             |
| Costa Rica           | 8              | 863           | 25            | 8              | 855           | 25            | 0                | -8           | 0             |
| Dominican Republic   | 6              | 859           | 82            | 6              | 853           | 82            | 0                | -6           | 0             |
| Spain                | 6              | 521           | 52            | 6              | 516           | 52            | 0                | -5           | 0             |
| Morocco              | 2              | 282           | 29            | 2              | 281           | 29            | 0                | -1           | 0             |
| <b>Total</b>         | <b>144</b>     | <b>20,637</b> | <b>484</b>    | <b>151</b>     | <b>21,190</b> | <b>491</b>    | <b>7</b>         | <b>553</b>   | <b>7</b>      |

***Projects & main operational issues***

We have implemented several action plans in order to adapt our cost structure to the different operating restrictions (mainly to operating hours) and customer demand levels to remain as efficient as possible.

We have also carried out several proactive marketing actions, through our CRM, to increase the customer base and the frequency of visits to our premises.

| <b>Bingo Division</b>             |                      |                |                |
|-----------------------------------|----------------------|----------------|----------------|
| <b>P&amp;L Consolidated</b>       | <b>First Quarter</b> |                |                |
| <i>Thousands of Euros</i>         | <b>2020</b>          | <b>2021</b>    | <b>Dif.</b>    |
| <b>Operating Revenues</b>         | <b>52,714</b>        | <b>16,397</b>  | <b>-36,317</b> |
| Variable rent                     | -2,177               | -512           | 1,665          |
| <b>Net Operating Revenues</b>     | <b>50,537</b>        | <b>15,885</b>  | <b>-34,652</b> |
| Consumptions                      | -2,481               | -722           | 1,759          |
| Personnel                         | -11,267              | -5,784         | 5,483          |
| Gaming taxes                      | -8,753               | -2,818         | 5,935          |
| External supplies & services      | -13,014              | -7,099         | 5,915          |
| Depreciation, amort. & impairment | -12,769              | -12,499        | 270            |
| <b>EBIT</b>                       | <b>2,253</b>         | <b>-13,036</b> | <b>-15,289</b> |
| <b>EBITDA</b>                     | <b>15,022</b>        | <b>-537</b>    | <b>-15,559</b> |

***First quarter of 2021 compared to first quarter 2020***

Net operating revenues and EBITDA were severely impacted by the operating restrictions and temporary closures (quite significant in the first two months of 2021) in Spain and Mexico.

The 1Q-2021 EBITDA reported by country is as follows:

- EBITDA of Spanish operations was €0.2 million from €5.4 million in 1Q-2020.
- EBITDA of Mexican operations was -€0.7 from €9.6 million in 1Q-2020.

| <b>Bingo Halls</b>   |             |             |             |
|----------------------|-------------|-------------|-------------|
| <b>As of Mar. 31</b> | <b>2020</b> | <b>2021</b> | <b>Var.</b> |
| Spain                | 42          | 39          | -3          |
| Mexico               | 28          | 28          | 0           |
| Italy                | 12          | 12          | 0           |
| <b>Total</b>         | <b>82</b>   | <b>79</b>   | <b>-3</b>   |

***Projects & main operational issues***

In all cases, cost structure is being adapted to the different operating restrictions (mainly to opening hours) and customer demand levels to remain as efficient as possible.

We have also carried out several proactive marketing actions, through our CRM, to increase the customer base and the frequency of visits to our premises

### Sports Betting & On-line Division

| P&L Consolidated<br>Thousands of Euros | First Quarter |               |               |
|----------------------------------------|---------------|---------------|---------------|
|                                        | 2020          | 2021          | Dif.          |
| <b>Operating Revenues</b>              | <b>34,628</b> | <b>27,680</b> | <b>-6,948</b> |
| Variable rent                          | -40           | -10           | 30            |
| <b>Net Operating Revenues</b>          | <b>34,588</b> | <b>27,670</b> | <b>-6,918</b> |
| Consumptions                           | -221          | -154          | 67            |
| Personnel                              | -5,129        | -4,691        | 438           |
| Gaming taxes                           | -5,270        | -3,365        | 1,905         |
| External supplies & services           | -16,789       | -16,322       | 467           |
| Depreciation, amort. & impairment      | -3,214        | -4,413        | -1,199        |
| <b>EBIT</b>                            | <b>3,966</b>  | <b>-1,275</b> | <b>-5,241</b> |
| <b>EBITDA</b>                          | <b>7,180</b>  | <b>3,138</b>  | <b>-4,042</b> |

### First quarter of 2021 compared to first quarter 2020

Due to the strong performance of our online gaming business we were able to reach Net Revenues of €27.7 million and EBITDA of €3.1 million, despite temporary operating restrictions and regional closures of all our retail sports betting operations.

Online business has increased revenues and EBITDA by 27% and 25% vs Q1 2020. Recovery of the retail channel in March and the increase of omnichannel interactions are key factors in the performance of the division.

| As of Mar. 31 | Betting Points |              |             | Terminals    |              |             |
|---------------|----------------|--------------|-------------|--------------|--------------|-------------|
|               | 2020           | 2021         | Var.        | 2020         | 2021         | Var.        |
| Spain         | 2,641          | 2,545        | -96         | 9,019        | 8,600        | -419        |
| Colombia      | 204            | 146          | -58         | 111          | 55           | -56         |
| Panama        | 28             | 28           | 0           | 218          | 218          | 0           |
| <b>Total</b>  | <b>2,873</b>   | <b>2,719</b> | <b>-154</b> | <b>9,348</b> | <b>8,873</b> | <b>-475</b> |

### Projects & main operational issues

Due to the COVID outbreak, we have adapted our operational processes to comply with all required health standards both affecting our internal processes as well as all commercial processes in our retail sports betting operations. In addition, we have conducted a severe cost reduction program in Spain, Panama and Colombia. Additionally, we implemented several action plans to strengthen our on-line casino during this period.

| <b>B2B Division</b>               |                      |               |                |
|-----------------------------------|----------------------|---------------|----------------|
| <b>P&amp;L Consolidated</b>       | <b>First Quarter</b> |               |                |
| <i>Thousands of Euros</i>         | <b>2020</b>          | <b>2021</b>   | <b>Dif.</b>    |
| <b>Operating Revenues</b>         | <b>18,135</b>        | <b>7,190</b>  | <b>-10,945</b> |
| Variable rent                     | 0                    | 0             | 0              |
| <b>Net Operating Revenues</b>     | <b>18,135</b>        | <b>7,190</b>  | <b>-10,945</b> |
| Consumptions                      | -9,753               | -3,972        | 5,781          |
| Personnel                         | -5,360               | -3,747        | 1,613          |
| Gaming taxes                      | -76                  | -35           | 41             |
| External supplies & services      | -1,765               | -1,669        | 96             |
| Depreciation, amort. & impairment | -1,840               | -1,755        | 85             |
| <b>EBIT</b>                       | <b>-658</b>          | <b>-3,988</b> | <b>-3,330</b>  |
| <b>EBITDA</b>                     | <b>1,182</b>         | <b>-2,233</b> | <b>-3,415</b>  |

***First quarter of 2021 compared to first quarter 2020***

Net operating revenues and EBITDA were severally impacted by the restrictions and closings by region, which resulted in the cancellation or delay of orders mostly from our bar channel customers. During March 2021, due to re-opening of all gaming segments in Spain, we have recovered orders from our customers.

***Projects & main operational issues***

In line with the re-opening of all gaming segments in Spain, we have also recovered our B2B activities in this market.

### Structure & Adjustments

| P&L Consolidated<br><i>Thousands of Euros</i> | First Quarter  |               |               |
|-----------------------------------------------|----------------|---------------|---------------|
|                                               | 2020           | 2021          | Dif.          |
| <b>Operating Revenues</b>                     | <b>-16,506</b> | <b>-4,748</b> | <b>11,758</b> |
| Variable rent                                 | 145            | 6             | -139          |
| <b>Net Operating Revenues</b>                 | <b>-16,361</b> | <b>-4,742</b> | <b>11,619</b> |
| Consumptions                                  | 6,462          | 1,025         | -5,437        |
| Personnel                                     | -6,786         | -6,106        | 680           |
| Gaming taxes                                  | -37            | 111           | 148           |
| External supplies & services                  | 9,339          | 7,747         | -1,592        |
| Depreciation, amort. & impairment             | 1,824          | 1,782         | -42           |
| <b>EBIT</b>                                   | <b>-5,559</b>  | <b>-184</b>   | <b>5,375</b>  |
| <b>EBITDA</b>                                 | <b>-7,383</b>  | <b>-1,966</b> | <b>5,417</b>  |

### Millions of Euros

| CAPEX<br><i>YTD March 31</i> |             |             |              |
|------------------------------|-------------|-------------|--------------|
|                              | 2020        | 2021        | Var.         |
| Slots                        | 29.1        | 12.3        | -16.8        |
| Casinos                      | 10.8        | 2.8         | -8.0         |
| Bingo                        | 4.1         | 0.4         | -3.7         |
| Sports betting & on-line     | 1.3         | 0.6         | -0.7         |
| B2B                          | 0.9         | 0.3         | -0.6         |
| Structure                    | 0.7         | 0.1         | -0.6         |
| <b>Total</b>                 | <b>46.9</b> | <b>16.5</b> | <b>-30.4</b> |

| <i>Millions of Euros</i>        |               |               |               |               |               | <i>Adjusted Ebitda</i> |               |               |               |                             |             |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|------------------------|---------------|---------------|---------------|-----------------------------|-------------|
| <b>Leverage</b>                 |               |               |               |               |               | <b>2020</b>            |               |               |               |                             | <b>2021</b> |
|                                 | <b>Mar-31</b> | <b>Jun-30</b> | <b>Sep-30</b> | <b>Dec-31</b> | <b>Mar-31</b> | <b>Mar-31</b>          | <b>Jun-30</b> | <b>Sep-30</b> | <b>Dec-31</b> | <b>Mar-31<sup>(1)</sup></b> |             |
| LTM Ebitda                      | 458.1         | 295.4         | 214.2         | 126.1         | 65.9          | 497.0                  | 515.3         | 526.2         | 529.3         | 529.3                       |             |
| Net Interest Expense            | 155.7         | 160.4         | 151.4         | 154.3         | 156.3         |                        |               |               |               |                             |             |
| Cash & Cash Equivalents         | 352.3         | 264.5         | 352.7         | 283.3         | 267.4         |                        |               |               |               |                             |             |
| Total Debt                      | 2,617.7       | 2,603.2       | 2,673.4       | 2,654.1       | 2,690.9       |                        |               |               |               |                             |             |
| Total Net Debt                  | 2,265.4       | 2,338.7       | 2,320.7       | 2,370.8       | 2,423.5       |                        |               |               |               |                             |             |
| <b>Total Net Debt to Ebitda</b> | <b>4.9x</b>   | <b>7.9x</b>   | <b>10.8x</b>  | <b>18.8x</b>  | <b>36.8x</b>  | <b>4.6x</b>            | <b>4.5x</b>   | <b>4.4x</b>   | <b>4.5x</b>   | <b>4.6x</b>                 |             |
| Ebitda to Net Interest Expense  | 2.9x          | 1.8x          | 1.4x          | 0.8x          | 0.4x          | 3.2x                   | 3.2x          | 3.5x          | 3.4x          | 3.4x                        |             |

(1) LTM March 31 adjusted EBITDA includes €463.4 million of adjustments relating to the estimated EBITDA impact from unprecedented year-over-year volume declines due to the COVID-19 pandemic, beginning in March 2020.

| <i>Millions of Euros</i>           |                |                |                |                |                |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Financial Debt</b>              |                |                |                |                |                |
| <b>As of</b>                       | <b>Mar-31</b>  | <b>Jun-30</b>  | <b>Sep-30</b>  | <b>Dec-31</b>  | <b>Mar-31</b>  |
| Bank Loans                         | 264.7          | 276.1          | 347.9          | 352.6          | 347.2          |
| Capital Lease Agreements           | 0.5            | 0.5            | 0.5            | 1.5            | 1.4            |
| Senior Notes                       | 1,983.8        | 1,952.3        | 1,958.1        | 1,917.7        | 1,961.9        |
| Tax Deferrals                      | 34.5           | 45.5           | 53.6           | 80.2           | 61.7           |
| Capitalization of Operating Leases | 313.1          | 308.3          | 294.1          | 283.5          | 293.5          |
| Other Loans                        | 21.2           | 20.5           | 19.2           | 18.6           | 25.2           |
| <b>Total Financial Debt</b>        | <b>2,617.7</b> | <b>2,603.2</b> | <b>2,673.4</b> | <b>2,654.1</b> | <b>2,690.9</b> |
| Cash & Cash Equivalents            | 352.3          | 264.5          | 352.7          | 283.3          | 267.4          |
| <b>Total Net Financial Debt</b>    | <b>2,265.4</b> | <b>2,338.7</b> | <b>2,320.7</b> | <b>2,370.8</b> | <b>2,423.5</b> |

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 acquire 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<br>Millions of Euros                                              | YTD March 31 |              |               |
|---------------------------------------------------------------------------------------|--------------|--------------|---------------|
|                                                                                       | 2020         | 2021         | Dif.          |
| <b>Cash-flows from operation activities</b>                                           |              |              |               |
| Profit before tax, as per the consolidated P&L accounts                               | -49.1        | -101.8       | -52.7         |
| Adjustments for non-cash revenues and expenses:                                       |              |              |               |
| Depreciation, amortization and impairment                                             | 82.0         | 75.8         | -6.2          |
| Allowances for doubtful accounts & inventories                                        | 0.2          | 0.5          | 0.3           |
| Other                                                                                 | 1.1          | 2.4          | 1.3           |
| Financial items included in profit before tax:                                        |              |              |               |
| Financial results                                                                     | 35.7         | 37.7         | 2.0           |
| Foreign exchange results                                                              | 18.4         | 18.0         | -0.4          |
| Results on sale of non-current assets                                                 | 1.6          | -1.6         | -3.2          |
| <b>Adjusted profit from operations before tax and changes in net operating assets</b> | <b>89.9</b>  | <b>31.0</b>  | <b>-58.9</b>  |
| Variations in:                                                                        |              |              |               |
| Receivables                                                                           | 2.0          | 2.5          | 0.5           |
| Inventories                                                                           | -0.4         | 0.4          | 0.8           |
| Suppliers, gaming taxes and other payables                                            | -26.6        | 6.3          | 32.9          |
| Accruals, net                                                                         | -8.5         | 2.5          | 11.0          |
| <b>Cash generated from operations</b>                                                 | <b>56.4</b>  | <b>42.7</b>  | <b>-13.7</b>  |
| Income tax paid                                                                       | -4.3         | 1.3          | 5.6           |
| <b>Net cash-flows from operating activities</b>                                       | <b>52.1</b>  | <b>44.0</b>  | <b>-8.1</b>   |
| <b>Cash-flows used in / from investing activities</b>                                 |              |              |               |
| Purchase and development of property, plant and equipment                             | -30.5        | -7.7         | 22.8          |
| Purchase and development of intangibles                                               | -16.4        | -8.8         | 7.6           |
| Acquisition of participating companies, net of cash acquired                          | -7.8         | -0.6         | 7.2           |
| Proceeds from other financial assets                                                  | 12.0         | 5.1          | -6.9          |
| Purchase of other financial assets                                                    | -0.4         | -1.4         | -1.0          |
| Interest received on loans granted & cash revenues from other financial assets        | 0.9          | 0.2          | -0.7          |
| <b>Net cash-flows used in investing activities</b>                                    | <b>-42.2</b> | <b>-13.2</b> | <b>29.0</b>   |
| <b>Cash-flows from / used in financing activities</b>                                 |              |              |               |
| Cash inflows in bank accounts                                                         | 572.7        | 204.2        | -368.5        |
| Cash outflows in bank accounts                                                        | -399.1       | -209.7       | 189.4         |
| Deferred gaming taxes, payable                                                        | 34.5         | -18.5        | -53.0         |
| Capital lease payments                                                                | -0.1         | -0.3         | -0.2          |
| Lease principal payments                                                              | -13.4        | -11.6        | 1.8           |
| Interest paid on financial debt                                                       | -6.2         | -10.6        | -4.4          |
| Dividends and other                                                                   | -2.2         | -0.5         | 1.7           |
| <b>Net cash-flows from / used in financing activities</b>                             | <b>186.2</b> | <b>-47.0</b> | <b>-233.2</b> |
| <b>Net variation in cash &amp; cash equivalents</b>                                   | <b>196.1</b> | <b>-16.2</b> | <b>-212.3</b> |
| <b>Net foreign exchange difference</b>                                                | <b>-3.4</b>  | <b>0.3</b>   | <b>3.7</b>    |
| <b>Cash &amp; cash equivalents at January 1</b>                                       | <b>159.7</b> | <b>283.3</b> | <b>123.6</b>  |
| <b>Cash &amp; cash equivalents at March 31</b>                                        | <b>352.4</b> | <b>267.4</b> | <b>-85.0</b>  |

**Cirsa Enterprises S.L.U.**

| <b>Consolidated Balance Sheet</b><br><i>Thousands of Euros</i> |  | <b>31-Mar-20</b> | <b>31-Dec-20</b> | <b>31-Mar-21</b> |
|----------------------------------------------------------------|--|------------------|------------------|------------------|
| <b>Assets</b>                                                  |  |                  |                  |                  |
| Intangibles                                                    |  | 1,124,236        | 1,002,439        | 989,510          |
| Goodwill                                                       |  | 1,219,064        | 1,228,609        | 1,228,531        |
| Property, plant & equipment                                    |  | 379,853          | 318,908          | 304,159          |
| Right of use assets                                            |  | 301,267          | 255,590          | 260,462          |
| Financial assets                                               |  | 79,304           | 69,705           | 70,444           |
| Deferred income tax                                            |  | 60,896           | 98,584           | 116,325          |
| <b>Total non-current assets</b>                                |  | <b>3,164,618</b> | <b>2,973,835</b> | <b>2,969,431</b> |
| Inventories                                                    |  | 20,253           | 18,361           | 17,579           |
| Accounts receivable                                            |  | 102,857          | 79,302           | 72,344           |
| Financial assets                                               |  | 28,649           | 8,388            | 8,949            |
| Cash & cash equivalents                                        |  | 352,348          | 283,267          | 267,414          |
| Other                                                          |  | 17,036           | 9,222            | 15,447           |
| <b>Total current assets</b>                                    |  | <b>521,141</b>   | <b>398,540</b>   | <b>381,733</b>   |
| <b>Total Assets</b>                                            |  | <b>3,685,760</b> | <b>3,372,375</b> | <b>3,351,164</b> |
| <b>Liabilities</b>                                             |  |                  |                  |                  |
| Share capital                                                  |  | 70,663           | 70,663           | 70,663           |
| Share premium                                                  |  | 627,093          | 626,793          | 626,793          |
| Reserves                                                       |  | -201,778         | -202,158         | -457,662         |
| Cumulative translation reserve                                 |  | -51,428          | -85,585          | -68,493          |
| Consolidated result for the period                             |  | -51,130          | -254,639         | -74,964          |
| Minority interest                                              |  | 121,800          | 104,073          | 95,042           |
| <b>Total net equity</b>                                        |  | <b>515,220</b>   | <b>259,147</b>   | <b>191,379</b>   |
| Provisions                                                     |  | 15,613           | 15,372           | 15,713           |
| Credit institutions                                            |  | 41,142           | 64,682           | 60,688           |
| Bonds                                                          |  | 1,956,689        | 1,914,639        | 1,935,498        |
| Lease liabilities                                              |  | 260,856          | 237,590          | 246,693          |
| Tax authorities                                                |  | 5                | 9                | 7                |
| Other creditors                                                |  | 41,811           | 36,024           | 32,468           |
| Deferred income tax                                            |  | 278,358          | 248,078          | 243,774          |
| <b>Total non-current liabilities</b>                           |  | <b>2,594,476</b> | <b>2,516,394</b> | <b>2,534,841</b> |
| Credit institutions                                            |  | 224,083          | 289,417          | 287,917          |
| Bonds                                                          |  | 27,082           | 3,091            | 26,434           |
| Lease liabilities                                              |  | 52,201           | 45,877           | 46,808           |
| Accounts payable                                               |  | 33,975           | 23,261           | 23,633           |
| Other creditors                                                |  | 222,487          | 233,146          | 237,589          |
| Current income tax payable                                     |  | 16,238           | 2,042            | 2,562            |
| <b>Total current liabilities</b>                               |  | <b>576,064</b>   | <b>596,834</b>   | <b>624,944</b>   |
| <b>Total equity &amp; liabilities</b>                          |  | <b>3,685,760</b> | <b>3,372,375</b> | <b>3,351,164</b> |

## 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 for 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.*
- *Cirsa Gaming and its subsidiaries may have liabilities that were not known to the Company prior to the Original Acquisition, and the indemnities negotiated in the Original Acquisition Agreement may not adequately protect us.*
- *The representations and warranties and the indemnities that the sellers have provided to us under the Giga Game Acquisition Agreement and the Sportium Acquisition Agreement, respectively, may not be adequate to cover us against any claims or liabilities that may arise in relation to them.*

We urge you to read the sections of our **2020 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.