2024 ANNUAL REPORTING

LHMC Finco 2 S.à r.l.

Attached as Annex 1 is the annual report as of and for the year ended December 31, 2024 of Cirsa Enterprises, S.A.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.A.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 financial year ended December 31, 2024, of Finco and the Group, other than in relation to €306,127,607.00 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 December 31, 2023 and December 31, 2024 and the financial years ended December 31, 2023 and December 31, 2024. We have not presented the financial results for Midco as they are not material.

P&L	Fourth quarter			YTD December 31		
	2023	2024	Dif.	2023	2024	Dif.
Operating costs	- 12,118	- 1,528	10,591	- 70,742	- 42,803	27,939
Finance costs	- 8,704,676	- 5,709,531	2,995,145	- 38,075,276	- 25,698,637	12,376,638
Foreign exchange gain/loss	-	37	37	-	-	-
Profit before tax	**- 8,716,794**	**- 5,711,021**	**3,005,773**	**- 38,146,018**	**- 25,741,440**	**12,404,578**
Other tax	- 414	- 592	- 179	- 6,448	- 5,407	1,040
Income tax	-	-	-	-	-	-
Net profit/(loss) for the year	**- 8,717,207**	**- 5,711,614**	**3,005,594**	**- 38,152,465**	**- 25,746,847**	**12,405,618**

Profit and loss information for Q4 2024 compared to Q4 2023

Operating costs decreased by €10,591.00 in Q4 2024 compared to Q4 2023, primarily due to the allocation of the prepayment of certain fees due to the trustee and the security agent for the PIK Notes in 2025 to deferred charges in the balance sheet, a decrease in legal fees in Q4 2024 in connection with professional services received in relation to the payment of PIK interest, certifications, and related documentation and a decrease in the administrative and accounting costs provision during Q4 2024 as a result of movements in the rental cost of employees, management operating cost and changes in personnel and supplier invoices.

Finance costs were €5.7 million in Q4 2024 compared to €8.7 million in Q4 2023. The decrease in finance costs was mainly due to the accrual of interest on a lower principal amount of PIK Notes for the period from October 1, 2024 to December 31, 2024 further to the partial redemption of €200,000,000.00 principal amount thereof on February 13, 2024 compared to the accrual of interest on a higher principal amount of PIK Notes in the prior corresponding period.

In Q4 2024 we reported a Foreign exchange gain of €37.14 due to the recognition of one legal invoice received in USD currency, whereas no invoice in any currency other than Euros was recognized in Q4 2023.

Other tax of €592.36 in Q4 2024 and €413.53 in Q4 2023 represents the non-refundable VAT on an invoice received from foreign counsel.

Profit and loss information for the year ended December 31, 2024 compared to the year ended December 31, 2023

Operating costs decreased by €27,939.00 in the year ended December 31, 2024 compared to the year ended December 31, 2023, primarily due to a decrease in the administrative and accounting costs during the year ended December 31, 2024 as a result of movements in the rental cost of employees, management operating cost, changes in personnel and supplier invoices, the allocation in Q4 2024 of the prepayment of certain fees due to the trustee and the security agent for the PIK Notes in 2025 to deferred charges in the balance sheet and a decrease in legal fees in Q4 2024 in connection with professional services received in relation to the payment of PIK interest, certifications, and related documentation.

Finance costs were €25.7 million in the year ended December 31, 2024 compared to €38.1 million in the year ended December 31, 2023. The decrease in finance costs was mainly due to: (i) the amortization of transaction costs of €1,051,660.91 on February 13, 2024 relating to the partial redemption of €200,000,000.00 principal amount of the PIK Notes and the payment of corresponding accrued and unpaid interest upon such redemption amounting to €1,127,777.78; (ii) the payment of cash interest for the period from January 1, 2024 to July 15, 2024 on a lower principal amount of PIK Notes further to the partial redemption of €200,000,000.00 principal amount thereof on February 13, 2024 compared to the payment of interest on a higher principal amount of PIK Notes in the prior corresponding period; and (iii) the accrual of interest on such lower principal amount of PIK Notes for the period from July 16, 2024 to December 31, 2024 further to the partial redemption of €200,000,000.00 principal amount thereof on February 13, 2024 compared to the accrual of interest on a higher principal amount of PIK Notes in the prior corresponding period.

In 2024, we reported a Foreign exchange gain of €37.14 due to the recognition of one legal invoice received in USD currency, whereas no invoice in any currency other than Euros was recognized in 2023. The tax expense in the years ended December 31, 2024 and 2023 reflects the minimal net wealth tax applicable in Luxembourg, payable on a full year basis. The Income tax of €4,815.00 paid in Q1 2024 was paid for the full year 2024. The additional expenses of €592.36 in the year 2024 represent the non-refundable VAT on invoices received by a foreign counsel.

The table below and the discussion that follows present certain unaudited standalone balance sheet information for Finco as of December 31, 2023 and December 31, 2024. We have not presented the financial results for Midco as they are not material.

Balance Sheet			
	31-Dec-23	**31-Dec-24**	**Dif.**
Assets			
Financial assets	678,942,778	448,105,000	- 230,837,778
Cash and cash equivalents	31,047	1,120	- 29,927
Prepayment	-	11,250	11,250
Total Assets	**678,973,825**	**448,117,370**	**- 230,856,455**
Liabilities			
Share Capital	12,000	12,000	-
Share Premium	313,778,126	313,546,252	- 231,874
Result brought forward	- 117,377,438	- 155,529,904	- 38,152,465
Result	- 38,152,465	- 25,746,847	12,405,618
Total net equity	**158,260,222**	**132,281,501**	**- 25,978,721**
Payables	24,933	20,591	- 4,342
Accured interest	16,818,199	10,172,365	- 6,645,833
Bonds	503,870,471	305,642,913	- 198,227,558
Total creditors	**520,713,603**	**315,835,870**	**- 204,877,733**
Total equity and liabilities	**678,973,825**	**448,117,370**	**- 230,856,455**

Balance sheet information as of December 31, 2024 compared to December 31, 2023

Financial assets held by Finco correspond to the shares it owns in Midco. Financial assets decreased by €230,861,778.00 as of December 31, 2024 compared to December 31, 2023 due to certain reimbursements in cash of share premium received from Midco on January 15, 2024 and July 15, 2024 for €18,464,000.00 and €11,270,000.00, respectively, in each case in connection with the payment of PIK interest in cash, and on February 13, 2024 for €201,127,777.78 in connection with the partial repayment of €200,000,000.00 principal amount of such PIK Notes and corresponding accrued interest amounting to €1,127,777.78, as result of which Finco's special equity reserve account was reduced by a corresponding amount.

Cash balance decreased by €29,927.00 as of December 31, 2024 compared to December 31, 2023 mainly due to Finco having subscribed for shares in LHMC Finco 3 S.à r.l and LHMC Holdco 2 S.à r.l for €12,000.00 each during 2024.

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. Interest accrued at 7.250% from January 01, 2024 to December 31, 2024 (in respect of the PIK Notes outstanding as of such date) as the interest on the PIK Notes was paid in cash on January 15, 2024, February 13 2024 and July 15, 2024.

Total net equity decreased by €25.9 million as of December 31, 2024 compared to December 31, 2024 primarily due to the interest expense in relation to the PIK Notes included in the results of Q1 2024 and Q3 2024 and the reimbursement in cash of share premium to the sole shareholder of Finco (i.e., LHMC Topco S.à r.l.) of €59,874.00 in Q1 2024 €172,000.00 in Q3 2024.

Payables decreased by €4,342.00 as of December 31, 2024 compared to December 31, 2023. This decrease was primarily due to the accrual of administrative and legal fees and a decrease in non-refundable VAT.

Subsequent Events:

On January 15, 2025, Finco paid cash interest of €11,097,125.75 on the PIK Notes (calculated at a cash interest rate of 7.25%), which represented the full amount of interest due for the interest period ended on January 15, 2025.

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

CIRSA ENTERPRISES, S.A.U.

2024 Annual Report

April 28, 2025

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CERTAIN DEFINITIONS

"*2019 Indenture*" refers to the indenture dated May 22, 2019 among, inter alios, Cirsa Finance, as issuer, the Company, as guarantor and Deutsche Trustee Company Limited, as trustee, as supplemented by a supplemental indenture dated August 26, 2021, and as may be amended and/or supplemented from time to time, pursuant to which the 2027 Notes were issued.

"*2023 Indenture*" refers to the indenture dated July 19, 2023, among, inter alios, Cirsa Finance, as issuer, the Company, as guarantor and Deutsche Trustee Company Limited, as trustee, as amended and/or supplemented from time to time, pursuant to which the 2028 Notes and the 2029 Notes were issued.

"*2027 Notes*" refers, collectively, to the €615,000,000 aggregate principal amount of Cirsa Finance's 4.500% senior secured notes due 2027 (the "*4.500% 2027 Notes*") and the €425,000,000 aggregate principal amount of Cirsa Finance's 10.375% senior secured notes due 2027, of which €382,500,000 in principal amount remains outstanding further to a partial redemption thereof on February 13, 2024 (the "*10.375% 2027 Notes*"), in each case, issued pursuant to the 2019 Indenture.

"*2028 Notes*" refers, collectively, to the €375,000,000 aggregate principal amount of Cirsa Finance's 7.875% senior secured notes due 2028 (the "*2028 Fixed Rate Notes*") and the €525,000,000 aggregate principal amount of Cirsa Finance's floating rate senior secured notes due 2028 (the "*2028 Floating Rate Notes*"), in each case, issued pursuant to the 2023 Indenture.

"*2029 Notes*" refers, collectively, to the €450,000,000 aggregate principal amount of Cirsa Finance's 6.500% senior secured notes due 2029 issued pursuant to the 2023 Indenture.

"*AWPs*" refers to amusements with prizes.

"*Blackstone*" refers to Blackstone Inc., a company organized and existing under the laws of Delaware, or its successors or, as the context may require, one or more funds, managed accounts or limited partnerships managed or advised by Blackstone Inc. or its successors, or any of its affiliates or direct or indirect subsidiaries from time to time.

"*Business Unit*" refers to Casinos Business Unit, Slots Spain Business Unit, Slots Italy Business Unit, Online Gaming & Betting Business Unit and Structure.

"*Casinos*" refers to physical gaming outlets operated under a casino license providing an entertainment offering which can include slot machines, gaming tables (such as roulette, poker, blackjack and others), sports betting, food & beverage and shows. The specific offering of each casino varies on a case-by-case basis. In particular, certain casinos may include gaming tables while other casinos only include slot machines.

"*Cirsa*" and "*Company*" refer to Cirsa Enterprises, S.A.U., a Spanish public limited liability company (*sociedad anónima*) incorporated under the laws of the Kingdom of Spain as a private limited liability company (*sociedad de responsabilidad limitada*) and transformed into a public limited liability company (*sociedad anónima*) under public deed granted before the Notary of Terrassa Mr. Esteban Cuyás Henche on November 8, 2023, under number 2688 of his files, with its registered office at Carretera de Castellar, 298, 08226, Terrassa (Barcelona) and registered in the Commercial Registry of Barcelona in volume 38,750, sheet 0, page B-618240, with tax identification number (N.I.F) A87959649.

"*Cirsa Finance*" refers to Cirsa Finance International S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of the Grand Duchy of Luxembourg with its registered office at 2 4, rue Eugène Ruppert, L 2453 Luxembourg, registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés du Luxembourg) under number B224669.

"*Cirsa Gaming*" refers to Cirsa Gaming Corporation, S.A.U., a Spanish public limited company (*sociedad anónim*a) incorporated and existing under the laws of the Kingdom of Spain, with its registered office at Carretera de Castellar, 298, 08226, Terrassa (Barcelona) and registered at the Commercial Registry of Barcelona in volume 42,002, sheet 102, page B 380, with tax identification number A 08511149. "Cirsa Italia" refers to Cirsa Italia S.p.A., a joint stock company (società per azioni) incorporated under the laws of Italy, with registered office at Vía Ludovico il Moro 6/C Palazzo Ferraris Basiglio (Milan) Italy.

"*EU*" refers to the European Union.

“*euro*” or “€” refers to the single currency of the participating Member States of the EU participating in the third stage of economic and monetary union pursuant to the Treaty on the Functioning of the EU, as amended or supplemented from time to time.

“*Gaming Halls*” refers to physical gaming outlets also commercially known as “electronic casinos” (which we report under our Casinos Business Unit), including what the relevant Spanish legislation refers to as *salones de juego* and bingos, with a narrower product offering compared to Casinos, including mostly slot machines, electronic roulettes, sports betting and, in certain instances, bingo games.

“GGR” refers to gross gaming revenue, defined as wagers net of payout.

“*Group*,” “*we*,” “*our*,” and “*us*,” unless the context requires otherwise, refers to the Company and its subsidiaries.

“*IAS*” refers to International Accounting Standards as issued by the antecedent International Accounting Standards Council, and endorsed and amended by the International Accounting Standards Board.

“*IFRS*” refers to the International Financial Reporting Standards, as adopted by the EU.

“*Notes*” refers to, collectively, the 2027 Notes, the 2028 Notes and the 2029 Notes.

“*Original Acquisition*” refers to the acquisition of Cirsa Gaming and its subsidiaries by the Company on July 3, 2018 pursuant to the Original Acquisition Agreement.

“*Original Acquisition Agreement*” refers to the share purchase agreement dated April 27, 2018 relating to the sale and purchase of Cirsa Gaming shares and entered into among the Company and the sellers thereunder (including the annexes and schedules thereto), as amended from time to time.

“*PIK Notes*” refers to the 7.25%/8.00% Senior Secured PIK Toggle Notes due 2025 issued by LHMC Finco 2 S.à r.l., a parent company of Cirsa, pursuant to an indenture dated October 2, 2019 (the “*PIK Indenture*”). As of December 31, 2024, the outstanding amount of the PIK Notes was €306,127,607.

“PoS” means points of sale excluding dedicated Gaming Halls.

“PVRs” refers to Punto Vendita di Ricarica.

“*Revolving Credit Facility*” refers to the revolving credit facilities made available under the Revolving Credit Facility Agreement.

“*Revolving Credit Facility Agreement*” refers to the agreement providing for the Revolving Credit Facility, as entered into on June 22, 2018, and as amended on August 8, 2018, on June 12, 2020 and as amended and restated on August 1, 2022 and November 6, 2024, with, among others, Cirsa Finance, as original borrower and guarantor, the Company, as original borrower and guarantor, Deutsche Bank AG, London Branch, as facility agent, and Deutsche Bank Trust Company Americas, as security agent.

“*Sportium*” refers to Sportium Apuestas Deportivas, S.A.U., a Spanish public limited company (*sociedad anónima*) incorporated and existing under the laws of Spain.

“*Type A Casinos*” refers to casinos located in Panama in which only slot machines can be installed.

“*UK*” refers to the United Kingdom of Great Britain and Northern Ireland.

“*United States*,” “*USA*” or “*U.S.*” refers to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

“*U.S. dollars*” or “$” refers to the lawful currency of the United States.

“*VLTs*” refers to video lottery terminals.

FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this annual report, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things, our future financial conditions and performance, results of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; future developments in the markets in which we participate or are seeking to participate; and anticipated regulatory changes in the industry in which we operate. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "*aim*," "*anticipate*," "*believe*," "*continue*," "*could*," "*estimate*," "*expect*," "*forecast*," "*guidance*," "*intend*," "*may*," "*plan*," "*project*," "*probability*," "*target*," "*goal*," "*objective*," "*should*" or "*will*" or, in each case, their negative, or other variations or comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors 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 financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this annual report. In addition, even if our financial condition, results of operations and cash flows, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this annual report, those results or developments may not be indicative of results or developments in subsequent periods. Factors that could cause such differences in actual results include:

- economic volatility or political instability in Spain and other markets in which we operate, including the ongoing conflict in the Gaza Strip and Lebanon as well as Russia's actions in Ukraine, heightened inflation, trade wars, unemployment and other geopolitical and macroeconomic factors beyond our control;
- our operations outside of Spain, including fluctuations in foreign exchange rate as well as natural disasters;
- failure to extend or renew our lease agreements and/or operating licenses;
- changes in consumer preferences towards online gaming and our failure to adapt to the new technological developments in the online gaming market;
- technical problems faced by our technology systems and online gaming operations;
- negative perceptions and publicity surrounding the gaming industry;
- ESG-related concerns of investors or financing providers investing in our securities;
- failure to detect corruption, money laundering or fraudulent activities of customer or third parties or comply with the relevant laws;
- security issues, terrorist attacks and other acts of violence occurring in the countries in which we operate;
- failure of our risk management processes;
- a highly competitive industry;
- failure to keep up with technological developments;
- failure to introduce new technology;
- failure to make successful investments and acquisitions;
- failure to comply with the extensive regulation and licensing requirements in the gaming industry;
- taxation of gaming; and
- risks associated with the Notes, the guarantees thereof, the collateral and our corporate structure.

The foregoing factors and others described under "*Risk Factors*" should not be construed as exhaustive. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as at the date hereof.

We disclose important factors that could cause our actual results to differ materially from our expectations in "*Risk Factors*" and "*Operating and Financial Review and Prospects*." Other sections of this annual report describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors. We cannot assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as at the date of this annual report and, except as required by law or the rules and regulations of any stock exchange on which the Notes are listed, 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 annual report, including those set forth under "*Risk Factors*."

PRESENTATION OF FINANCIAL INFORMATION

The Company was incorporated on November 15, 2017 for the purpose of facilitating the Original Acquisition. Prior to the completion of the Original Acquisition on July 3, 2018, it had no material assets or liabilities, and had not engaged in any material activities, other than those in preparation for the Original Acquisition and its financing. The Company is a holding company that owns the entire share capital of Cirsa Finance and the Group.

In this annual report, we present the Company's special purpose consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 (the "*Special Purpose Consolidated Financial Statements*"), in each case, prepared in accordance with IFRS. The Company's Special Purpose Consolidated Financial Statements have been audited by Ernst & Young S.L. and their auditors' report thereon is included elsewhere on our investor relations website. The Special Purpose Consolidated Financial Statements are presented in euro.

Unless otherwise indicated, the financial information as of and for the years ended December 31, 2022, 2023 and 2024 presented in this annual report has been derived and extracted from the Special Purpose Consolidated Financial Statements, including the related notes thereto. We retrospectively corrected an error identified in the Special Purpose Consolidated Financial Statements in the initial recognition, according to IFRS 3, of the business combination of Cirsa Gaming that took place on July 3, 2018, which results in an increase in the line items Goodwill and Shareholders' equity. In addition, the impact of currency translation differences regarding Goodwill amounts denominated in foreign currencies in respect of business combinations accounted in prior years has been retrospectively corrected, impacting the line items Goodwill and Currency translation differences.

Presentation of financial information in accordance with IFRS requires our management to make various estimates and assumptions which may impact the values shown in the Special Purpose Consolidated Financial Statements and the respective notes thereto. The actual values may differ from such assumptions. The selected financial data and other data should be reviewed together with the Special Purpose Consolidated Financial Statements, including the related notes thereto. The Special Purpose Consolidated Financial Statements are included elsewhere on our investor relations website.

Prior to January 1, 2023, we were organized into six Business Units: Slots, Casinos, Bingo, B2B (Business to Business), Online Gaming & Betting and Structure. From January 1, 2023, in an effort to reduce the number of our Business Units, make them more homogenous and ease the comparability of our results and financial information, we changed the segmentation of our Business Units in our financial statements. In light of this and considering the material differences in tax regimes and regulations applicable to each relevant geography, we split the Slots Italy Business Unit from the Slots Spain Business Unit. Accordingly, from January 1, 2023, we have five Business Units which are as follows: Casinos, Slots Spain, Online Gaming & Betting, Slots Italy and Structure. See also "*Operating and Financial Review and Prospects—Business Unit Reporting*" and "*Business—Overview*." In implementing these changes, our special purpose consolidated financial statements as of and for the years ended December 31, 2024 and 2023 have been prepared on the basis of the new Business Units and comparative results as of and for the year ended December 31, 2022 have been restated.

We also present in this annual report certain non-IFRS measures including EBIT, EBITDA, EBITDA Margin, Capital Expenditures and certain other leverage and coverage ratios. We present these non-IFRS measures in this annual report because we believe that they provide useful information regarding our ability to service and incur indebtedness and management uses them as a measure of evaluating our performance. These non-IFRS measures are not measurements of operating performance under IFRS and should not be considered a substitute for operating income, net income, cash flows from operating activities or other profit and loss account or statement of cash flows information, or as a measure of profitability or liquidity, and do not necessarily indicate whether cash flow will be sufficient or available for cash requirements. Therefore, the non-IFRS measures presented in this annual report should be viewed as supplementary to our Special Purpose Consolidated Financial Statements included elsewhere on our investor relations website and may not be indicative of our historical operating results nor are they meant to be predictive of potential future results. Because all companies do not calculate such measures identically, the presentation may not be comparable to similarly entitled measures of other companies and you are cautioned not to place undue reliance on such financial information.

For a discussion of our financial information, see "*Selected Financial and Other Information*," "*Operating and Financial Review and Prospects*" and the Special Purpose Consolidated Financial Statements included elsewhere on our investor relations website.

Certain amounts and percentages included in this annual report have been rounded. Accordingly, in certain instances, the sum of the numbers in a column of a table may not exactly equal the total figure for that column.

SELECTED FINANCIAL AND OTHER INFORMATION

The selected consolidated historical and other financial information is qualified in its entirety by reference to, and should be read in conjunction with, "*Presentation of Financial Information*," "*Operating and Financial Review and Prospects*" and the Special Purpose Consolidated Financial Statements included elsewhere on our investor relations website.

Historical Financial Information

	For the year ended December 31,		
(in € millions)	**2022**	**2023**	**2024**
	(audited)	*(audited)*	*(audited)*
Selected Profit and Loss Account Information:			
Operating revenues	**2,038.9**	**2,396.7**	**2,563.9**
Variable rent and other[(1)]	(337.8)	(405.7)	(413.7)
Net operating revenues	**1,701.1**	**1,991.0**	**2,150.2**
Consumption	(43.8)	(57.7)	(56.2)
Personnel	(278.8)	(317.6)	(338.4)
Gaming taxes	(504.6)	(599.2)	(617.9)
External supplies and services	(321.4)	(386.3)	(438.3)
Depreciation, amortization and impairment	(297.8)	(315.9)	(360.2)
Changes in trade provisions	(4.8)	(2.6)	(5.7)
Financial results[(2)]	(140.0)	(174.8)	(215.1)
Loss/(Profit) on investment in associates	2.1	4.9	7.1
Foreign exchange results	2.2	1.6	(9.7)
Results on sale of non-current assets	(5.0)	(4.3)	(4.8)
Profit before tax	**109.2**	**139.1**	**111.0**
Income tax	(29.6)	(27.1)	(66.6)
Minority interest	(23.0)	(32.0)	(31.7)
Net profit/(loss) for the period attributable to the Company	**56.6**	**80.0**	**12.6**

(1) As a result of a change in the name of the line item, this line item changed from "Variable rent" payments to "Variable rent and other" payments only in respect of the years ended December 31, 2023 and 2024. This line item remains as "Variable rent" payments in respect of the year ended December 31, 2022. "Variable rent and other" refers to the amount collected from slot machines that are payable to the owner of the premises on a revenue-sharing basis, channel costs in the Online Gaming & Betting Division (such as referral fees and fees to point-of-sale operators) and contractual payments to sub-operators (which are based on a profit-sharing formula that varies by sub-operator).

(2) Financial results comprises finance income less finance costs and expenses (which includes finance lease expenses and change in financial provisions).

	As of December 31,		
(in € millions)	**2022**	**2023**	**2024**
	(audited)	*(audited)*	*(audited)*
Selected Balance Sheet Information:			
Cash and cash equivalents	213.4	251.2	256.1
Total assets[(1)]	3,341.1	3,566.5	3,741.6
Total debt[(2)]	2,484.4	2,499.0	2,894.1
Total net debt[(3)]	2,271.0	2,247.9	2,638.0
Total shareholders' equity[(1)]	294.9	427.0	202.7

(1) Total assets and Total shareholders' equity as of December 31, 2022 and 2023 have been restated in our Special Purpose Consolidated Financial Statements as a consequence of an error identified in the Special Purpose Consolidated Financial Statements in the initial recognition, according to IFRS 3, of the business combination of Cirsa Gaming that took place on July 3, 2018, which results in an increase in the line items Goodwill and Shareholders' equity. In addition, the impact of currency translation differences regarding Goodwill amounts denominated in foreign currencies in respect of business combinations accounted in prior years has been retrospectively corrected, impacting the line items Goodwill and Currency translation differences.

(2) Total debt of €2,894.1 million as of December 31, 2024 was comprised of (i) bank debt of €49.5 million recorded under "Bank borrowings" as non-current liabilities and current liabilities (excluding finance lease obligations), (ii) €2,356.1 million recorded under "Corporate notes" as non-current liabilities and current liabilities, representing €997.5 million of the 2027 Notes, €900.0 million of the 2028 Notes, €450.0 million of the 2029 Notes and €37.4 million of accrued and unpaid interest on the 2027 Notes, the 2028 Notes and the 2029 Notes, net of aggregate capitalized financing costs of €28.8 million, (iii) capitalization of operating leases of €275.4 million recorded under "Finance lease liabilities" as non-current liabilities and current liabilities and (iv) other third-party indebtedness, representing finance lease obligations of €1.7 million recorded under "Bank borrowings" as non-current liabilities and current liabilities and deferred payments related to the acquisition of companies of €211.5 million recorded under "Other" and "Common transactions" as non-current liabilities and current liabilities.

(3) We define total net debt as total debt less cash and cash equivalents.

(in € millions)	For the year ended December 31, 2022	2023	2024
	(audited)	*(audited)*	*(audited)*
Selected Consolidated Statement of Cash Flows:			
Net cash flows from operating activities	513.7	544.4	607.4
Net cash flows used in investing activities	(219.3)	(224.2)	(286.2)
Net cash flows from/(used in) financing activities	(361.7)	(283.7)	(315.0)

Non-IFRS Measures

(in € millions, unless indicated otherwise)	As of and for the year ended December 31, 2022	2023	2024
	(*unaudited*)	(*unaudited*)	(*unaudited*)
Other Financial Information:			
EBIT(1)	249.9	311.7	333.4
EBITDA(1)	552.5	630.1	699.3
EBITDA Margin(2)	32.5%	31.6%	32.5%
Capital Expenditures(3)	(144.5)	(166.7)	(191.5)

Certain Operating Information (number of units)	As of December 31, 2024 Spain	Panama	Colombia	Mexico	Italy	Costa Rica	Puerto Rico	Dominican Republic	Peru	Morocco	Total
Slot machines(*)	40,121	8,424	7,907	7,435	13,586	844	45	917	4,131	417	83,827
Tables	49	19	255	162	—	20	—	63	40	46	654
Casinos & Gaming Halls	268	36	78	30	—	7	—	6	19	3	447
Betting Points	1,893	38	102	—	—	—	25	2	401	—	2,461

(*) These figures include the total number of slot machines in all divisions.

(1) EBIT represents profit/(loss) before tax, profit/(loss) on the sale of non-current assets, financial results and loss/(Profit) on investment in associates. EBITDA represents EBIT plus depreciation, amortization and impairment. We believe that it is widely accepted that EBIT and EBITDA provide useful information regarding our ability to service and incur indebtedness and our performance and profitability and our management uses them to establish operational and strategic objectives. EBIT and EBITDA provide us with measures of operational performance across time on a consistent basis as they remove the impact of our capital structure (primarily interest charges on our bank borrowings) and asset base (primarily depreciation and amortization) from our operating results. EBIT and EBITDA are not measurements of operating performance under IFRS, and should not be considered substitutes for operating income, net income, cash flows from operating activities or other profit and loss account information, or as measures of profitability or liquidity, and EBIT and EBITDA do not necessarily indicate whether cash flow will be sufficient or available for cash requirements. EBIT and EBITDA may not be indicative of our historical operating results and they are not meant to be predictive of potential future results. Because all companies do not calculate EBIT and EBITDA identically, the presentation may not be comparable to similarly entitled measures of other companies.

The following table provides a reconciliation of our Profit/(loss) before tax to EBIT and EBITDA for the periods presented:

(in € millions)	For the year ended December 31, 2022	2023	2024
	(audited)	*(audited)*	*(audited)*
Profit/(loss) before tax	109.2	139.1	111.0
Loss/(profit) on sale of non-current assets	5.0	4.3	4.8
Loss/(Profit) on investment in associates	(2.1)	(4.9)	(7.1)
Foreign exchange results	(2.2)	(1.6)	9.7
Financial results(a)	140.0	174.8	215.1
EBIT	**249.9**	**311.7**	**333.4**
Depreciation, amortization and impairment(b)	302.6	318.5	365.9
EBITDA	**552.5**	**630.1**	**699.3**

(a) Financial results comprises finance income less finance costs and expenses (which includes finance lease expenses and change in financial provisions).

(b) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) EBITDA Margin represents EBITDA as a percentage of our net operating revenue.

(3) We define Capital Expenditures to include the following items of our consolidated statement of cash flows: “Purchase and development of property, plant and equipment” and “Purchase and development of intangibles.” Capital Expenditures is an indicator used by management to measure the expenditure on property, plant and equipment and intangibles.

BUSINESS

Overview

We are a leading gaming company in Spain, Panama, Colombia, Costa Rica and the Dominican Republic, and a key player in Italy, Morocco, and certain other Latin American countries (including Mexico, Puerto Rico and Peru). We operate in fully regulated markets only.

For the year ended December 31, 2024, we generated 60.3% and 7.9% of our net operating revenues as well as 75.8% and 8.8% of our EBITDA in countries where we believe that we are the #1 or #2 operator, respectively.

We maintain a well-balanced business with robust geographical diversification, complemented by economies of scale derived from our size, which have consistently driven revenue growth, high EBITDA margins, and strong cash conversion over the past two decades.

Our net operating revenues increased by 8% from €1,991.0 million for the year ended December 31, 2023 to €2,150.2 million for the year ended December 31, 2024. Our EBITDA increased by 11% from €630.1 million for the year ended December 31, 2023 to €699.3 million for the year ended December 31, 2024.

Below is a breakdown of our net operating revenues and EBITDA by country for the years ended December 31, 2022, 2023 and 2024:

	Net Operating Revenues			**EBITDA**		
	For the year ended December 31,			**For the year ended December 31,**		
Country	**2022**	**2023**	**2024**	**2022**	**2023**	**2024**
Spain	48%	42%	41%	51%	49%	49%
Panama	10%	10%	9%	14%	14%	13%
Colombia	8%	7%	7%	12%	11%	9%
Mexico	6%	8%	7%	7%	9%	8%
Italy	20%	25%	25%	5%	7%	8%
Dominican Republic	3%	3%	2%	5%	4%	3%
Morocco	2%	2%	2%	3%	3%	3%
Peru	2%	2%	6%	2%	2%	6%
Costa Rica	1%	1%	1%	1%	1%	1%
Puerto Rico	—	—	0%	—	0%	0%
	100%	**100%**	**100%**	**100%**	**100%**	**100%**

Our well-diversified product portfolio encompasses: (i) Casinos with a full entertainment offering, including slot machines, sports betting and, in certain Casinos (i.e., Casinos with tables), physical gaming tables (such as roulette, poker, blackjack and others), food & beverage and shows: and (ii) Gaming Halls (also commercially known as electronic casinos), with a narrower product offering compared to Casinos, including mostly slot machines, electronic roulettes, sports betting and, in certain instances, bingo games, all of which we include in the same Casinos Business Unit. Additionally, we operate slot machines in bars, cafes and restaurants across Spain and Italy. Furthermore, we offer online gaming and sports betting products through our websites, mobile applications and retail outlets. As of December 31, 2024, our operations included 83,827 slot machines (of which 35,599 are Casinos Business Unit slot machines, 25,083 are Slots Spain Business Unit slot machines, 11,015 are AWPs and 2,571 are VLTs in the Italy Slots Business Unit and 9,559 are betting terminals), 61 Casinos with tables, 122 Casinos without tables, 264 Gaming Halls, 654 gaming tables and 2,461 betting points.

We are the omnichannel leader in the Spanish private gaming market, as evidenced by our core activities as of December 31, 2024. As of December 2023, in this market we believe that we are positioned as the #1 operator in the Casinos and Gaming Halls as well as slot machines markets. Additionally, we believe that we lead as the #1 slot machine manufacturer in Spain, having sold 22,167 slot machines and gaming kits during the year ended December 31, 2024. Furthermore, our significant presence extends to the Spanish online gaming and betting sector through *Sportium*, which offers our customers a wide variety of online casino games (such as poker and blackjack tables), slot games, sports betting events (such as soccer, basketball, tennis, greyhound racing and horse racing), and live casino games (real-time, interactive online gaming experiences). This platform supports our online gaming operations and sports betting products across 1,893 betting points in bars, Casinos and Gaming Halls in Spain as of December 31, 2024.

We have a significant presence in Latin America. We believe that we are the #1 Casinos operator in Panama, Colombia (where we acquired eight new establishments in March 2024), Costa Rica and the Dominican Republic. We also operate in Peru where we believe that we are the #2 Casinos operator and in Mexico where we believe that we are the #4 Casinos operator in the market. In most of these countries, we also operate in the online gaming and betting sector. We hold online gaming licenses in Panama, Colombia, Mexico, Peru and Portugal and are in the process of obtaining online licenses for the Dominican Republic and Puerto Rico. Recently, we expanded our online gaming and betting operations in the region by acquiring a majority stake in Apuesta Total, which we believe is the #1 online gaming and sports betting operator in Peru, and collaborating, through *Sportium*, with Hipódromo Camarero to open our first sports betting corner in Puerto Rico.

In Italy, we have established our position in the slot machine market with the operation of 11,015 amusement with prize ("*AWP*") and 2,571 video lottery ("*VLT*") slot machines in approximately 2,445 and 178 locations, respectively, in central and northern Italy as of December 31, 2024. Furthermore, we strengthened our presence in this country through the acquisition of E-Play24 in 2022, a prominent operator in the Italian online betting and gaming industry, through which our customers can wager on different casino games (such as poker and blackjack tables), slot games, sport events (such as soccer, basketball, tennis, greyhound racing and horse racing), and live casino games. This acquisition has enabled us to expand our online gaming and betting operations significantly. By virtue of the agreement entered into with E-Play24, there are some matters that require the approval of E-Play24 (e.g., mergers, by-laws amendments or capital increases, among others), but the day-to-day management and the appointment of the CEO and CFO are exercised by Cirsa.

Finally, we are a key player in Morocco where we believe that we are currently positioned as the #2 Casino operator. We hold majority stakes in the largest Casinos located in Agadir and Tanger. In Agadir, we also hold majority stakes in Casino Le Mirage and Casino Atlantic and in Tanger, we hold a majority stake in Casino Tanger.

Before January 1, 2023, our Business Units were categorized as follows: Casinos, Slots, Bingo, Business-to-Business, and Online Gaming & Betting. Starting January 1, 2023, to enhance comparability and streamline our financial reporting, we reorganized our Business Units in our financial statements. Our current Business Units are categorized as follows: Casinos, Slots Spain, Online Gaming & Betting, Slots Italy and Structure.

Casinos Business Unit

This Business Unit oversees self-managed Casinos and Gaming Halls that house a diverse range of retail gaming products across all the countries where we operate including slot machines, electronic roulette, bingo games, digital gaming tables (such as i-poker and i-blackjack) and sports betting. In our Casinos, we offer to our clients a more comprehensive gaming experience, including traditional gaming tables (such as poker and blackjack tables, baccarat and American roulette) and, in certain selected locations (such as Marbella, Valencia, Mexico City, and Bogota), a full entertainment package including services such as food and beverage (F&B), live performance shows and music. Our Casinos and Gaming Halls are strategically situated in prime areas and operate within a fragmented market, presenting substantial consolidation prospects.

Our 40 years' experience of running Casinos and Gaming Halls and systematic consumer insight harvesting give us a strong understanding of our customers' preferences, which in turn drive operational excellence and our Gold Mine strategy for optimizing our existing locations.

Our consumer insights harvesting includes our customer intelligence systems, our robust customer relationship management (CRM) system and our customer loyalty program. These tools provide us with an in-depth understanding of our customers and their preferences, enabling us to optimize customer experience. These programs are also particularly effective for attracting and retaining customers in markets that prohibit unsolicited advertising. See "*—Marketing and Sales Strategy*."

Our Gold Mine strategy consists of identifying an attractive location within our existing portfolio of Casinos and Gaming Halls as a first step, and then conducting meaningful improvements to achieve optimal operational performance and enhance the customer offering. This strategy can also include relocating to larger and better located premises by acquiring or constructing new ones. This strategy also involves exploring and identifying additional promising locations beyond our current portfolio. These locations can encompass both gaming and non-gaming spaces, providing us with opportunities to expand and convert them into new, high-quality venues. See "*—Our Strengths—Proven strategy with multiple levers of sustainable and long-term growth and operational excellence, supported by data analytics and technology*."

Additionally, our scale and operational excellence have allowed us to consolidate smaller operators in our existing markets given their fragmented nature.

Through our Casinos Business Unit, we operated 447 Casinos and Gaming Halls, of which 183 are Casinos (i.e., 61 Casinos with tables and 122 Casinos without tables) and 264 are Gaming Halls, across Spain, Latin America and Morocco, as applicable, as of December 31, 2024. See "—*Casino Operations by Country*."

From an accounting perspective, the results of all our Casinos and Gaming Halls listed herein are fully consolidated within our results of operations from the Casinos Business Unit (except for the results of the nine Gaming Halls we operate in Italy, which are reported under our Slots Italy Business Unit) and, where applicable, the share of minority investments is also recognized in the statement of comprehensive income under the item "non-controlling interests."

This Business Unit generated net operating revenues of €968.3 million and €930.8 million for the years ended December 31, 2024 and 2023, respectively, representing 45.0% and 46.8% of our total net operating revenues, as well as EBITDA of €405.7 million and €391.1 million for the years ended December 31, 2024 and 2023, respectively, representing 58.0% and 62.1% of our total EBITDA. Our EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) for the years ended December 31, 2024 and 2023 was 41.9% and 42.0%, respectively.

Slots Spain Business Unit

We believe that we are the #1 slot machine operator in Spain. This Business Unit, in which we operate since 1979, oversees slot machine operations in bars, cafes, and restaurants across Spain. We operate under 17 distinct regulatory regimes—one for each autonomous region in Spain—each maintaining stable and competitive taxation regimes. Within this Business Unit, we only operate recreational, low-stake, mass-market slot machines (i.e., Type B or AWP slot machines) that, in exchange for a low price per game played (*i.e.*, a €1 maximum bet and a €0.49 average bet), provide the customer with entertainment and the possibility to obtain a cash or monetary prize of up to €500 per single event, with a minimum 70% payout over the betting cycle.

To improve our slots productivity, we have developed an exclusive in-house tool, named 'Smart Slot,' which allows for real-time monitoring of slot machine activity in every bar and helps predict customers behavior, thereby enabling customization of slot machines for specific areas and optimizing operational costs and cash management. This tool gathers information on occupancy rates, overlaps among slots and idle capacity to determine whether the bar is adhering to the contractually agreed opening hours. It also identifies timeslots with low play intensity or higher drop and detects potential churn patterns, such as those caused by a competing bar with newer slots. We use the segmentation, geolocation and data analytics gathered by our 'Smart Slot' tool to enhance cross-selling opportunities and develop slot machine cabinet retention and conversion strategies, as well as responsible gaming models. Due to this capability and the performance of our machines, service, extensive network, and brand, we believe we are the preferred partner for bar owners in Spain.

Our Slots Spain Business Unit also includes our B2B operations, which involve designing, manufacturing, and marketing slot machines for the Spanish market, as well as software development and interconnection system services for slot machines and Casinos management. Our extensive portfolio of products and services is distributed both within our Group and to external entities. In our B2B operations, we believe that we are the #1 manufacturer holding a 50% to 55% share of the market in Spain, with 22,167 slot machines and gaming kits manufactured and sold, of which 11,411 were sold to third parties, in the year ended December 31, 2024, increasing by 26.0%, compared to the year ended December 31, 2023. We generated €41.2 million in net operating revenues from slot machines and gaming kits sold to third parties, increasing by 49.7%, respectively, compared to the year ended December 31, 2023. We design most of the core components of our slot machines and gaming kits and outsource their manufacturing through Unidesa, Spain's leading bar slot machine manufacturer. See "—*Our Business Units—Slots Spain Business Unit*."

The Slots Spain Business Unit generated net operating revenues of €414.3 million and €395.0 million for the years ended December 31, 2024 and 2023, respectively, representing 19.3% and 19.8% of our total net operating revenues, as well as EBITDA of €190.7 million and €169.2 million for the years ended December 31, 2024 and 2023, respectively, representing 27.3% and 26.9% of our total EBITDA. Our EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) for the years ended December 31, 2024 and 2023 was equal to 46.0% and 42.8%, respectively.

Online Gaming & Betting Business Unit

We have operated this Business Unit since 2013 as one of the first retail operators in Spain. We specialize in online gaming services and offer online casino games and social games (i.e., without monetary prizes) through our website, mobile applications, and retail outlets, as well as betting services exclusively on sports events both online and through proprietary or third parties' betting corners in physical locations, with a seamless integrated omnichannel entertainment experience for our customers. We offer our customers an opportunity to bet on more than 38 different sports through more than 700 types of bets.

We hold online gaming licenses in Spain, Italy, Panama, Colombia, Mexico, Peru and Portugal and are in the process of obtaining online licenses for the Dominican Republic and Puerto Rico. Our online gaming services are primarily available through our *Sportium* brand and some other local brands (Marca Apuesta in Spain, Apuesta Total in Peru, E-Play24, SportItaliaBet and others in Italy).

Since the launch of our online operations in Spain, we have leveraged our large retail network and *Sportium* brand to build a strong omnichannel business underpinned by attractive economics (as omnichannel players generate 3.9x higher average revenue per customer ("*ARPU*") than online-only players for the year ended December 31, 2024). We believe that we are currently the leading omnichannel operator in sports betting in Spain.

This Business Unit has been growing both organically and inorganically with the acquisitions of E-Play24 in Italy, GanaBet (renamed *Sportium*) in Mexico, Apuesta Total in Peru and some smaller acquisitions in the Spanish and Italian markets.

We believe that we have the key assets that will support future growth, including an international retail footprint, a strong portfolio of international and local online brands, a well-calibrated marketing strategy, a wide range of products, customer knowledge and CRM best practices.

As of December 31, 2024, this Business Unit comprised 1,893 PoS in the Spanish market and 2,646 *Punto Vendita di Ricarica* ("*PVRs*") in the Italian market, with approximately 1.9 million active customers globally (i.e., customers that have played at least one time on either the retail or online channels) and approximately 90% customer recurrency month on month in 2024.

This Business Unit generated net operating revenues of €420.4 million and €325.5 million for the years ended December 31, 2024 and 2023, respectively, representing 19.5% and 16.2% of our total net operating revenues, as well as EBITDA of €85.3 million and €54.6 million for the years ended December 31, 2024 and 2023, respectively, representing 12.2% and 8.7% of our EBITDA. Our EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) for the years ended December 31, 2024 and 2023 was equal to 20.3% and 16.8%, respectively.

Slots Italy Business Unit

This Business Unit, in which we operate since 1997, manages slot machine operations in third-party bars, cafes, restaurants and traditional bingo establishments in Italy. In Italy, we also directly operate nine Gaming Halls (which are reported under our Slots Italy Business Unit). In addition, our in-house platform functions as a network operator for slot machines, for which we can charge a fee (not material in terms of contribution to revenues from this Business Unit) of not higher than 3% of the revenues per machine to third parties that we interconnect to our network.

Our Slots Italy Business Unit operated 11,015 AWP slot machines and 2,571 VLT slot machines in third-party locations across central and northern Italy as of December 31, 2024. AWP are recreational, low-stake, mass-market slot machines awarding small prizes and present in dedicated Gaming Halls and other points of sale ("*PoS*"), whereas VLT are Casino-type slot machines awarding large prizes and only present in licensed PoS (such as Casinos and Gaming Halls). We operate an attractive franchise and profit-share model with such third-party location owners and enter into exclusivity contracts for up to three years.

This Business Unit generated net operating revenues of €368.9 million and €362.3 million for the years ended December 31, 2024 and 2023, respectively, representing 17.2% and 18.2% of our total net operating revenues, as well as EBITDA of €29.0 million and €27.4 million for the years ended December 31, 2024 and 2023, respectively, representing 4.2% and 4.3% of our total EBITDA. Our EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) for the years ended December 31, 2024 and 2023 was equal to 7.9% and 7.6%, respectively.

Structure Business Unit

This Business Unit consolidates all entities contributing less than 10% of our total external and internal revenue, which corresponds to less than 10% of the combined Business Units results, and less than 10% of our total assets. In this Business Unit, we record operating revenues from a variety of activities, including revenues and overhead costs reimbursed from joint ventures and personal services, as well as the reimbursement of immaterial costs associated with the payment of licensing fees (e.g., costs associated with licenses for re-invoicing applications and software applications such as Windows, SAP and GIC) and the Group's administrative and management structure, which are part of our overhead costs. Due to their individual immateriality, specific details for these operations are not provided separately in this annual report, but are aggregated under this Business Unit.

Our Strengths

We operate in select large and fully regulated markets with attractive growth dynamics and significant potential due to their underpenetration (especially in Latin America and online gaming).

We are highly selective of the markets where we operate and adhere to rigorous criteria when evaluating potential new markets. The markets we choose to enter are selected based on the following key factors:

- a stable macroeconomic landscape, characterized by positive GDP growth, a stable currency and a healthy credit rating;
- locally-regulated markets with a stable regulatory, tax and licensing regime, governed by reputable government agencies; and
- underpenetrated and/or highly fragmented gaming markets, supporting growth dynamics for well-capitalized large-scale international operators.

We define our total addressable market as the overall gross revenue opportunity that is available for our Business Units in selected regions: Spain, Italy and certain Latin American countries, including our existing markets, as well as adjacent ones to the abovementioned that we may consider entering in the future (such as the Bahamas, Chile, Jamaica, and Uruguay). Our total addressable market includes these adjacent markets as they have a stable regulatory environment and, in case of expansion, are markets we have identified as being able to be integrated with ease into our existing business due to our know-how, geographical proximity and existing relationships. As of the date of this annual report, we have not made any formal decision or specific plan to enter into any of these adjacent markets and any potential expansion into new markets will depend on several factors, including the attractiveness of the opportunities (which we are constantly monitoring) that may arise in the future.

Each of our markets is fully regulated and characterized by stable and predictable gaming and tax regulations, where we have strong local knowledge and connectivity. We strive to be aligned with local governments by supporting responsible gaming as we continue to be a relatively important source of income for regional or national budgets and for employment and economic development. For instance, we have had 20 years of established relationships with most of our regulators. This enables us to successfully navigate the regulatory frameworks of the countries we operate in.

We believe that each of our markets possesses considerable growth potential, particularly from online gaming, considering their relatively low online gaming penetration.

We expect our organic growth will be driven by cementing our leading positions in our core markets in Spain and Latin America. For the year ended December 31, 2024, we generated 40.6% of our net operating revenues and 48.6% of our EBITDA from Spain. Spain is one of the largest gaming markets in Europe and is expected to grow at a stable rate over the next five years.

We also have material exposure to Latin America, with 32.4% of our net operating revenues and 40.6% of our EBITDA for the year ended December 31, 2024 generated from, in aggregate, Panama, Colombia, Mexico, the Dominican Republic, Peru and Costa Rica (and, in particular, 7.1% of our net operating revenues and 7.9% of our EBITDA for the year ended December 31, 2024 was generated from Mexico). This region is one of the core growth drivers for our business.

This growth is driven by the following factors:

- *Significant underpenetration of both online and land-based gaming in Latin America compared to mature gaming markets*.
- *Our focus on Latin American countries with positive demographic profiles*. In Panama, Colombia and Mexico, approximately 91% of the population is younger than 65, supporting future gaming demand and digital adoption. Colombia and Mexico are specifically less penetrated in terms of population with access to a bank account or smartphone. We expect online access growth in these countries to serve as a further growth driver in the online gaming sector.

Recognizing this opportunity in Latin America, we have chosen to focus on countries with stable macroeconomic backdrops and stable regulatory, tax and licensing regimes, based on the following:

- The macroeconomic backdrop for the Latin American countries where we currently operate is among the most stable in the region. With regard to inflation, our Latin American markets—Panama (0.9%), Colombia (5.8%) and Mexico (4.7%)—have experienced lower inflation between 2015 and 2024 compared to more volatile countries in the region where we have chosen not to operate, such as Argentina (70.7%) and Venezuela (14,506%), according to the GSMA Mobile Economy Report of BMI (a Fitch solutions company), World Bank. Our Latin American markets also have more stable exchange rates compared to countries like Argentina and Venezuela. Similarly, sovereign credit is considered stable for the region (Panama (S&P BBB), Colombia (S&P BB+) and Mexico (S&P BBB)), particularly when compared to other countries in the region such as Argentina (S&P CCC) and Venezuela (S&P rating withdrawn).

- We believe the gaming tax structures in the Latin American countries where we operate are stable and directly tied to our net operating revenue generation, providing us with visibility on financial performance. For example, in our three key Latin American Casino markets (Mexico, Panama and Colombia), applicable taxes have remained unchanged since 2015 (30%, 18% and 12%, respectively). In addition, we have managed to reduce our gaming tax burden through optimization measures. Across our entire business, we have successfully lowered our gaming taxes as a percentage of net operating revenues from 30.1% in 2023 to 28.7% in 2024.

- We have deep-seated knowledge of the local licensing frameworks and requirements in the countries where we operate, which helps us reduce licensing risks. Other than in Panama and Italy, all the licenses we hold either automatically renew or can be extended for successive 10 to 20-year terms with three to five months' advance notice at minimal or no cost, depending on the region. We face a more complex renewal process in Panama where we are required to pay between $500,000 per Type A Casino and $1,000,000 per Casino in order to renew our licenses for another 20-year term upon expiration (between 2034 and 2043). In Italy, licenses are awarded through a public tender process and may be extended subject to the payment of certain fees. For the most recent extension for land-based gaming concessions from January 1, 2025 to December 31, 2026, we will pay a combined two-year fee of (i) €11.4 million for our VLT and AWP licenses (€60 and €2,000 per year for each AWP and VLT License, respectively, to be paid in three annual installments on March 15, July 15 and October 1 for each year of extension), and (ii) €648,000 for our two bingo hall licenses (€108,000 per year for each bingo license to be paid in two installments on January 31 and June 30 per each year of extension)..

Diversified business portfolio across different geographies, channels and products.

We are a highly diversified business, both from a geographic and product standpoint. This strategic breadth not only ensures the stability of our cash flows but also mitigates the reliance on any specific region or business segment.

We currently operate in ten markets across Europe, Latin America and North Africa, and are not overly exposed to a single market. Our largest exposure is to Spain, which generated 40.6% of our net operating revenues and 48.6% of our EBITDA for the year ended December 31, 2024. However, the Spanish market is decentralized from a regulatory perspective, with 17 regional authorities responsible for regulating most gaming activities in the relevant markets. Consequently, our operations in Spain are well-diversified, which helps mitigate the risk of any potential adverse changes to the regulatory regime. The rest of our operations are distributed among nine other countries, all of which have been selected on the basis of their stable regulatory and macroeconomic conditions.

We also operate four distinct but complementary business units within the gaming industry (Casinos, Slots Spain, Online Gaming & Betting and Slots Italy). Each of these business units has a diverse profile in terms of product offering, channel and geographic exposure, which provides resilience and protects us in the event of a downturn in any single business unit.

Leading gaming operator in Spain and Latin America underpinned by a strong competitive market position.

In many of the markets where we operate, we believe that are the #1 player. On a consolidated basis, 75.8% of our EBITDA for the year ended December 31, 2024, was contributed by the markets where we believe that are the #1 player. This position provides benefits of scale considering significant set-up costs in many of our markets and makes us the consolidator of choice in the highly fragmented markets in which we operate. We have a proven history of successfully acquiring smaller competitors and businesses at attractive valuations.

We believe that our competitive position is further reinforced by several factors: the significant set-up costs required to begin operations in many of our markets, regulatory restrictions (such as advertising prohibitions for online gambling in Spain and the limited number of licenses available in Panama), and our decades-long track record of operating in many of our markets and collaborating with local regulators to promote legal and responsible gambling. Additionally, our retail presence provides a competitive edge in deploying our omnichannel strategy to customers familiar with our land-based business.

We believe that we are the leading Casinos and Gaming Halls and slots operator and a leading omnichannel operator for online gaming in Spain. We believe that we have the largest retail footprint based on number of points of sale ("*PoS*"), which we leverage to effectively deploy an omnichannel strategy. Our slot machine operations are diversified across all 17 Spanish autonomous regions. Our leading position in Spain results in the reduced cost related to acquiring a new customer ("customer acquisition costs" or "*CAC*"), higher ARPU and lower churn rates, enhanced by our marketing initiatives and, therefore, higher lifetime value compared to our competitors that use a single-channel approach (i.e., focused solely on online gaming, Casinos or Gaming Halls), and enables market share gains.

We believe that we hold a robust competitive position in Latin America, being a leading Casino operator in Panama, Colombia, Costa Rica and Dominican Republic, and a key player in other Latin American markets (including Mexico, Puerto Rico and Peru). Our position is secured by operating Casinos at some of the best locations in each market. Our Latin American retail presence helps us implement an omnichannel strategy and cross-sell our online offering to customers who are familiar with our traditional retail products. We stand out as the sole large-scale operator that maintains leading market positions across various markets in the region. This, coupled with our local know-how, expertise and understanding of gaming regulations, as well as strong relationships with regulatory bodies, equips us with a unique competitive advantage over international players and increases our ability to successfully execute our growth strategies.

Proven strategy with multiple levers of sustainable and long-term growth and operational excellence, supported by data analytics and technology.

We have successfully developed a robust growth strategy focused on (1) enhancing our local, multichannel business model to attract and retain a large, resilient and loyal customer base, (2) leveraging operational excellence and pioneering technology to drive earnings growth and (3) capturing attractive organic and inorganic growth opportunities.

The three main growth levers of our strategy are the Gold Mine strategy, the Omnichannel strategy and the M&A strategy. All of these are supported by our data analytics and technology capabilities.

Gold Mine strategy: Focused on our Casinos Business Unit and premised on the pursuit of a sustainable and profitable expansion in existing locations, with particular focus in markets with significant growth potential such as Latin America and Morocco, this strategy entails identifying an attractive location within our existing portfolio, and then conducting meaningful improvements to achieve optimal performance and enhance the customer offering and experience. These modifications could include, among others:

- increasing the gaming surface area;
- converting spaces into Casinos;
- increasing the number of slot machines and tables; and
- creating a full entertainment experience by adding leisure services, such as event stages and restaurants.

Our Gold Mine strategy has occasionally led to expansion into adjacent premises, but only when justified by the performance of the Casino. The Gold Mine strategy may also involve relocating to larger and better-located premises, either by acquiring or constructing new facilities.

An example of the Gold Mine strategy is our Rio Bogotá Casino in Colombia. After identifying this location as a suitable candidate for our Gold Mine strategy, we transformed this Casino through three Gold Mine expansions in 2005, 2018 and 2022 and are currently planning a fourth expansion to be completed in 2026. In the first three Gold Mine expansions, we added 14 slot machines and nine gaming tables, improved the service offering (including the addition of an events stage) and increased the area by 190 sqm. Through the fourth expansion, we plan to add 58 slot machines and seven gaming tables, to further improve the service offering with an incremental 41 parking lot spaces and increase the surface by 769 sqm.

Through the execution of our Gold Mine strategy, from January 1, 2010 to December 31, 2024, we have increased the number of slot machines in our premises in Latin America and Morocco by approximately 105% and the number of gaming tables by approximately 86%. With this strategy, we have also expanded the surface area, or fully renovated the premises, of 210 Casinos in these regions. Leveraging on this strategy, in the same period, we opened 138 new Casinos (including 114 through inorganic acquisitions and 24 projects where we organically designed and developed the new Casino).

Omnichannel strategy: Premised on the integration of multiple channels of customer engagement, thereby enhancing customer experience, brand loyalty, retention, higher customer lifetime value and ARPU, this strategy, underpinned by our technological capabilities, not only facilitates a consistent and cohesive brand interaction across various platforms but also leverages data-driven insights to optimize our offering and interactions with customers.

In recent years, we have successfully deployed our omnichannel growth strategy, particularly in online gaming in Spain. The success observed in Spain, where this approach has significantly boosted our online gaming business unit, underscores its effectiveness.

Furthermore, we have achieved revenue synergies through cross-selling as we have successfully encouraged many of our retail customers in Spain to also play through our online channels. From January 1, 2023 to August 31, 2024, approximately 58% of *Sportium*'s Spanish retail customers have an online account and conversely, approximately 61% of *Sportium*'s online users have also transacted in our retail channel during the same period. We have also introduced a single wallet for our online and retail services allowing our customers to use their balance in all channels and immediately deposit or withdraw money. Through this product offering and cross-selling opportunity, we can offer our customers a seamless gaming experience between retail and online, while creating a strong brand that resonates across our customer base.

In addition, the introduction of online advertising restrictions in Spain made this omnichannel approach, our leading local brands and our extensive retail footprint more relevant. See "*Risk Factors—Risks Related to Our Business—Changes in consumer preferences towards online gaming and the operational and technological difficulties in connection with our online operations could harm our business*." Advertising bans have also been imposed in other markets in which we operate, including Italy and the Dominican Republic. The remaining markets in which we operate allow for advertising under specific restrictions related to responsible gaming, which further underscores the potential and importance of our omnichannel strategy.

Financially, the success of our omnichannel strategy is highlighted by the superior ARPU generated by omnichannel customers compared to purely retail or online customers. For instance, according to management estimates, for the year ended December 31, 2024, the ARPU generated by omnichannel customers was 3.9x higher than the ARPU generated by purely online customers, indicating that an omnichannel customer provides twice as much value as a purely online customer.

M&A strategy: This strategy is premised on the identification of companies that can accelerate our corporate strategy, are profitable from the outset and align with our company's culture. M&A is an important pillar of our growth strategy and is deeply embedded in our DNA. We believe that we are well positioned to continue playing a key role in the consolidation of the highly fragmented markets where we operate, given our proven track record of disciplined accretive M&A transactions at attractive acquisition multiples (6.5x EV/EBITDA pre-synergies and 4.6x EV/EBITDA post-synergies), and integration capabilities. When evaluating a target, we conduct robust and detailed synergies and due diligence analyses, validated by the corresponding Business Unit or country manager. In addition, our ability to integrate targets under the Cirsa brand, optimize fixed costs and improve the target's B2C playing experience using our expertise, technological capabilities and best practices, are key drivers for creating synergies in our transactions. For each acquisition our experienced M&A team prepare and implement a detailed integration and synergy plan, conducting regular follow ups on synergies until 24 months after the closing of the relevant transaction.

We have made noteworthy, strategic and accretive acquisitions across different channels and regions. Our acquisition strategy has also included the establishment of joint ventures and partnerships. Our strong M&A track record has benefited from highly fragmented markets, which include a large number of regional and, generally, much smaller operators. These acquisitions are mostly bolt-on acquisitions of small local gaming operators and do not require substantial financial investments, which has allowed us to complete several transactions of this type over the years. Our successful recent transactions include:

Land-based: Casino Tanger in Morocco (2022), Habana in Spain (2021), Giga Games in Spain (2019) and Unidelca in Colombia (2010), among others.

Online gaming sector: the recent acquisition of 68% of CasinoPortugal in Portugal (2024), 70% of Apuesta Total in Peru (2024), the acquisition of GanaBet (renamed *Sportium*) in Mexico (2023), the acquisition of a 60% stake in E-Play24 in Italy (2022) and the acquisition of the remaining 50% ownership interest in *Sportium* in Spain (2019).

Operational excellence & our data analytics and technology capabilities: Our strategic growth vectors are supported by operational excellence initiatives and our capacity to leverage data analytics and technology to drive continuous revenue enhancement and cost management. Utilizing real-time data and advanced analytics allows us to reduce downtime and operational expenses, while maximizing profitability across our gaming operations. We have invested and intend to continue to invest in information technology solutions to enhance customer experience and value and improve revenues and margins.

We also use predictive monitoring tools such as AI driven data models like "SmartSlot" to:

- deliver superior performance and control,
- optimize product allocation and replacement time,
- increase returns on invested capital through segmentation and personalized offering, and
- gather real time information to evaluate occupancy rates by slot machine.

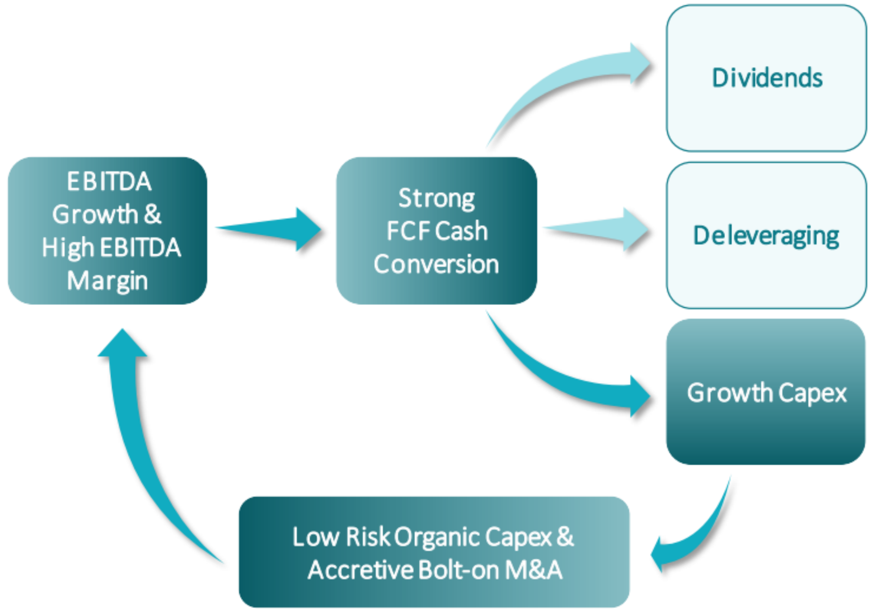
To further drive our revenue, we focus on customer relationship management to maximize customer value through our "Cirsa Winner Club" loyalty program, which had approximately 0.9 million customers voluntarily enrolled as of December 31, 2024. Our loyalty program rewards our customers through points, campaigns and exclusive promotions to play within our tables and slots. Our loyalty program also provides additional data regarding our customers. This is particularly effective to attract and retain customers given the recurrent communication with them, especially in those markets which prohibit unsolicited advertising. See "*—Marketing and Sales Strategy*."

Strong financial track record and cash flow generation.

We have maintained a longstanding track record of 46 years in the gaming and entertainment industry, marked by 66 consecutive quarters of reported EBITDA growth and reported EBITDA margin expansion (excluding the periods impacted by the COVID-19 pandemic with 54 consecutive quarters prior to the COVID-19 pandemic and 12 consecutive quarters thereafter).

Historically, we have consistently met the financial guidance we have issued to the bond markets. We have an established track record of 18 years of meeting or surpassing guidance targets. In June 2023, we provided an EBITDA guidance target of €615-€625 million for 2023. For the years ended December 31, 2023 and 2024 we generated €630 million and €699 million in EBITDA, respectively, surpassing the guidance target. Similarly, in June 2022, we provided an EBITDA guidance target of €520-€530 million. For the year ended December 31, 2022, we generated €552 million in EBITDA, exceeding the guidance target by €22-€32 million.

We have a proven robust history of organic cash generation allowing for a "Virtuous circle" of profitable growth. Our high EBITDA margins and growth allow us to have strong cash conversion, which in turn funds further growth capital expenditures (on low-risk organic capital expenditures and accretive bolt-on M&A), allowing for continued high EBITDA margins and growth. This self-funded growth will also enable us to continue deleveraging significantly, in line with the approach adopted in recent years.



Our net operating revenues increased by €449.1 million or 26.0% from €1,701.1 million in 2022 to €2,150.2 million in 2024, achieved through different stages and measures, including: (i) the implementation of operating efficiencies to achieve recurring cost savings, such as optimizing slot machines and tax payments, improving personnel cost efficiency, optimizing commercial and technical services routes and renegotiating some lease agreements; (ii) the successful completion of highly accretive M&A transactions, including through the achievement of synergies on integrated companies and the consequential geographical diversification that has helped mitigate the effects and pressures from inflation in certain countries and (iii) the implementation of our omnichannel strategy, which has increased customer activity and ARPU and reduced churn rates and CAC.

On the costs side, we have implemented productivity programs across all our countries of operation and business units, which allowed us to maintain a stable 32.5% EBITDA Margin from 2022 to 2024.

Furthermore, our business has historically generated strong cash flows which have contributed to steady and progressive deleveraging. Free cash flow generation remains a strategic priority and we aim to continuously implement measures to manage capital expenditure to maximize cash flow and rigorously evaluate investments based on short payback periods.

Highly experienced management team with proven track record.

Our organization is led by a seasoned and proficient management team with a proven track record in handling complex operations, developing innovative products both within and beyond the gaming industry and consistently meeting commitments even in challenging business environments. In April 2022, Mr. Antonio Hostench Feu assumed the role of Chief Executive Officer following the board's decision to separate the responsibilities of the CEO and the Chairman. Previously, Mr. Joaquim Agut Bonsfills had served as both our CEO and Chairman since 2006. Currently, Mr. Joaquim Agut Bonsfills serves as the Executive Chairman, overseeing corporate governance, leadership remuneration, and appointment committees. Meanwhile, Mr. Antonio Hostench Feu manages day-to-day operations, global growth strategy and our executive leadership team. The core members of our senior management team, including the Executive Chairman, CEO, Managing Directors, General Manager and Legal Director, have remained largely unchanged since the implementation of our core strategy in 2006. Collectively, they bring an average of approximately 18 years of experience in the gaming industry. Additionally, our workforce comprises over 14,000 full-time equivalent employees with deep local gaming expertise.

Our management team has a unique understanding of the gaming sector and the markets where we operate, demonstrated by consistent EBITDA growth over the years and economic cycles. Besides their success in managing the business during the severe economic downturn in Spain and Italy that started in 2008 and more recently during the COVID-19 pandemic, our management team has extensive experience in the Latin American gaming industry and has developed qualified expertise to address the challenges that may arise in those markets.

In addition, our management team has a longstanding track record in successfully acquiring and integrating gaming operators, as well as effectively leading multiple debt offerings for the company.

Sustainability focused organization with market leading responsible gaming commitment.

Sustainability is fully integrated within our strategy, allowing us to be a driver of change and generate value for all our stakeholders. We are committed to reducing the environmental impact of our business, investing in local people and communities and upholding the highest responsible gaming and corporate governance standards.

We have implemented a robust environmental, social and governance ("*ESG*") framework which ranks fourth in Sustainalytics' Casino and Gaming universe out of over 84 gaming companies rated by Sustainalytics and 17th globally in the consumer services industry out of over 500 companies. Furthermore, we have also obtained an ESG score of 45/100 from S&P Global (where 100 is the best score possible and 0 the worst) out of the gaming industry average of 36/100, which means that the Company outperforms the gaming industry average and further underscores our efforts on continuous improvement in this area. We have also received third-party ESG certifications from the international certifying entity G4 (Global Gambling Guidance Group), COFAR (*Confederación Española de Empresarios del Juego*) and ECA (European Casino Association) in relation to responsible gaming and we are a member of the UN Global Compact. Finally, we follow GRI ESG Reporting Standards and we are actively preparing to align with the ESRS (*European Sustainability Reporting Standards*) to meet the requirements of the CSRD in 2025 (assuming its adoption by Spanish authorities).

Our approach to sustainability is underpinned by four key focus areas. The first is anchored on delivering a leading responsible gaming strategy, with a clear focus on preventing gaming addiction through assistance and guidance provided by our dedicated customer service. See also "*Regulation*." We are also leveraging innovative AI tools to predict, identify and prevent pathological gaming. In addition, we have developed a robust responsible gaming policy and since September 2022, our approximately 7,700 employees who directly engage with our gaming customers have attended approximately 14,000 training sessions focused on responsible gaming. Our responsible gaming approach is underpinned by several third-party certifications: for example more than 15,500 of our third-party PoS (primarily bars) were certified by COFAR (Spanish gaming sector association) in responsible gaming during 2024 and validated by SGS (a leading testing, inspection and certification company) through sampling, bringing the total of establishments certified to 95%. At the corporate level, we have obtained the Responsible Gaming certification by G4, becoming the first company to receive this accreditation in Spain and in the Latin American countries where we operate.

The second pillar of our ESG strategy is focused on minimizing our impact on the environment and supporting climate change initiatives more broadly. We are actively working towards transforming our Casinos and Gaming Halls into low impact and highly efficient buildings, while also reducing our energy and materials consumption. In 2024, we have reduced our emissions per square meter associated with the purchase of electricity, steam, heat, or cooling ("*Scope 2 emissions*") by 30% compared to 2015 levels. Moreover, 66% of our 2024 electric energy consumption was based on renewable sources. We set an overarching goal to reduce our greenhouse gas emissions by 65% by 2030 (compared to 2022 levels) and aim to achieve 95% renewable energy consumption by 2030. Moreover, we intend to formally join the Science Based Targets Initiative (SBTi) in 2025.

The third pillar of our sustainability strategy is focused on social considerations, particularly as we endeavor to retain, develop and attract new talent. We have specifically developed a five pillar 'people policy' which focuses on equal opportunities, job security, health and safety, professional development and well-being. In 2022, 50% of our employees who hold key management positions in our Casinos and Gaming Halls were women and we have set the goal to further increase this percentage by 2030. We also support local communities and initiatives in the countries where we operate and work towards creating strong ties with all local stakeholders. For instance, 95% of our employees are local (i.e., national employees of the country in which they provide the service). Additionally, our tax payments significantly contribute to the development of the countries where we operate. In 2024 alone, our aggregated gaming and corporate tax payments amounted to €740.4 million.

The final pillar of our sustainability strategy emphasizes governance and regulatory compliance, which are hallmarks of our organization. Within this pillar, we are specifically focused on business ethics, compliance and employee conduct. Our business activities are designed to ensure that each employee complies with the current legislation in every location where we operate and in 2024, all our employees were trained in anti-corruption, money laundering and other regulatory and compliance policies in accordance with our annual training plans. We also have a cybersecurity program with three main objectives: preventing fraud, preventing data leaks and ensuring business continuity and recovery. The program has been in effect for the past 13 years and is continuously reviewed and evaluated by our in-house experts and external advisors. We are committed to ensuring that our gaming activities are conducted ethically and transparently, promoting responsible practices that safeguard fun and entertainment without compromising the safety of our customers or sustainability of the environment.

Operations and Activities

Our Business Units

We have five Business Units: Casinos, Slots Spain, Slots Italy, Online Gaming & Betting and Structure. We believe that the Structure Business Unit includes items that are not material to our key metrics and therefore, we do not describe or discuss in detail the results of this Business Unit in this annual report.

	For the year ended December 31, 2024	
Business Unit	**Net Operating Revenues**	**EBITDA**
Casinos	45.0%	58.0%
Slots Spain	19.3%	27.3%
Slots Italy	17.2%	4.2%
Online Gaming & Betting	19.5%	12.2%
Structure/Other	(1.0)%	(1.6)%
Total	**100.0%**	**100.0%**

Casinos Business Unit

Our Casinos Business Unit oversees self-managed Casinos and Gaming Halls that house a diverse range of retail gaming products across all the countries where we operate including slot machines, electronic roulette, bingo games, digital gaming tables (such as i-poker and i-blackjack) and sports betting. In certain of our Casinos, we offer to our clients an even more comprehensive gaming experience, including physical gaming tables (such as poker and blackjack tables, baccarat and American roulette) and, in certain selected locations (such as Marbella, Valencia, Mexico City, and Bogota), a full entertainment package including services such as food and beverage (F&B), live performance shows and music. In these Casinos, these additional offerings, particularly food and beverage, cover their own costs, which allows us to generate further revenues and profit from the sale of admission tickets as well as tips (which employees share with us pursuant to collective bargaining agreements).

The following table sets forth the number of Casinos (with and without tables), Gaming Halls, slot machines and tables operated by our Casinos Business Unit as of December 31, 2022, 2023 and 2024. As of the date of this annual report, we do not operate and do not plan to operate Casinos in Italy where our activities are focused on our Slots Italy Business Unit, except for nine fully-owned Gaming Halls.

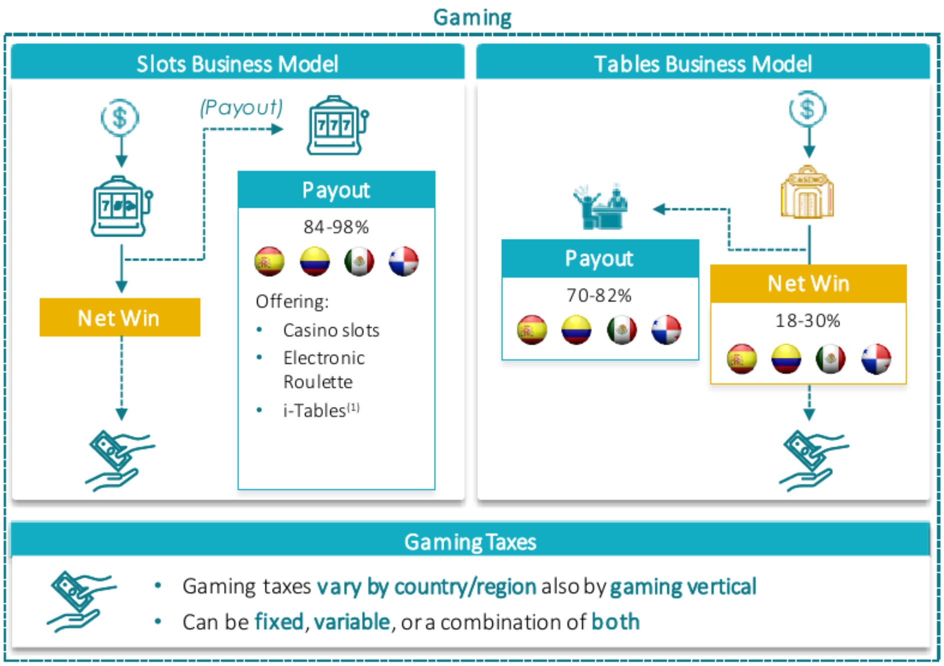
	As of December 31,								
	2022			2023			2024		
Casinos(1) Operations by Country	**Casinos**	**Slots**	**Tables**	**Casinos**	**Slots**	**Tables**	**Casinos**	**Slots**	**Tables**
Spain(2)	263(3)	6,909	41	266(3)	7,214	52	268	7,499	49
Panama	32	8,005	14	34	8,028	11	36	8,129	19
Mexico	28	7,164	136	28	7,244	147	30	7,435	162
Colombia	71	7,193	246	70	7,280	252	78	7,724	255
Peru	20	2,963	35	19	2,828	41	19	2,648	40
Costa Rica	7	836	17	7	843	19	7	844	20
Dominican Republic	6	797	74	6	876	73	6	903	63
Morocco	3	404	49	3	427	53	3	417	46
Total	**430**	**34,271**	**612**	**433**	**34,740**	**648**	**447**	**35,599**	**654**

(1) Number of Casinos and Gaming Halls for each country, as applicable. For additional information on the split between Casinos and Gaming Halls, see "*—Casino Operations by Country*."

(2) Includes four Casinos and 259 Gaming Halls in the year ended December 31, 2022, four Casinos and 262 Gaming Halls in the year ended December 31, 2023 and four Casinos and 264 Gaming Halls in the year ended December 31, 2024.

(3) Includes both Casinos and Gaming Halls.

The following graphic provides an illustrative overview of our value chain for table games and slots Casinos within our Casinos Business Unit in Spain, Panama, Colombia and Mexico.



Source: Company information; Flag Legend: Spain Colombia; Mexico; Panama.

Type C slot machines (i.e., Casino-type slot machines addressing Casino demand which can be operated in licensed Casinos only) include video bingo, multi-game, electronic roulette and video slots, according to the laws of each country in which we operate. See "*Regulation*."

In our Spanish Casinos and Gaming Halls, we operate Type B (i.e., AWPs, which can also be found in bars) and Type C slot machines (see "*Regulation—Spain—Slot Machines*"). In Panama, Colombia and Mexico, we only offer electronic roulette and video slots (or VLTs). Type C slot machines offer players the possibility to wager higher amounts and, consequently, win higher prizes as compared to AWPs. Legally imposed payouts for Type C slot machines in Spain are higher than those imposed on AWPs.

With regard to gaming tables, while Panama and Colombia provide for a single tax rate (or fixed amount to be paid for gaming taxes), Spain and Mexico have variable tax rates. In particular, in Spain, gaming tax is imposed as a percentage of the net income from tables and the applicable tax rate is determined on a sliding scale depending on the regulation applied by each of its 17 autonomous regions (see "*Regulation—Spain—Casinos*").

Each of our Casinos and Gaming Halls establishes the maximum and minimum amounts that can be wagered on gaming activities and on a single bet based on the specific risk profile each Casino and Gaming Halls decides to pursue. Generally, the variability of our results per Casino and Gaming Hall due to potential high bets is reduced over a large number of games played in the long term, therefore maintaining fairly constant margins.

We have undertaken a number of initiatives to improve the performance of our Casinos and Gaming Halls, including providing a full entertainment offering, increasing productivity with ticket-in/ticket-out (which means that the slot machine prints a barcoded ticket through which customers can cash-out their money (irrespective of the amount) at specific machines in the Casinos and Gaming Halls rather than dispensing coins) and player tracking systems and expanding and refurbishing existing Casinos and Gaming Halls in key markets. We have also designed various marketing campaigns, consisting of poker tournaments we organize yearly (for example, Winner Poker Series in Colombia, or the Sixers Poker Series in Spain), which are intended to target the poker market and help us increase traffic in our Casinos and Gaming Halls, attract international players and create cross-selling opportunities with our online players. Many of our Casinos in Latin America offer enhanced types of Casino-style slot machines and other electronic games such as blackjack or roulette through multi position electronic slot machines, which have proven to be popular in that market.

Finally, we believe this Business Unit benefits from attractive business fundamentals including:

- prime locations, which are almost impossible to replicate;

- recurrent and local customer base with low wager (€25 average spend per visit);

- diversified and local customer demographic profiles (94% local and 6% non-local, 52% male and 48% female during the six months ended June 30, 2024) with limited entertainment alternatives;

- continued operational growth backed by leading retail best practices;

- best-in-case customer intelligence driven by CRM & loyalty programs;

- low capital expenditures enabling strong cash generation;

- operation in fully regulated markets, where most of the licenses (except for Italy and Panama) are administratively renewed by paying a small fee without a new tender process; and

- significant growth opportunities, as we operate in very fragmented markets with consolidation upside, which plays an important role due to our scale and leading market positions.

Casino Operations by Country

The following table sets forth the number of Casinos (with and without tables) and Gaming Halls we operate in each country as of December 31, 2024.

	As of December 31, 2024		
Country	**Casinos with tables**	**Casinos without tables**	**Gaming Halls**
Spain	4	—	264
Colombia	28	50	—
Panama	2	34(1)	—
Dominican Republic	5	1	—
Peru	3	16	—
Costa Rica	3	4	—
Mexico	13	17	—
Morocco	3	—	—
Total	**61**	**122**	**264**

(1) Type A Casinos.

We classify our operations by country into two categories:

- Casinos, which we define as physical gaming outlets operated under a casino license, providing an entertainment offering which can include slot machines, gaming tables (such as roulette, poker, blackjack and others), sports betting, food & beverage and shows. The specific offering of each casino varies on a case-by-case basis. In particular, certain casinos may include gaming tables while other casinos only include slot machines; and

- Gaming Halls, which we define as physical gaming outlets also commercially known as “electronic casinos,” including what the relevant Spanish legislation refers to as *salones de juego* and bingos, with a narrower product offering compared to Casinos, including mostly slot machines, electronic roulettes, sports betting and, in certain instances, bingo games.

Due to the larger offer of services, we typically employ a higher number of personnel in our Casinos with tables (which are employed in connection with our restaurants, bars, shows, events, conferences, besides regular gaming activities) compared to our Casinos without tables and Gaming Halls.

The following table sets forth the licenses for our Casinos by country indicating the expiry date of each license.

Country	Casino	License Expiry Date
Spain	*Nueva Andalucía*	September 2033
	Casino de Valencia	November 2029

Country	Casino	License Expiry Date
	Casino Las Palmas	July 2025
	Casino Costa Brava	June 2025
Panama	*Majestic Casino*	December 2043
	Fantastic Chorrera 2 (Big Win)	December 2042
	Fantastic Los Pueblos	April 2038
	Fantastic Los Andes	April 2038
	Fantastic La Doña	April 2038
	Fantastic Gran Estacion	April 2038
	Fantastic Chorrera	April 2038
	Fantastic Dorado Mall	April 2038
	Fantastic Vista Alegre	April 2038
	Fantastic Albrook Mall	April 2038
	Bingo 90	April 2038
	Fantastic Dorado	April 2038
	Fantastic Santiago	April 2042
	Fantastic Plaza Tocumen	April 2038
	Fantastic Plaza 5 De Mayo	April 2038
	Fantastic Hotel Caribe	April 2038
	Fantastic Casa Miller	April 2038
	Fantastic David Plaza	June 2041
	Fantastic Las Anclas	April 2038
	Fantastic Chitre	April 2038
	Fantastic Penonome	September 2037
	Fantastic La Terminal	April 2038
	Fantastic David Centro	November 2035
	Big Win Vista Alegre	October 2038
	Fantastic Aguadulce	April 2038
	Fantastic San Isidro	April 2038
	Fantastic Villa Zaita	April 2038
	Fantastic Cc San Miguelito	April 2038
	Fantastic La Cabima	April 2038
	Fantastic Town Center	April 2038
	Fantastic Paso Canoas	April 2041
	Fantastic Villa Lucre	April 2038
	Fantastic Colon 2000	April 2034
	Fantastic Mañanitas	April 2038
	Fantastic Colon Calle 13	December 2038
	Fantastic Doce De Octubre	April 2038
Dominican Republic(1)	*Casino Jaragua*	July 2034
	Casino Gran Almirante	December 2034
	Casino Lina	December 2035

Country	Casino	License Expiry Date
	Casino Napolitano	December 2030
	Casino La Hispaniola	February 2026
	Casino Grand Victoria	January 2026
Peru	*Majestic Lima*	September 2026 (for slot machines) and January 2027 (for gaming tables)
	Casino Miami	July 2027 (for slot machines) and August 2027 (for gaming tables)
	Casino Crazy	October 2025 (for slot machines) and May 2028 (for gaming tables)
	Casino Joker Arequipa	November 2026
	Casino Chorrillos	July 2025
	Casino Carrera	August 2025
	Casino Portal	April 2027
	Casino Jokers Lima	September 2026
	Casino Morelli	October 2025
	Casino Deluxe	February 2026
	Casino Barranco	March 2026
	Casino Maldonado	May 20’27
	Casino Chimbote	September 2025
	Casino Juliaca	September 2026
	Casino Benavides	June 2025
	Casino Aviacion	July 2025
	Casino Manco Capac	August 2025
	Casino Puno	August 2025
	Casino San Camilo	September 2026
Costa Rica(2)	*Fiesta Casino Alajuela*	July 2044
	Fiesta Casino Heredia	March 2043
	Fiesta Casino Herradura	August 2027
	Fiesta Casino Aurola	June 2034
	Luckys San Carlos	July 2029
	Fiesta Presidente (San José)	October 2033
	Casino Luckys Pérez Zeledón	Owned
Mexico	*Casino Life Del Valle*	May 2030
	Casino Life Vallarta Galerías	August 2033
	Casino Life Hermosillo	May 2030
	Casino Emotion Cuitláhuac	May 2030
	Casino Life Hamburgo	May 2030
	Casino Pachuca	May 2030
	Casino Life Mérida	May 2030
	Casino Emotion Jai Alai	May 2030
	Casino San Luis Potosi	August 2033
	Casino Winland Guadalajara	May 2030

Country	Casino	License Expiry Date
	Casino Life Galerias Tec	May 2030
	Casino Life Jai Alai	August 2033
	Casino Life Chihuahua	May 2030
	Casino Life Guadalajara	May 2030
	Casino Ciudad Juarez Plaza Rio	May 2030
	Ciudad Obregon	May 2030
	Central Hermosillo	May 2030
	Vallarta Life Marina	August 2033
	Chihuahua Paseo Central	May 2030
	Casino Manzanillo	May 2030
	Casino La Paz	May 2030
	Casino Tuxtla Jai	May 2030
	Casino Colima	May 2030
	Casino Plaza Del Sol	August 2033
	Casino Hermosillo	May 2030
	Casino Central Vallarta	May 2030
	Casino San Francisco Del Rincon	May 2030
	Casino Plan De Ayala	May 2030
	Casino Chilpancingo	May 2030
	Casino Condesa	May 2030
Morocco(3)	*Casino Atlantic*	November 2031
	Casino Le Mirage	July 2026
	Casino Tanger	November 15, 2034

(1) In the Dominican Republic, licenses are held by the hotels to which we pay a monthly rent. The date indicated under "Expiry Date" in the table is the term of the relevant lease agreement.

(2) In Costa Rica, licenses are held by the hotels to which we pay a monthly rent. The date indicated under "Expiry Date" in the table is the term of the relevant lease agreement.

(3) In Morocco, licenses are held by the hotels, to which we pay a monthly rental fee. The date indicated in the table is the term of the relevant operation agreement.

Country	License	Gaming tables and slots under the license	License Expiry Date
Colombia(1)	*C1940*	397 slot machines	April 2028
		251 gaming tables	
	C2093	7,350 slot machines	June 2029
		4 gaming tables	

(1) In Colombia, Cirsa holds three concession agreements entered into with the Colombian gaming authority (*COLJUEGOS*), allowing Cirsa to install certain number of slot machines and gaming tables in their establishments. In this regard, a particular Casino may install slots and gaming tables under different concessions. There may be temporary imbalances in the number of tables and slot machines operated by the Company and in the numbers recorded in the agreements above at any given time as the installation or removal of slot machines and tables is not automatically reflected in the respective license due to the administrative process.

Generally, the obtainment and renewal of licenses across the various countries where the Group operates is conducted through an administrative process that is neither particularly complex nor involves payments which may be deemed as material to the Group. However, exceptions exist in certain countries, notably Italy, Panama and Casino licenses in Spain where the process may entail more complexity and higher costs. For more details on the costs and conditions under which licenses are granted under Spanish legislation see "*Regulation*."

Spanish Casino Operations

We believe that we are the leading Casino and Gaming Halls operator in Spain, with 13% gross gaming revenue ("*GGR*" defined as wagers net of payout) market share as of December 31, 2023. The following list sets forth our Casinos in Spain as of December 31, 2024.

- *Casino Nueva Andalucía* in which we hold a 100% interest, is located in one of the prime tourist locations of Spain, Marbella. This Casino hosted 23 gaming tables and 92 slot machines as of December 31, 2024. We believe this Casino is the fourth largest of a total of 47 Casinos in Spain, based on total revenues for the year ended December 31, 2024. The operating license for this Casino has a term of 15 years and was renewed in January 2019 until September 2033. The renewal is an administrative process, and no material payment or fees are involved.

- *Casino de Valencia* in which we hold a 100% interest, is located in the city center of Valencia. We believe this Casino is the fifth largest of a total of 47 Casinos in Spain, based on total revenues for the year ended December 31, 2024. The Casino hosted 12 gaming tables and 166 slot machines as of December 31, 2024. The operating license for this Casino has been renewed until November 2029. The renewal is an administrative process, and no material payment or fees are involved.

- *Casino Las Palmas* in which we hold a 51% interest, is located in the Canary Islands. This Casino hosted four gaming tables and 93 slot machines as of December 31, 2024. The operating license for this Casino runs until July 2025. Consistent with the process for prior renewals, we will apply for an extension of additional 10 years six months before the termination of this license. The renewal is an administrative process, and no material payment or fees are involved.

- *Casino Costa Brava* in which we hold a 90% interest, is located in Lloret de Mar. This Casino hosted 10 gaming tables and 107 slot machines as of December 31, 2024. The operating license for this Casino runs through June 2025. Consistent with the process for prior renewals, we will apply for an extension of additional 15 years six months before the termination of this license. The renewal is an administrative process, and no material payment or fees are involved.

In addition to the four Casinos above, we also operated 264 Gaming Halls in Spain, with an aggregate of 7,041 slot machines as of December 31, 2024 (which, in addition to the 458 slots included in our Casinos as described above, adds up to a total of 7,499 slots in Spain as a whole). These Gaming Halls are located in prime locations in 16 of the 17 autonomous regions of Spain.

Our Spanish Casino operations are not dependent on international tourism and rely on both local and international customers.

In Spain, the opening of gaming establishments requires a license, the nature of which depends on the services provided by the relevant establishment. In particular, Spanish central and regional regulations provide for Casino and Gaming Hall licenses, between which the main differences are that Gaming Halls can only offer digital gaming tables whereas Casinos can operate physical gaming tables, and that Gaming Halls can only operate type B slot machines, while Casinos can also operate type C slot machines, which allow for higher betting limits. For more details on the conditions under which licenses are granted under Spanish legislation, see "*Regulation—Spain*."

Colombian Casino Operations

We believe that we are the leading Casino operator in Colombia. The following list sets forth certain of our largest Casinos in Colombia as of December 31, 2024.

- *Casino Rio, Casino Hollywood, Casino Caribe Centro* and *Casino Rock 'N Jazz* are our four largest Casinos in Bogota and operated 22, 17, 14 and 19 gaming tables and 140, 210, 181 and 93 slot machines, respectively, as of December 31, 2024.

- *Casino Rio (Medellin)* and *Casino Caribe La Playa* are our two largest Casinos in Medellin and operated 38 and four gaming tables and 211 and 320 slot machines, respectively, as of December 31, 2024.

As of the same date, we also operated an additional 22 Casinos (with tables) (one of which was acquired in 2024) and 50 Casinos (without tables) in this country, with an aggregate of 141 gaming tables and 6,569 slot machines. These additional Casinos are located in Bogota, Medellin, Cali, Barranquilla, Eje Cafetero and Cartagena among others. Our Casino operations in Colombia are conducted through our 50.0001% interest in Winner Group, S.A. By virtue of the agreement entered into with Winner Group, S.A., there are certain matters that require the approval of Winner Group, S.A. (e.g., mergers, by-laws amendments or capital increases, among others), but the day-to-day management and the appointment of the CEO and CFO are exercised by Cirsa.

In Colombia, operators enter into concessions under which they are entitled to operate a certain number of slot machines and gaming tables. We hold two concession agreements entered into with the Colombian gaming authority (COLJUEGOS) for our operations in Colombia, allowing us to install a certain number of slot machines and gaming tables within our establishments. In this regard, a particular Casino may install slot machines and gaming tables under different concessions. Any Casino can contain gaming tables and/or slot machines at any given moment, therefore, the decision on whether to install gaming tables is taken by the Company considering the profitability and marketability of any such tables. These concession agreements run until April 2028 and June 2029 and entitle Cirsa to operate (i) 251 gaming tables and 397 slot machines and (ii) four gaming tables and 7,350 slot machines, respectively. We amend these agreements each time we decide to open a new establishment or increase or decrease the number of slot machines and gaming tables in a single Casino. The renewal of these agreements is an administrative process, and no material payment or fees are involved. For more details on the conditions under which licenses are granted under Colombian legislation, see "*Regulation—Republic of Colombia*."

Panamanian Casino Operations

We believe that we are the leading Casino operator in Panama. The following list sets forth our Casinos in Panama as of December 31, 2024.

- *Majestic Casino*, in which we hold a 50% interest, is located in a prime section of Panama City and operated 12 gaming tables and 292 slot machines as of December 31, 2024. The operating license for this Casino runs through December 2043.

- *Fantastic Chorrera 2 (Big Win)*, in which we hold a 50.01% interest, is located in the city of La Chorrera and operated seven gaming tables and 162 slot machines as of December 31, 2024. The operating license for this Casino runs through December 2042.

In Panama, there are two types of licenses. One type of license is for Casinos, which can only be located in certain hotels, while the other type of license is for Type A Casinos, which are electronic casinos and can only operate type A slot machines. In Panama, licenses are granted for a period of 20 years. For more details on the conditions under which licenses are granted under Panamanian legislation, see "*Regulation—Panama*." As of the date of this annual report we own two Casino licenses and 40 Type A Casino licenses. The main difference between a Casino license and a Type A Casino license is the location and type of games that can be developed within them. Type A Casinos can be installed in any location, provided they maintain a minimum distance of 500 meters from each other, whereas full Casinos can only be installed in superior category hotels with more than 300 rooms. Regarding the type of games, the machines are the same (casino machines), but traditional gaming tables can only be installed in full Casinos and are prohibited in Type A Casinos.

As of the same date, we operated 34 Type A Casinos in Panama (in which only slot machines can be installed), with 7,675 slot machines both directly and through various joint ventures (e.g., Paso Canoas, Inversiones Pañanitas, Inversiones Pacanoas and Inversiones Interactivasin which we hold a 70% interest as well as Ancon, in which we hold a 50.01% interest). These Type A Casinos are located in Panama City, David, Penonome, Santiago, Colón, Arraiján (Vista Alegre), Aguadulce, Chitré and Paso Canoas. The operating licenses for these Type A Casinos run until 2034 (the earliest) and 2042 (the latest). Furthermore, we hold six additional licenses for Type A Casinos which are currently not operational.

Dominican Republic Casino Operations

We believe that we are the leading Casino operator in the Dominican Republic. The following list sets forth two of our main Casinos in the Dominican Republic as of December 31, 2024.

- *Casino Jaragua* is located in the Marriot Hotel in Santo Domingo, the capital of the Dominican Republic. The Marriot Hotel owns the premises and holds the Casino operating license, with our operating lease running until July 2034. Under our operating agreement with the hotel, we retain all revenues from the Casino operations and pay the hotel monthly rent and payments for administrative services. Casino Jaragua operated 15 gaming tables and 186 slot machines as well a show area including its famous Merengue Bar as of December 31, 2024.

- *Casino Gran Almirante* is located in Santiago de los Caballeros, the second largest city in Dominican Republic. It is located on the premises of the Hodelpa Gran Almirante, with our operating lease running until December 2034. The Casino operated 14 gaming tables and 210 slot machines as of December 31, 2024, and we believe it to be the #1 Casino in the city by size.

As of the same date, we also operated an additional four Casinos (three of which are Casinos with tables and one is a Casino without tables), three in Santo Domingo and one in Santiago de los Caballeros, with an aggregate of 34 gaming tables and 507 slot machines.

The Dominican Republic does not establish any limits on the number of slot machines and gaming tables that can be operated in any given Casino. All of our Casinos in the Dominican Republic operate under licenses granted to the hotels in which they are located, which do not have a term. While the terms of our operating leases at each hotel vary slightly, we generally rent the space directly from the hotels and retain all Casino revenues. Our lease agreements with these hotels run until January 2026 (Casino Grand Victoria), February 2026 (Casino La Hispaniola), December 2030 (Casino Napolitano), December 2034 (Casino Gran Almirante), July 2034 (Casino Jaragua) and December 2035 (Casino Lina) and are expected to be renewed upon negotiation. For more details on the conditions under which licenses are granted under Dominican Republic legislation, see "*Regulation—Dominican Republic*."

<u>Peruvian Casino Operations</u>

We believe that we are the #2 Casino operator in Peru. The following list sets forth our Casinos in Peru as of December 31, 2024.

- *Majestic Lima* is located at the JW Marriot Hotel in Lima, the capital of Peru. The Casino had 23 gaming tables and 175 slot machines as of December 31, 2024. The operating license for this Casino runs until September 2026 (for slot machines) and January 2027 (for gaming tables) and is expected to be renewed. The renewal is an administrative process, and no material payment or fees are involved.

- *Casino Miami* is located in Lima and operated 11 gaming tables and 138 slot machines as of December 31, 2024. The operating license for this Casino runs until July 2027 (for slot machines) and August 2027 (for gaming tables) and is expected to be renewed. The renewal is an administrative process, and no material payment or fees are involved.

- *Casino Crazy* is located in the Chorrillos district in Lima. The Casino hosted six tables and 176 slot machines distributed on two floors as of December 31, 2024. The operating license for this Casino runs until October 2025 (for slot machines) and May 2028 (for gaming tables) and is expected to be renewed. The renewal is an administrative process, and no material payment or fees are involved.

As of the same date, we also operated 16 additional Casinos without tables in Peru, with an aggregate of 2,159 slot machines. In Peru, each operator must have a license for slot machines and a license for gaming tables. The operating licenses for the slot machines and gaming tables within our Casinos in Peru run until June 2025 (the earliest) and May 2027 (the latest) and are expected to be renewed. The renewal is an administrative process, and no material payment or fees are involved. For more details on the conditions under which licenses are granted under Peruvian legislation, see "*Regulation—Peru*."

<u>Costa Rican Casino Operations</u>

We believe that we are the leading Casino operator in Costa Rica. The following list sets forth our Casinos (with and without gaming tables) in Costa Rica as of December 31, 2024.

- *Fiesta Casino Alajuela* is located at the Holiday Inn hotel next to the international airport in San Jose, the capital of Costa Rica. The Casino had 186 slot machines and 10 gaming tables as of December 31, 2024. Our agreement with the hotel runs through July 2044.

- *Fiesta Casino Heredia* is located at the America hotel in the metropolitan area of San Jose. The Casino had 172 slot machines and six gaming tables as of December 31, 2024. Our agreement with the hotel runs through March 2043.

- *Fiesta Casino Herradura* is located at the Wyndham hotel in the metropolitan area of San Jose. The Casino had 75 slot machines as of December 31, 2024. Our agreement with the hotel runs through August 2027.

- *Fiesta Casino Aurola* is located at the Holiday Inn hotel in downtown San Jose. The Casino had 88 slot machines and four gaming tables as of December 31, 2024. Our agreement with the hotel runs through June 2034.

- *Casino Fiesta Presidente* is located at Hotel Presidente y Casino in downtown San José. The Casino had 218 slot machines as of December 31, 2024. Our agreement with the hotel runs through September 2033.

As of the same date, we also operated two additional Casinos without gaming tables in San Carlos and Pérez Zeledón, with an aggregate of 105 slot machines. The lease agreement of our casino in San Carlos runs until July 2029, and our casino in Pérez Zeledón is located in a hotel owned by one our companies, Tres Ríos Hotel la Carpintera. All of our Casinos in Costa Rica operate under licenses granted to the hotels in which they are located, which do not have a term. While the terms of our operating leases at each hotel vary slightly, we generally rent the space directly from the hotels and retain all Casino revenues. For more details on the conditions under which licenses are granted under Costa Rican legislation, see "*Regulation—Costa Rica*."

Mexican Casino Operations

We believe that we are in the top #4 among the Casino operators in Mexico. The following list sets forth our main Casinos in Mexico as of December 31, 2024.

- *Casino Life Del Valle* is located in Mexico City, the capital of Mexico. The Casino operated 40 gaming tables and 494 slot machines as of December 31, 2024. The operating license for this Casino runs through May 2030.

- *Casino Life Vallarta Galerías* is situated in the Galerías Vallarta shopping mall in Puerto Vallarta, Jalisco. The Casino operated 13 gaming tables and 314 slot machines as of December 31, 2024. The operating license for this Casino runs through August 2033.

- *Casino Life Hermosillo* is located in the state of Sonora, Mexico, and has a capacity of up to 900 people. The Casino operated five gaming tables and 178 slot machines as of December 31, 2024. The operating license for this Casino runs through May 2030.

In Mexico, a permit issued by SEGOB is required to operate a Casino. Once obtained, the permit holder may install slot machines and gaming tables in the casino as the permit holder deems appropriate. As of the same date, we also operated 27 additional Casinos (out of which 10 are Casinos with tables and 17 are Casinos without tables) with an aggregate of 104 tables and 6,449 slot machines in various locations, including Mexico City, Guerrero, Jalisco, Morelos, Hidalgo, Yucatán, San Luis Potosí, Guanajuato, Sonora, Colima, Baja California Sur, and Chiapas. The operating licenses for these Casinos run through May 2030 and August 2033.

Without prejudice to the foregoing, on November 16, 2023, the Mexican government amended the regulatory framework applicable to the gaming industry by prohibiting betting activities through slot machines, playing cards, dice and roulettes. Pursuant to the amendments to the Mexican gaming regulations, gaming operators with gaming permits currently in force may continue operating during the term of their respective permits or up to 15 years (if the term of the permit exceeds 15 years) and will be eligible to renew their gaming permits beyond such period or to apply for new permits. However, the renewal or the new permits will allow installations of traditional bingo halls and sports betting corners only, excluding slot machines and gaming tables. On May 10, 2024, a District Court Judge in Mexico City issued a favorable ruling to our Mexican subsidiary ordering that these prohibitions should not be applied to it and reviving the previous regulatory regime. The Mexican Ministry of the Interior filed an appeal against this ruling before a Circuit Court of Appeals in Administrative Matters, which issued a final decision upholding the initial Court's decision. As a result, the new regulations that include the prohibitions referred to in this paragraph will not be applicable to our Mexican subsidiary, which will be able to continue operating under the prior regulatory regime until the term of its current licenses expires.

For more details on the conditions under which licenses are granted under Mexican legislation, see "*Regulation—Mexico*."

Moroccan Casino Operations

We believe that we are the #2 Casino operator in Morocco, as we operate three out of the seven Casinos in Morocco. The following list sets forth our Casinos in Morocco as of December 31, 2024.

- *Casino Atlantic*, in which we hold an 82% interest, is located in Agadir, Morocco, a resort town on Morocco's South Atlantic coast. Under our operating agreement with the Atlantic Palace Hotel, which runs through November 2031, we retain all revenues from the Casino operations and pay the hotel a monthly rent. The Casino operated 192 slot machines and 19 tables as of December 31, 2024.

- *Casino Le Mirage*, in which we hold a 51% interest, is located in Agadir, Morocco. Our operating agreement with hotel Les Jardins Club de Agadir runs through July 2026 and allows us to renew the agreement for additional periods of five years. If the agreement is not challenged by either party, the agreement will automatically renew for an additional five years. The Casino operated 97 slot machines and five tables as of December 31, 2024.

- *Casino Tanger*, in which we hold a 76% interest, is located in Tanger, Morocco. In November 2022, we signed an operating agreement with Hotel Movenpick for a period of 12 years starting from November 15, 2022. The Casino operated 128 slot machines and 22 tables as of December 31, 2024.

From an accounting perspective, the results of our three Casinos in Morocco are fully consolidated within our results of operations from the Casinos Business Unit and, where applicable, the share of minority investments is also recognized.

Our Casinos in Morocco operate under licenses granted to the hotels in which they are located, which do not have a term. While the terms of our operating leases at each hotel vary slightly, we generally rent the space directly from the hotels and retain all Casino revenues. For more details on the conditions under which licenses are granted under Moroccan legislation, see "*Regulation—Morocco*."

Relationship with Site Owners

We operate 447 Casinos and Gaming Halls in eight countries as of December 31, 2024, of which 183 are Casinos (i.e., 61 Casinos with tables and 122 Casinos without tables) and 264 are Gaming Halls. We enter into lease agreements with the owner of the hotel or the building where our Casino is located, with whom we usually have established long-term relationships. The majority of our lease agreements provide for option rights to extend the duration of the lease. The cost of such leases for the years ended December 31, 2024, 2023 and 2022 amounted to €83.8 million, €72.2 million and €70.7 million, respectively, which represented 3.9%, 3.6% and 4.2%, respectively, of the net operating revenues of the Group. For the years ended December 31, 2024, 2023 and 2022, 96.9%, 96.8% and 96.7%, respectively, of the premises where we operated our Casinos were leased from third parties, accounting for €203.3 million, €216.6 million and €210.4 million of the total financial liabilities of the Casinos Business Unit for the respective periods. Moreover, 64.2% of such leases in respect of our Casinos Business Unit will expire in the next five years from December 31, 2024. On average, these lease agreements have a duration of three to ten years and are renegotiated upon expiration at similar terms and conditions, providing for the payment of a monthly rent which is not related to the revenues deriving from the Casino and Gaming Halls operations. We own the premises for 14 of our Casinos, which we deem not material for our Casinos Business Unit. For further details, see "*Risk Factors—Risks Related to Our Business—The premises where we operate our Casinos and Gaming Halls may become unavailable due to relocations, closures or termination of our lease agreements, and we may be unable to extend or renew our operating licenses*."

Historically, we have always been able to renew our lease agreement, given our successful business model focusing on (i) locations with very limited alternative usage, and (ii) paying the most competitive rates.

Slots Spain Business Unit

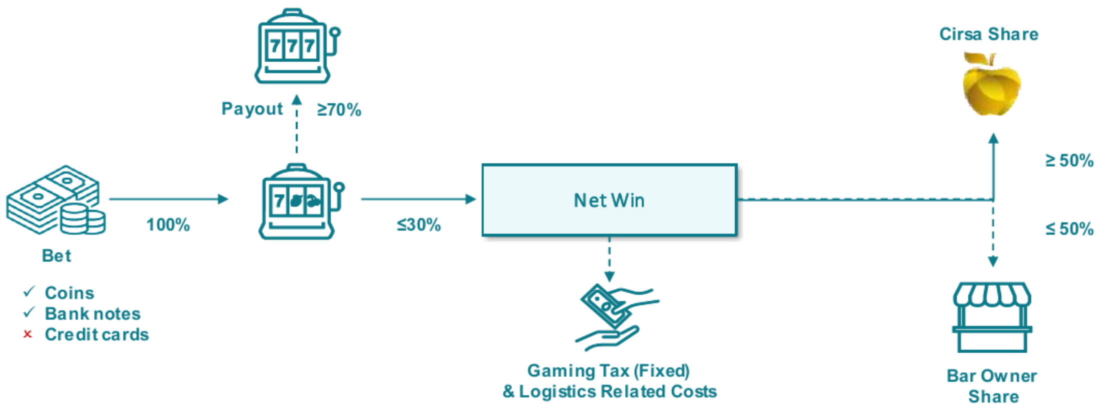
Our Slots Spain Business Unit includes (i) the operation of AWP (or Type B) slot machines in bars, cafes, and restaurants and (ii) our B2B operations designing, manufacturing, and marketing slot machines for the Spanish market as well as developing and marketing software to manage Casinos and Gaming Halls.

We focus on low-stake gaming, operating in third-party bars, cafes and restaurants with €1 of maximum bet (€0.49 on average). The prize of those machines is a maximum of €500 in a single event and a minimum of 70% pay-out over the cycle.

Our business attractiveness is driven by:

- unquestionable leadership position;
- regulation stability;
- recreational and low staking gaming embedded in local culture;
- attractive revenue share model;
- relevance for bar owner;
- activity monitored in real time;
- business model fully integrated with the manufacturer;
- uniquely positioned to lead consolidation as further penetration is favored by the presence of approximately 6,200 small players operating less than 100 slot machines each.

The following graphic summaries the slot machine operations value chain:



Source: Company information.

In Spain, for every euro that enters a slot machine, after paying the corresponding payout to the player (and net of gaming taxes and management costs), the remaining gain is split between the bar owner and us. The bar owner receives a maximum of 50% of the net win (net of tax), while we receive at least 50% of the same. As slot operators, it is our responsibility to meet regulatory and operating conditions that allow correct functioning of machines and collection of money. We usually pay a market access investment to the bar owner, who grants us exclusivity for a certain period of time (typically five years).

The following table presents the number of slot machines that we operated in our Slots Spain Business Unit, as of December 31, 2022, 2023 and 2024. Slot machines operated in other Business Units are not presented in the following table.

	As of December 31,		
Slot Machines, Spain	**2022**	**2023**	**2024**
Total..	25,700	25,250	25,083

The decrease in the number of slot machines in 2022 is only due to the shutdown of slot machines that were not profitable as part of the efficiency program we launched to counteract the effects of the COVID-19 pandemic. However, in the same period, our net operating revenues from the Slots Spain Business Unit increased by 20.5% primarily due to fewer temporary closures and operational restrictions imposed by the Spanish government during 2022 in response to the COVID-19 pandemic, as compared to the previous year. During the COVID-19 pandemic our Slots Spain Business Unit proved its resilience despite not having access to all of the selling points as a result of the restrictions imposed by the Spanish government due to the pandemic. As of December 31, 2024, we directly, or indirectly through slot machine sub operators, controlled, in our Slots Spain Business Unit, 25,083 slot machines located in 16,507 sites, primarily in bars. We plan to continue to optimize our slot machine portfolio in Spain, including through the development of exclusive in-house tools such as 'Smart Slot,' which allows for real-time monitoring of slot machine activity in every bar and helps predict customer behavior.

Our B2B operations can be classified into "Manufacturing" and "Systems." Our Manufacturing segment designs, manufactures and distributes slot machines and gaming kits for our Group and third parties exclusively for the Spanish market. The manufacturing plant, based in San Cugat, is mainly engaged in the design and manufacturing of cabinets, hardware, content and gaming kits for Type B slot machines. We also manage the certification and homologation process for the same machines. Other activities include design and manufacturing of cabinets for sports betting terminals and multi-game cabinets and content (i.e., Link Mix). For the year ended December 31, 2024, the B2B "Manufacturing" segment generated €41.6 million of net operating revenues, representing 10.0% of our net operating revenues from the Slots Spain Business Unit.

The B2B "Systems" segment is engaged in developing systems for managing gaming facilities and interconnection systems for slot machines (but does not include selling slot machines and gaming kits to third parties, which is included under the B2B "Manufacturing" segment). Under this segment, we design and commercialize management systems for Casinos and Gaming Halls and the interconnection systems. We also design the systems connected to the administration for tax and control purposes and manage certifications and homologations according to the specific laws and regulations of the countries where we operate. For the year ended December 31, 2024, the B2B "Systems" segment generated €9.2 million of net operating revenues, representing 2.2% of our net operating revenues from the Slots Spain Business Unit (in each case, including the revenues generated from selling slot machines and kits to third parties).

Relationship with Site Owners

We enter into contracts with site owners (typically, bar owners) under which a site owner typically gives us the right to place one or more of our slot machines at the owner's establishment for a period of up to five years. We understand that slot machines are generally one of the most significant profit center of a site owner's business.

We believe that our long-standing relationships, history of excellent service with site owners and higher than average revenues per slot machine are the basis for our high contract renewal rates, with an average of contract renewals we believe to be of approximately 90% for the year ended December 31, 2024. We install, maintain and service the slot machines, collect the relevant amounts and pay the required taxes. We also ensure that each slot machine complies with regional and national laws and regulations and, where required, post bank guarantees.

In addition to revenue sharing, we often make interest free loans and cash payments to encourage site owners to enter into or extend contracts. We collect payment on these loans over an 11-month period, on average, through an offset against the site owner's share of slot machine revenues. We record these loans as receivables on our balance sheet. For the year ended December 31, 2024, these loans and other incentives (such as contributions to bar decorations and equipment) amounted to €15.5 million. For the same year, we provisioned €3.5 million against these loans.

Sub Operator Agreements with Former Slot Machine Operators

Our preferred method of expansion has been by acquiring existing slot machine operators. However, when there is a strong relationship between such slot machine operators and site owners, it is often preferable or necessary for us to acquire the slot machine operators and simultaneously enter into a sub operator agreement with them under which such slot machine operators continue to maintain a commercial relationship with site owners in exchange for a percentage of revenues. As of December 31, 2024, we had sub operator agreements covering 18.9% of the slot machines we operated in Spain. The revenues we shared with (i.e., paid to) sub operators under these agreements were not material and totaled €20.3 million for the year ended December 31, 2024.

Coin Collection and Information Systems

The slot machines we operate through our Slots Spain Business Unit can only be played with coins. Accordingly, we carry out coin collection, which is a labor- and cost-intensive process, through Company-employed collectors who utilize our fleet of vehicles. Our cash collectors each follow pre-arranged routes on their daily collection runs, transporting the amounts collected from the slot machines to the company vault.

We have a network-based information collection system to monitor and control our slot operations. This network based information system links our slot machines located in Spain to an internal central database and allows us to receive real time usage information (including data such as operating frequency, payouts, and cash levels by machine) that we are able to analyze through our current data analysis systems without the need to download this information from each machine during collection runs.

We believe that our information and collection control system helps us maximize revenues through accurate and efficient collections. The system optimizes accuracy by matching the amount due to the operator to the amount received from the collector. Any discrepancy between the amount due and the amount collected is analyzed (usually on the same business day that it is collected) and, if necessary, investigated. The amounts collected are also insured against theft and frauds.

The information and collection control system also generates more efficient slot machine performance and revenue data than the manual method used by many of our competitors. Our revenue and game use data assists us in monitoring individual slot machines and determining when to rotate a slot machine to a different site or to retire it, as well as in obtaining information on player tendencies. We aggregate individual data on player tendencies to assist us in developing new games and slot machines.

Purchasing Slot Machines

We select slot machines based on the games we believe to be superior and likely to become popular with customers. Our Slots Spain Business Unit purchases slot machines from our B2B operations and from other manufacturers. If we believe that another slot machine manufacturer is offering a better game, we will purchase from that manufacturer instead of from our B2B operations. In the year ended December 31, 2024, approximately 81% of our new slot machines and kits for our Slots Spain Business Unit were purchased from our B2B operations. In contrast, our Slots Italy Business Unit purchases slot machines from third-party manufacturers.

The average annual amount spent by the Group on the acquisition of slot machines and kits (excluding any intercompany margin) for the period from January 1, 2022 to December 31, 2024 was €10.9 million.

Our B2B operations designs, manufactures and distributes slot machines and gaming kits for the Spanish market, and also engages in the development of interactive gaming systems, concentrating on ready to market products such as interconnected slot machines, linked bingo products and electronic and online lotteries.

We sell slot machines directly from our manufacturing plant or through distributors, some of which we control or have investments in, to independent customers (mainly slot machine operators and other gaming establishments), as well as directly to our other Business Units, principally the Slots Spain one.

Slot Machines

We manufacture a wide variety of slot machines. Our slot machines commonly feature reel and video format options, standard and "mini" sizes, full operator flexibility to adjust the limits regarding bets, maximum prize pay-out, aggregate prize pay-out as a percentage of amount wagered and other features in accordance with local regulations and operator preferences. In addition, our slot machines feature information and collection control systems and an optional bill validation device. In order to attract customers and compete with slot machines introduced by competitors, we introduce new games and themes that require our slot machines to be changed sooner than their mechanical life would require. The commercial life of slot machines depends on the demand by customers for new games. Typically, most operators of AWP (or Type B) slot machines in Spain replace their slots due to commercial obsolescence every two to four years depending on customers' preference.

The cost of a new slot machine is relatively small as compared to the increase in revenues attributable to a new successful game and is, on average, recovered by slot machine operators within a few months. As of December 31, 2024, the average selling price of one of our slot machines is approximately €4,675. From time to time, we provide volume discounts to purchasers.

We also offer gaming kits to convert slot machine cabinets from an old game to a new game, which may prolong the purchase of a new slot machine but extends the commercial life of such machines. The cost of a kit is lower than the cost of a new slot machine, therefore, purchasing gaming kits allows our B2B customers to increase their revenues without having to invest in a new slot machine. The mix and relative profitability of slot machine cabinets and gaming kits can vary over time due to a variety of reasons, including general market conditions, the availability and popularity of new slot machine games, differences in demand for a game among regional markets and the pricing strategy of particular slot machine producers and distributors. Generally, selling gaming kits is profitable, but does not generate material sales volume due to low prices per unit.

Product Sales

The following table sets forth total sales of our slot machines and gaming kits (which correspond to the revenues from the B2B "Manufacturing" segment) for the periods indicated.

	Year ended December 31,		
	2022	**2023**	**2024**
Slot machines and gaming kits sold to third parties............	7,268	8,425	11,411
Total number of slot machines and gaming kits sold..........	17,676	17,596	22,167
Revenues from slot machines and gaming kits sold to third parties	€21.9 million	€27.5 million	€41.2 million
Total revenues from slot machines sold (excluding intercompany margin)	€45.0 million	€50.4 million	€69.4 million

Production

We assemble all our slot machines in Spain.

We design most of our core components and outsource their manufacturing to third-party suppliers in Spain and certain countries in Asia (such as China, South Korea and Japan). Our assembly processes consist of component sub-assembly, final product assembly, customization and final testing. We apply just in time management principles to match inventory levels to production needs.

We depend on many suppliers for the components used to assemble our slot machines. We have not encountered any significant production problems with any of these suppliers and we have not experienced material supply chain issues in connection with the geopolitical situation in Europe and the Middle East, or the commodities shortage in China, in the years ended December 31, 2024, 2023 and 2022. We believe that the relevant components of our slot machines could be obtained from alternative suppliers, although at a potentially higher cost and with a lower probability of timely delivery.

We ensure product quality through periodic internal inspections and use prototypes and pre series batches to certify both individual components and manufacturing processes before mass production. In addition, we provide a limited three month warranty on slot machines sold in Spain and will replace defective products during that time period.

Distribution of Products in Spain

We distribute slot machines and gaming kits in Spain through four channels of distribution (i) the Slots Spain Business Unit, (ii) independent slot machine operators, (iii) controlled distributors and (iv) independent distributors. Large slot machine operators purchase slot machines and gaming kits directly from our sales offices. Most other slot machine operators buy from distributors who offer a wide selection of products (both manufactured by us and by third parties) at their sales showrooms and provide technical assistance. In order to obtain a direct relationship with these slot machine operators and increase our knowledge of their needs, we have acquired a 50% interest in several distribution companies which cover the most significant regions of Spain.

Research and Development

For the years ended December 31, 2024, 2023 and 2022, we spent €1.4 million, €2.2 million and €2.8 million, respectively, on research and developments activities in connection with our B2B operations. We continue to leverage Unidesa's innovation capabilities to manufacture attractive machines (games, cabinets, payment solutions). We design all aspects of slot machines, from the rules and graphics of the game to computer software and hardware. We believe that the design of slot machines is critical in attracting players. In order to maintain player interest, games must be attractive, visually stimulating, interesting and varied. Consequently, we regularly test consumer views of the games' aesthetics, features and quality, as we seek to provide a regular supply of new and popular games to the market.

As of December 31, 2024, we had a team of 111 employees in our research and development group, including software programmers and designers who are responsible for designing software that is used in our new slot machine models. Our most popular slot machine models incorporate software designed by our research and development group.

Our interactive business is focused on network systems, linked bingo products, online lotteries and electronic instant lotteries. We are also working to develop video lottery management systems.

Online Gaming & Betting Business Unit

Our Online Gaming & Betting Business Unit offers online gaming operations and sports betting products through our website, mobile applications, and retail outlets. Our retail business operations are conducted in Spain, Mexico, the Dominican Republic, Colombia, Panama, Puerto Rico (through *Sportium*), Italy (through *Sportium* and other local brands such as E-Play24), Peru (through the recently acquired Apuesta Total) and Portugal (through the recently acquired CasinoPortugal). Our online gaming operations are conducted in the same countries except for the Dominican Republic and Puerto Rico, where licenses are still pending approval and therefore, we operate through retail outlets. We generated approximately 78% of our net operating revenues from this Business Unit in Spain (where *Sportium* was founded and has its headquarters), and Italy as of December 31, 2024.

Specific offerings include online and retail betting for traditional sports (such as soccer, basketball, tennis, greyhound racing and horse racing) and e-sports (i.e., organized, multiplayer video game competitions), online casino games, slots, poker, blackjack, and social games (i.e., games without monetary prizes). Our sports betting business accounted for 57%, 52% and 60% of the revenues generated from this Business Unit for the years ended December 31, 2024, 2023 and 2022, respectively, and our gaming business accounted for 43%, 48% and 40% of the revenues generated from this Business Unit during the same periods. In this Business Unit, there are no regulatory-imposed payouts, as the payout depends on the amount wagered by the single customer and the result of the bet or game. Generally, in the countries where we operate, gaming taxes relating to our online business are lower than gaming taxes relating to our land-based operations. See “*Regulation*.”

The following table sets forth the number of online licenses we hold in each country in which we operate this business as of December 31, 2024.

	As of December 31, 2024	
Country	**Online Licenses**	**Annual Cost of License[(1)] (in euros)**
Spain[(2)]	5	53,076
Mexico	1	—
Dominican Republic	—	—
Colombia	1	—
Puerto Rico	—	—
Panama	1	2,273
Italy	1	27,778
Peru	1	—
Portugal	2	8,000
Total	**12**	**91,127**

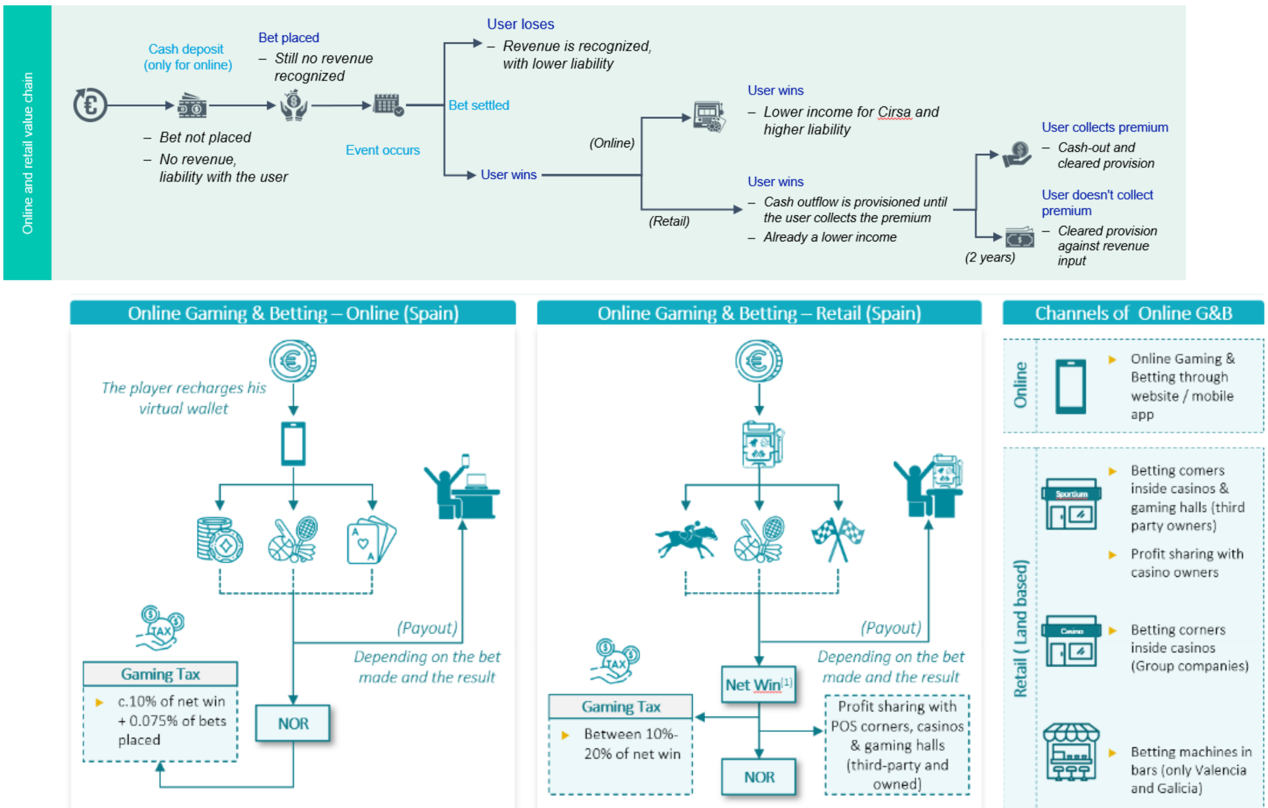
(1) When licenses are obtained pursuant to a one-off payment, the annual cost of the license is calculated by dividing such one-off payment by the number of years the license is expected to be in force. Such license payments are capitalized as intangible assets and amortized (on a linear basis) over the duration of the license.

(2) In Spain there are five general licenses operated by two companies of the group (Sportium Apuestas Digital and Red on Bed), two of which are for online betting and three for other online games (i.e., online casino games).

Under this Business Unit, we engage with customers through an omnichannel approach in the online and retail channels, which allows us to take advantage of unique cross-selling opportunities (e.g., 58% of *Sportium*’s retail clients also play online and 61% of *Sportium*’s online clients also play in retail channels).

When engaging online, the player maintains a virtual wallet which is recharged when a bet is to be placed. Neither the player, nor the Company recognizes revenue or liability until the event occurs and the bet is settled. To settle the bet, the payout is made to the winner depending on the bet placed and the result of the bet. The remaining share is taxed in accordance with local gaming tax regulations. The gaming taxes associated with this Business Unit are paid to the country which granted us the license to operate and where we established a subsidiary to provide our customers with our gaming offering (i.e., Spain for our Spanish online operations, Italy for our Italian online operations, etc.). The amount remaining (after payout to the user, net of taxes) is recognized as revenue. In *Sportium*, E-Play24 and Apuesta Total, our odds as bookmaker are set with the aim of providing an average return to us over a large number of events and therefore, over the long term, to maintain payout percentage fairly constant (thus, eliminating the adverse incidence of losses on single sport events and keeping our results stable each quarter). We also have systems and controls in place that seek to reduce the risk of daily losses occurring due to high payout.

When engaging offline, the player can use multiple channels including betting corners within third-party Casinos and Gaming Halls and Casinos and Gaming Halls owned by the Group, and betting machines in bars located in Spain and Italy. In particular, in Spain, we operate betting machines in all regions where this is allowed (i.e., Valencia, Galicia and Navarra) except for the Basque country, where we currently do not hold a license.



Source: Company information; NOR means Net Operating Revenues; Gaming tax rates are referred to Spain for both the online and retail business.

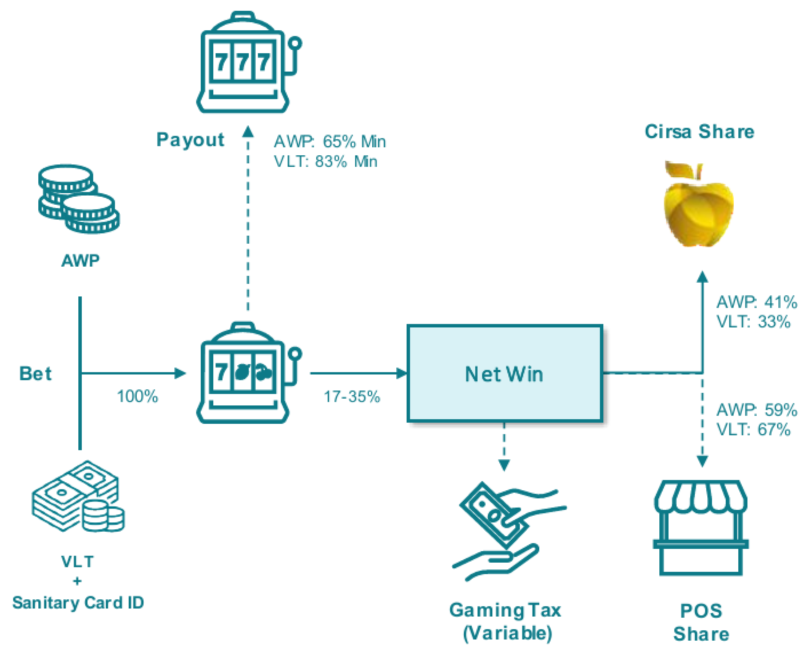
In Spain, *Sportium* operates a wide multichannel infrastructure combing a website and related mobile application with an extensive network of 1,893 PoS in physical prime locations, such as Casinos, creating an omnichannel model, which enables cross selling, driving towards a higher ARPU (see "*Regulation—Spain—Online Gaming*"), as of December 31, 2024.

In Italy, E-Play24 fully operates through the online channel, together with *Sportium* and other local brands such as Sport Italia Bet, and Poker Plex24. In addition, we also have agreements with certain bars, restaurants and tobacconists where we have installed PVRs (*PuntoVendita Ricarica*). This extensive and innovative distribution network is supported by our in-house software through which users can register, top-up their accounts and cash-out, if needed, thus helping to seamlessly grow and support our customer base. Furthermore, we have established a "skin model" which consists of agreements with third parties (media groups or personalities from the sports industry) collaborating to create different betting websites under different brands, all under the same license belonging to E-Play24. These betting websites allow us to widen our product offering, while using the same license, and strengthen our brands through the association with these famous personalities and media groups. These third parties are paid a fee, which varies on a case-by-case basis.

Finally, we are developing our online business in Latin America following the same successful omnichannel strategy which we have implemented in Spain. This strategy blends multiple channels of our customers' engagement (such as online gaming with land-based betting corners) to improve their experience and increase retention, brand loyalty, penetration as well as ARPU. In Latin America, we operate under the *Sportium* brand and through local partnerships. Through *Sportium*, we have expanded our land-based betting operations by installing terminals in Casinos (from which we derive the bulk of our land-based volumes), or setting up betting corners (i.e., PoS located in bars, restaurants and tobacconists) in accordance with the laws and regulations of the countries where we operate. For instance, in countries such as Colombia or Peru it is possible to have betting terminals in non-gaming premises and in the Dominican Republic there are so-called "*bancas de apuestas*" which are betting terminals that are not located in Casinos (although in this country, as well as in Panama, we only operate in Casinos). We have also recently expanded our online gaming business by acquiring a 70% stake in Apuesta Total, which we believe is the #1 online operator in Peru. Apuesta Total operates over 500 betting corners, indicative of its strong local retail presence in the Peruvian gaming market and reflective of our strategy to build an omnichannel presence in this country. We believe that this acquisition will support our overall expansion strategy in the Latin American region. Finally, in Mexico, we do not have physical points of sale.

Slots Italy Business Unit

The Slots Italy Business Unit operates an attractive franchise and profit-share model, composed by a network system for AWP (or Type B) slot machines, which can be located in third-party bars, cafes, restaurants, Gaming Halls and traditional bingos, and VLT (or Type C) slot machines, which can be located in Gaming Halls, and traditional bingos only. We also operate nine fully-owned Gaming Halls (which are reported under our Slots Italy Business Unit) only containing VLT slot machines as of December 31, 2024. On average, gross gaming revenues ("*GGR*") for VLTs are higher compared to AWPs and, consequently, financially more attractive, but can be operated in licensed venues (i.e., Casinos and Gaming Halls) only. Penetration rates of slot machines in bars and other locations in this country are slightly higher compared to Spain.



Source: Company information.

Gaming taxes in Italy depend on the type of slot machine and are equal to 24% of collected bets for AWP (with a minimum payout of 65%) and 8.6% of collected bets for VLT (with a minimum payout of 83%). See "*Regulation—Italy—Regulation and Taxation of the Italian Gaming Industry*."

In Italy, all slot machines are required to be connected to a centralized network, which we also operate, allowing for their remote monitoring and provision of interconnected games and growing jackpots. Pursuant to interconnection agreements, which are renewable annually, we charge a fixed fee (which is not material in terms of revenues generated from this Business Unit) per third-party owned AWP slot machine interlinked to our network.

The following table sets forth the number of AWP and VLT slot machines that we operate in this Business Unit, as of the years ended December 31, 2022, 2023 and 2024. AWP and VLT slot machines operated in other Business Units are not presented in the following table.

Slot Machines, Italy	As of December 31,		
	2022	2023	2024
AWPs[(1)]	7,269	10,986	11,015
VLTs[(2)]	2,372	2,477	2,571
Total	**9,641**	**13,463**	**13,586**

(1) In approximately 1,629, 2,486, and 2,445 locations across central and northern Italy as of the years ended December 31, 2022, 2023 and 2024, respectively.

(2) Placed in 195, 181 and 178 locations and, among others, in Gaming Halls located mainly in central and northern Italy.

In 2023, the total number of slot machines we operate in Italy increased by 3,822 units or 39.4% due to both organic growth and the acquisition of Modena Giochi, which added 3,712 AWP machines to our operations and net operating revenues of €56.4 million for the year ended December 31, 2023. We have revenue sharing agreements in place with the owners or operators of third-party locations, which generally last for an initial term of up to five years and are renewable annually thereafter. Pursuant to these agreements, we generally split revenues (net of prize payouts and taxes due to the ADM) on a 50:50 basis with the owners or operators of the locations.

We operate approximately 25% of the VLT slot machines directly through Cirsa Italia and 75% through Orlando Italia, a subsidiary of our 50:50 joint venture with Grupo Berruezo, Orlando Play S.A. By virtue of the agreement entered into with Orlando Play S.A., there are certain matters that require the approval of Orlando Play S.A. (e.g., mergers, by-laws amendments or capital increases, among others), but the day-to-day management and the appointment of the CEO and CFO are exercised by Cirsa.

Cirsa Italia owns the legal concession, to operate 2,583 VLT slot machines (of which, 2,571 were in operation as of December 31, 2024) and enters into agreements with site owners for the operation of such VLTs on their premises. Cirsa Italia makes payments to Orlando Italia in exchange for certain services (such as, among other things, the search for installation sites or commercial work with installation sites) which in turn pays dividends under a profit-sharing arrangement which will expire upon the expiration of the current extension of the relevant gaming concession on December 31, 2026. After that, the continuity of the profit-sharing arrangement will depend on the economic terms of the new tender offer. If in 2027 Orlando Italia decides not to apply in a new tender offer, Cirsa Italia could apply by itself if it chooses. As of the date of this annual report, we do not plan to increase our stake in Orlando Italia.

Our AWP and VLT slot machine operations in Italy are subject to occasional regulatory interventions which impact our results of operations. For example, in accordance with the requirements of Law No. 208/2015 (defining certain structural reforms for 2016), Cirsa Italia has reduced the number of authorizations relating to AWP slot machines that it held by 15.2% as of December 31, 2017, and further reduced the number of authorizations relating to AWP slot machines that it held by 19.7% as of December 31, 2018, achieving the mandated reduction level of 34.9%, which was required to be achieved by mid-June 2018. See "*Regulation—Italy*." Our VLT and AWP concessions expired on December 31, 2024. Pursuant to the Italian budget law for 2025 (Law No. 207 of December 30, 2024), such concessions are extended for another 24-month period (i.e., until December 31, 2026) through the payment of €108,000 for each bingo license, €60 for each AWP license and €2,000 for each VLT license, in each case to be paid for each year of extension (in relevant installments). Considering our current land-based gaming concessions, we anticipate that the total extension fee to be paid for the period from January 1, 2025 to December 31, 2026 will amount to €11.4 million for our VLT and AWP licenses and €648,000 for our bingo licenses. See "*Risk Factors—Legal and Regulatory Risks—The gaming industry is subject to extensive regulation and licensing requirements and our business may be adversely affected by our inability to comply with these requirements, regulatory changes and increases in the taxation of gaming, which could result in litigation.*"

Further, our B2B operations support the Slots Italy Business Unit by providing a platform that enables the interconnection of thousands of slot machines. This network systems technology is also used in the network for our Italian VLT business and Spanish slots operations.

Competition

Generally, our competitors for each Business Unit in which we operate are smaller than us (except for our operations in Italy and Mexico). In each country in which we operate, we usually compete with regional or local operators which do not have the scale to expand in other markets or countries.

Casinos Business Unit

In both Spain and Latin America, our competitors in our Casino and Gaming Halls operations, as applicable, include, among others, Orenes, Codere, Grupo SAM, Novomatic, and BBT Corporation.

With respect to our Gaming Halls operations, the Spanish market is characterized by a few major players, and numerous regional Gaming Halls operators. Our primary competitors include multinational groups, such as Orenes, Novomatic, and Luckia, as well as national groups, such as Emotiva and Veramatic. Additionally, we estimate that independent owners operate several hundred Gaming Halls across the country. In Mexico, we compete with licensed Casino operators and counterparts which are unlicensed and operate illegally. Operators of Casinos and Gaming Halls also compete with other gaming formats. Our active and analytical client management plays a crucial role in differentiating us from our competitors.

As of the date of this annual report, there are no limitations on the amount of Casino licenses which can be granted in Peru, the Dominican Republic, Costa Rica and Colombia (except for the need to comply with specific distances from sensitive areas such as schools and churches). In Mexico, Casinos licenses can also be granted without limitations except for limitations to install slots and betting tables inside Casinos. In Panama, limitations exist in the "designated area" only (see "*—Litigation—Challenge over the number of Type A licenses we hold in Panama*"). In Spain, Casino and Gaming Halls licenses are regulated by each of the 17 regions, which establish the specific number of licenses to be granted. However, we believe there is still room for expansion through the opening of new Casinos and Gaming Halls.

Slots Spain Business Unit

The Spanish slot machine market has a diverse competitive landscape. Our competitors include national operators, such as Codere, Luckia, and Orenes, as well as large regional players like Acrismatic, Carbajosa, and Comar. Additionally, there are numerous small regional and local operators—approximately 200 to 250 in the former category and 5,000 to 5,100 in the latter.

The Spanish B2B market, also faces intense competition among a select group of players. Notably, the Spanish slot machine market differs from the international market due to distinct consumer preferences and regulatory requirements. These regulations impose specific design criteria on slot machines not placed within Casinos and Gaming Halls. In this manufacturing domain, our primary competitors are Recreativos Franco and Novomatic. The success of our B2B operations hinges on the quality, appeal, and originality of our games.

We are strategically positioned to maintain our leadership in this mature market and capitalize on opportunities. Our robust financial capability enables us not only to invest in cutting-edge slot machines, gaining advantages on our competitors, but also to evaluate targeted mergers and acquisitions. This approach aligns with the ongoing industry consolidation trend, allowing us to expand our market share.

Online Gaming & Betting Business Unit

In this Business Unit, we are an omnichannel player, benefiting from online- and land-based channels, which differentiates us from the majority of our global competitors which have an online presence only.

The omnichannel approach allows us to drive synergies with our customers, with increased frequency of playing and increased average revenue per user (ARPU) as compared to pure online or land-based players.

In Spain, we are a leading player in both the online and the land-based sports betting markets, generating a strong brand awareness, which is relevant due to current advertising restrictions on gaming activities. Other main players in this market are pure online operators, such as Bet365, Flutter (PokerStars or Betfair) or Bwin (Entain). Other omnichannel players, instead, have a smaller footprint, such as Codere, or are more regionally focused, such as Orenes, Luckia, Reta and Kirol (the latter two combining B2C and B2B operations).

In Italy, the market comprises pure online international operators, such as Bet365, PokerStars (Flutter) and 888 sport (evoke), and local omnichannel operators, such as Lottomatica. We operate through E-Play24 benefiting from its omnichannel presence.

In Latin America, we are working to replicate our omnichannel strategy, which has been successful in Spain and Italy. Latin American markets are led mostly by a small number of players, such as Colombia (with two main players) and Mexico (with one main player). We have recently expanded our presence in Peru by acquiring a majority stake in Apuesta Total, which we believe is the #1 player in the online gaming and betting business. In these countries, our strategy entails leveraging our Casinos and Gaming Halls presence to offer cross-selling capabilities and establishing partnerships with local competitors in order to gain customer base. The main players in Latin America are pure online players, such as BetPlay, Wplay and Grupo Caliente in Mexico.

Slots Italy Business Unit

In the Italian market, we face competition from several authorized AWP and VLT slot machine operators, which can be categorized into three groups: diversified large competitors such as Lottomatica, Snaitech and Sisal, operators focused on slot machines such as Admiral, Codere, Net Win, NTS and Global Stamet and small business owners. Some of these competitors are significantly larger than us and have access to substantial financial resources.

Intellectual Property: Licenses and Trademarks

We have registered our corporate logo and have registered, or are in the process of registering, each of our relevant brand names, marks and logos which distinguish our products for trademark protection in Spain and other jurisdictions, including the European Union and the United States.

All of our main brands (i.e., Cirsa and *Sportium*) are duly registered in the countries in which we make use of such brands as well as in some other countries of the European Union and Latin America. The *Sportium* brand could not be registered in Mexico as it has already been registered to a different company which operates gyms. We have an agreement with such company in order to be able to make use of the *Sportium* brand for our online gaming business.

The local brands are only registered in the countries where we operate (e.g., Ganabet in Mexico or Apuesta Total in Peru).

Information Technology

Information technology is key to all aspects of our business, from research and development, product design and development of new gaming experiences, manufacturing of slot machines and their distribution, monitoring and control of our slot operations, functioning of our coin collection systems as well as finance and human resources. We continue to make strategic investments to align with our long-term strategy and to maintain and enhance our information technology and cybersecurity infrastructure. We are focused on optimizing adoption of such investments to maximize return on investment and realized value. The modernization and simplification of our technology ecosystem remains a key focus.

We recognize that technology presents opportunities for competitive advantage, and we continue to invest in new capabilities and the use of emerging technologies across various aspects of our business. In this respect, we have developed predictive monitoring tools, such as Smart Slot, which provides us with real-time information of our slots, such as play intensity and occupancy rates. The data obtained from this system enables us to optimize our product allocation and replacement timing. Additionally, it enhances the profitability of our investment through bar segmentation and personalized offering, among other benefits.

We have developed technological advantages such as the proprietary technology contained in some of our most popular games, as well as slot machines in video formats which allow a wide variety in choice of games, including poker, blackjack, keno and bingo. Some of these technological advances are predictive monitoring tools which allow us to deliver superior performance and control through real time information gathering such as the occupancy by slot machine. We use several cloud providers in order to mitigate risks of cyberattack, shutting downs and malfunctioning. We also employ an external cybersecurity provider to keep our systems protected. Additionally, we have developed a business continuity and recovery plan together with KPMG and our cybersecurity is subject to several external audits to assess and test it regularly.

Our investment in technology and the leverage of data analytics is one of our key goals to drive continuous revenue enhancement and cost management. We are continuously investing in information technology solutions to enhance customer experience and value as well as improve revenues and margins.

Marketing and Sales Strategy

Our marketing and sales strategy is supported by in-house commercial IT tools and applications, including targeted marketing and network-oriented data collection to identify, attract and retain specific clients and client profiles. For instance, inside our Casinos and Gaming Halls, we focus on customer value identification and management, regularly reviewing the gaming offering and layout, and using a pricing strategy based on customer demand. We also employ CRM customer segmentation and technology to achieve targets such as visits, frequency and value, and use customer opted-in loyalty and retention programs that enable us to send targeted advertising and marketing to improve customer visits and customer contribution. As such, our marketing and sales activities primarily consist of the following:

- *Loyalty programs*: our loyalty programs are opted into by customers who voluntarily sign up on our website and choose to receive advertising and marketing from us. Cirsa Winner Club is our loyalty program in Colombia which rewards the loyalty of our customers through points, campaigns and exclusive promotions to play at our gaming tables and slot machines. This is particularly effective to attract and retain customers given the recurrent communication with them through such campaigns and promotions; and

- *Visual marketing and customer visits*: focusing on our Casinos and Gaming Halls' layout and the distribution of our gaming offerings within our Casinos and Gaming Halls as well as advertising campaigns conducted both inside and outside our establishments and commercial communication via telephone in the countries where this is allowed.

Environment, Social and Corporate Governance ("*ESG*")

ESG is at the core of our business strategy. Since our founding in 1978, the implementation of our strategy has been guided by sustainability and aligned with the United Nations Sustainable Development Goals (SDG) to which we remain committed. We are focused on upholding the highest responsible gaming and corporate governance standards. In particular, we have four areas of focus for our ESG strategy:

- responsible gaming;

- environment;

- social environment; and

- corporate governance and regulatory compliance.

We are also working towards using more green energy and reducing our environmental impact while investing in local people and communities. By integrating ESG considerations into the management of our Group, we aim to create lasting benefits and shared value for our shareholders, employees and the communities in which we operate. We undertake steps to ensure the integration of ESG criteria into our internal processes, such as decision making and risk analysis in internal operations and investments, as well as in supply chain management or other processes that may involve any type of environmental, energy or climate related impact.

We strongly believe in the importance of linking ESG performance to our business objectives as well as management's performance – the achievement of ESG targets accounts for 20% of management's variable compensation plan – and establishing a clear ESG strategy to guide our business over the next few years. We envisage a virtuous cycle in which achieving certain ESG targets leads to an improvement in operational efficiency, corporate reputation and our financial condition. In order to guarantee the execution of our sustainability strategy, we have established an ESG committee that, under the supervision of our Executive Chairperson, includes the ESG director and the corporate directors who lead each of our four areas of focus, all of whom have more than 10 years of experience in their respective responsibilities.

Responsible Gaming

While we cannot completely eradicate gambling by persons who are prone to gaming addictions and other vulnerable groups (including minors), we have processes in place to prevent such events in accordance with applicable laws and regulations on gaming addiction in the countries where we operate. For instance, to open an account with *Sportium*, a potential customer needs to pass a "know-your-customer" test by providing information and supporting documentation such as a copy of their passport, photograph and bank account statements. However, customers may use fraudulent measures or hack our systems in order to access our services (for example, by providing false IDs, which may not always be detected). We are committed to providing the best recreational gaming options to our customers, responsibly, striving to make safe, responsible gaming the norm in every country where we operate. We believe that responsible gaming means helping customers prevent gaming addictions. We achieve this through assistance and guidance rendered by our customer service platforms. We have also established artificially intelligent tools to predict, identify and prevent pathological gaming in our Online Gaming & Betting Business Unit. For example, in Italy, we have introduced automatic messages to players during online games highlighting the duration of the game, real-time information on their spending levels and when they exceed pre-set time limits (see "*Regulation—Italy—Online Gaming & Betting Regulatory Framework*"). When such pathological gaming behaviors are detected, depending on the case, we may either limit communication and promotion activities with the affected customers or, in more serious instances, close their accounts on our platforms. As of December 31, 2024, we have trained 100% of our employees in responsible gaming. More than 15,500 of our third-party PoS were certified in responsible gaming during 2024 bringing the total of establishments certified to 95% (100% of Casinos and Gaming Halls in Spain were certified by ECA and G4 in responsible gaming). See "*Regulation*." In addition, we have strict access control to all our Casinos and Gaming Halls and we have implemented our global communication plan through which we empower our clients by giving them practical advice on responsible gaming, a self-assessment test and also a contact telephone number if they need assistance.

Environment

Based on the principles that support our business strategy, a common factor in our locations is their low environmental impact, achieved through the integration of environmental responsibility criteria into their respective design processes. Our strategy is minimizing our impact on the environment and supporting climate change initiatives. Our climate resiliency actions pivot around transforming our Casinos and Gaming Halls into low impact and highly efficient buildings, while also reducing our energy and materials consumption. In this respect, we have implemented a "green hall policy" for the use of ecologically friendly and energy-saving materials and components in the construction, decoration and refurbishment of our gaming locations. We achieved a 30% reduction in our Scope 2 emissions during 2015-2024 and 66% of renewable energy consumption in 2024. Our aim is to reduce our greenhouse gas emissions by 65% by 2030 compared to 2022 levels and to have 95% renewable energy consumption by 2030.

Social Environment

The people who are part of our Group are our most valuable asset and a key part of our business success. We follow a culture model that is employee-centered and based on excellence. We have a firm commitment to equal opportunities, non-discrimination and respect for diversity. As of December 31, 2024, 52% of our employees who hold key management positions in our Casinos and Gaming Halls are women. Externally, we support local communities and local initiatives in the countries where we operate, and we work towards creating strong ties with local businesses and stakeholders. We are also involved in providing financial support to social initiatives in each country of operation. We have committed to operating in online regulated markets through local companies, thus ensuring a financial contribution to public resources in the countries in which those companies operate and in 2024 we contributed approximately €740.4 million to such public resources by payment of corporate and gaming taxes in the countries where we operate.

Corporate Governance and Regulatory Compliance

Our commitment to regulatory compliance, security and privacy of information are factors that allow us to be one of the industry's leading companies and a benchmark at the enterprise level. We encourage honest and ethical behavior, that entails avoiding and rejecting any form of corruption. We believe in transparency, good governance and integrity as hallmarks of our organization and we recognize the importance that must be granted to ethics and compliance and the conduct of our employees both internally and externally. Our business activities are designed to ensure that each employee dealing with these matters is trained in anti-corruption, money laundering and other regulatory compliance policies and corporate guidelines in accordance with our annual training plans.

Starting from July 2027, the EU Corporate Sustainability Due Diligence Directive ("*CSDDD*") will require us to demonstrate that we have taken all appropriate measures to effectively identify, inter alia, human rights, sustainability, work force management and governance risks and prevent, cease, mitigate, address or remediate actual and potential adverse impacts of our value chains. Specifically, CSDDD imposes certain "obligations of means" (i.e., without guaranteeing that adverse effects will not materialize), which will require us, inter alia, to:

- integrate due diligence activities into all relevant policies and risk management systems;
- identify and assess actual or potential adverse impacts;

- prevent and mitigate potential adverse impacts;
- establish and maintain a notification mechanism and complaints procedure;
- monitor the effectiveness of due diligence policy and measures;
- publicly communicate on due diligence;
- designate an authorized representative; and
- adopt and put into effect a climate transition plan aiming at ensuring, through best efforts, compatibility of our business model and strategy with a sustainable economy and with the limiting of global warming to 1.5°C.

Gaming activities are subject to anti-money laundering laws and regulations in the different jurisdictions where we operate. Consequently, we have been, and might continue to be, subject to routine inspections. As of the date of this annual report, we have not received any sanctions related to anti-money laundering. For more information, see "*Regulation.*"

See "*—Our Strengths—Sustainability focused organization with market leading responsible gaming commitment*" for further information.

Employees

We employed 15,510 employees as of December 31, 2024. Our total personnel expenses for the year ended December 31, 2024 were €338.4 million, representing 15.7% of our net operating revenues for such period. Most of our employees have a permanent employment contract. The following tables set forth a breakdown of our employees by the main category of activity and geographic area as of December 31, 2024:

Category of activity	Number
Casinos	11,139
Slots Spain	1,435
Slots Italy	382
Corporate	542
Online Gaming & Betting	2,012
Total	**15,510**

Our employees in our Casinos, Slots Spain, Online Gaming and Betting and Slots Italy Business Units perform cash collection in bars and betting corners (and other locations) as well as slot machine maintenance. For security and cleaning services, we may rely on temporary or contracted employees, who do not represent a material percentage of our overall payroll. Our Slots Italy Business Unit employs a lower number of employees compared to our Slots Spain Business Unit due to the fewer slot machines operated in this country, which are concentrated in the northern regions only. Additionally, a single PoS in Italy operates relatively more slot machines compared to a PoS in Spain, allowing us to employ fewer resources.

Geographic area	Number
Spain	4,529
Italy	522
Colombia	2,815
Panama	1,287
Dominican Republic	849
Mexico	2,222
Peru	2,335
Costa Rica	330
Morocco	598
Portugal	23
Puerto Rico	-
Total	**15,510**

In Spain, we are subject to different national and regional industry wide collective bargaining agreements in each of the respective sectors in which we operate, except for our Casinos in Marbella, Valencia, Las Palmas, La Toja and Bilbao (Bincano), whose employees are party to collective bargaining agreements directly with us. In addition, we are party to a collective bargaining agreement with the employees of Universal de Desarollos Electronicos, S.A., a slot machine manufacturing subsidiary, in relation to the hours of employment. Under the relevant national and regional collective bargaining agreements, salary scales are established for each position in each industry. These salary scales are usually revised annually and typically provide for increases in the salary scales in accordance with increases in the consumer price index in Spain or a slightly larger increase (usually 1% to 2%). We have a policy of meeting or exceeding the established salary scales for our employees.

We believe our relationships with employees and unions to be satisfactory.

Property, Plant and Equipment

We lease our principal executive offices which are located at Carretera de Castellar, 298, Terrassa (Barcelona), Spain, and are owned by Nortia Capital Investment Holding, S.L.

We also lease several premises where we operate our Casinos and Gaming Halls. See "*—Operations and Activities—Our Business Units—Casinos Business Unit—Relationship with Site Owners*."

Our tangible fixed assets comprise of property and plant which accounted for €178.9 million as of December 31, 2024 and equipment which accounted for €124.6 million as of December 31, 2024.

Litigation

Criminal proceedings relating to Mutua Universal

On February 16, 2016, Cirsa Gaming was served with two decisions issued by the Instruction Court No. 21 of Barcelona (the "*Instruction Court*") by means of which Cirsa Gaming (i) was called to appear before the Instruction Court as a third-party with direct civil liability in the criminal proceedings initiated against Mutua Universal and eleven of its managers; and (ii) was ordered to deposit the amount of €1,475,523.20 in order to cover its potential civil liability. The Instruction Court's basis for issuing the orders to Cirsa Gaming (along with the other 2,289 other clients of Mutua Universal) was the presumption that Cirsa Gaming had recognized benefits resulting from criminal offenses committed by Mutua Universal and eleven of its managers such benefits being the total amounts received by Cirsa Gaming from Mutual Universal due to promotional activities. On February 16, 2019, pursuant to a new order of the Instruction Court, Cirsa Gaming was asked to deposit the amount of €1,475,523.20 in order to cover its potential civil liability. Cirsa Gaming has posted bond for the requested amount and the Instruction Court declared the adequacy and sufficiency of the guarantee by court order dated June 25, 2019. Therefore, the portion of the proceeding with regards to Cirsa Gaming's potential civil liability has been concluded. On May 26, 2022, the Instruction Court ordered the referral of the proceedings to the Provincial Court of Barcelona for trial. The court has not yet established the date on which the trial hearing is to be held.

These criminal proceedings were initiated by the Public Prosecutor and the Social Security Fund after verifying certain allegations that part of the funds Mutua Universal received from the Spanish Social Security were illegally used for promotional activities of Mutua Universal. These promotional activities included different kinds of services that Mutua Universal rendered to its clients (such as delivery of first aid kits, imparting of health education courses, or ensuring the presence of a doctor at the headquarters of such clients). According to media reports, larger companies like Cirsa Gaming are the principal targets of the order as many of Mutua Universal's other 2,289 clients have since disappeared. Media reporting also indicates that there is no evidence that the companies subject to the Instruction Court's order were conscious that the promotional activities carried out by Mutua Universal which are the subject of the criminal proceedings could be considered criminal offences. While we intend to continue to contest any liabilities determined in respect of this matter, the former owners of the Company have agreed to indemnify us under the share purchase agreement pursuant to which they sold their shares in the Company on April 27, 2018, up to an agreed cap, for all liabilities arising out of this matter, which we believe will substantially cover any liabilities that are finally determined. Accordingly, as of the date of this annual report, no amount has been provisioned in relation to this litigation proceeding.

ADM determination

In 2015, the Italian gaming regulator, Agenzia delle Dogane e dei Monopoli (the "*ADM*") assessed additional fees of €19.8 million (which were to be collected by Cirsa Gaming and on behalf of Cirsa Gaming and certain of our operating partners) (the "*ADM Determination*"). We have paid a total of €18.2 million of this amount. There is an additional €1.6 million of the ADM Determination left to be paid, which is owed by certain of our partner operators. On June 24, 2019, the Regional Administrative Court of Lazio issued judgment No. 8204/2019, stating, among other things, that the payment obligation set forth by the ADM Determination shall be borne not only by the concessionaires, but shall be split among all operators in the gaming sector (including site operators and partners) proportionally to the payment of the ADM assessed obligations on the basis of the relevant contractual agreements. As this judgment did not explicitly state whether the concessionaires and the other operators are liable for the payment separately or on a joint and several basis, Cirsa Italia filed an appeal against such decision in the Consiglio di Stato Court in February 2020 based on a decision of the Italian Constitutional Court that each party (concessionaires, site operators and partners) is entitled directly by law to pay only its share of the tax amount due to the ADM and that there should be no joint and several liability. See "*Regulation*."

On September 28, 2020, the Consiglio di Stato Court lodged a request for a preliminary ruling before the Court of Justice of the European Union aimed at determining whether the national legislation constitutes a restriction on the freedom of establishment or the freedom to provide services guaranteed by Articles 49 and 56 TFEU and whether it is compatible with the principle of protection of legitimate expectations. The hearing before the Court of Justice of the European Union took place on January 27, 2022. The judgment, published on September 22, 2022, ruled that the reduction of compensation to gaming concessionaires cannot be justified only by the need to improve public finances. Accordingly, Article 49 TFEU must be interpreted as meaning that national legislation which imposes a levy that reduces the remuneration of gaming concessionaires, entails a restriction of the freedom guaranteed by the same Article 49 TFEU, and the TFEU provision precludes such a restriction from being justified on the basis of objectives based solely on considerations relating to the improvement of public finances. Where Article 49 TFEU is applicable, the principle of the protection of legitimate expectations must be interpreted to mean that it does not, in principle, preclude national legislation that temporarily reduces the concessionaires' compensation agreed upon in the agreements (*Convenzioni*). Based on this interpretation, the Court ruled that the Consiglio di Stato shall examine whether the legislation at issue complies with the principle of the protection of legitimate expectations. On December 1, 2022, a hearing was held before the Consiglio di Stato Court and the Consiglio di Stato Court issued an order on February 1, 2023 requesting parties to provide clarification on the 2015 budget in order to assess the impact of the levy on each individual concessionaire. In November 2023 Cirsa Italia filed a response setting out the impact of the levy on its 2015 budget. The Consiglio di Stato Court's final ruling is currently pending and is expected to be issued during the course of 2025. Any material development regarding this litigation proceeding will be promptly published on our website.

Challenge over the number of Type A licenses we hold in Panama

Panama's Decree Law No. 2 of 1998 limits the number of Type A Casino licenses that an entity is permitted to hold and operate within a specific geographical area or "designated area" (as such term is defined in Panama's Decree Law No. 2 of 1998). See "*Regulation*." As of December 31, 2024, we owned a total of 40 Type A licenses in Panama (although only 34 of these licenses are being operated), of which, 23 Type A Casino licenses are operated within the designated area. In April 2022, our operation of Type A Casino licenses in the designated area was challenged by a competitor, Hípica de Panamá, S.A., before the Supreme Court of Panama, alleging that we operate licenses in excess of the maximum number of licenses allowed within such designated area. In particular, the claim challenges an amendment we made for 12 additional licenses over the maximum allowed. The Panamanian Gaming Control Board opposed the allegations and requested to invalidate certain clauses of the contract governing the relationship between the State and Gaming & Services de Panama, S.A. By judgment dated August 16, 2023, the Third Chamber of the Supreme Court affirmed that certain provisions of the Administration and Operation Contract N° 143 of the Type "A" Slot Machine Parlors dated December 19, 1997, were not valid. As a result, the allegations made by Hípica de Panamá, S.A. that we operate licenses in excess of the maximum number of licenses allowed within such designated area were upheld.

However, following this, the gaming regulator enacted resolutions allowing up to a maximum of 23 Type A Casino licenses to operate in the designated area. Consequently, Hípica de Panamá, S.A. filed an action against the gaming regulator alleging that the authority had disregarded the Supreme Court's decision. On June 19, 2024, the Third Chamber of the Supreme Court of Justice rejected the alleged action against the Panamanian gaming regulator. In addition, on April 8, 2023, Mr. Herbert Young filed a claim, based on the same arguments of Hípica de Panamá, S.A., before the Supreme Court of Panama, claiming that we operate licenses in excess of the maximum number within the relevant designated area. In this case, Gaming & Services de Panama, S.A., as an interested party, filed a motion of res judicata, which is currently pending before the Third Chamber. The claim is identical to the one in the case of Hípica de Panamá, S.A. (although we believe that the plaintiff assumed that the claim filed by Hípica de Panamá, S.A. may have been dismissed pursuant to formal defects) and the court is yet to decide whether to continue with the merits or grant our motion, which would terminate the proceeding. Although it is not possible to quantify the potential consequences of the litigations, as the proceedings are ongoing, if the court rules against us we would be required to close certain of the 22 Type A Casino operated within such designated area.

Due to this dispute over the number of Type A licenses we hold in Panama, as of December 31, 2024 we maintain a provision for a total amount of $0.6 million.

Other Litigation

We are involved in a number of other legal proceedings and claims incidental to the normal conduct of business. We believe that these other proceedings and claims will not individually or in the aggregate, have a material adverse effect on our business, financial condition, or results of operations.

Insurance

We maintain the types and amounts of insurance that are customary for businesses in the countries where we operate including property and contents, liability, cybersecurity, business interruption, robbery and employee disloyalty. We believe that our insurance policies are sufficient to protect us against potential damages and liabilities incurred in the ordinary course of business although we can provide no assurance that our insurance coverage will adequately protect us from all risks that may arise or in amounts sufficient to prevent material loss.

REGULATION

European Union

As of the date of this annual report, there is no distinct legislation within the EU that specifically governs gaming activities. Instead, the general rules and principles outlined in the Treaty on the Functioning of the European Union are applicable to these activities.

The EU Court of Justice acknowledges that the legislation pertaining to games of chance is an area marked by significant moral, religious and cultural differences among EU Member States. Given the lack of harmonization within the EU on such matters, it is incumbent upon each EU Member State, in line with its specific value system, to determine the necessary measures to safeguard the relevant interests. EU Member States have the liberty to establish their policy objectives and impose restrictions on betting and gaming as they see fit. They can also detail, where necessary, the degree of protection. However, restrictive measures can be seen as limitations to the freedom to provide services within the EU's internal market. Therefore, these measures must meet the conditions stipulated in the case law of the EU Court of Justice concerning the proportionality in achieving the objectives of the respective EU Member State to the limitations imposed.

Gaming activities which involve wagering a stake with pecuniary value in games of chance (including lotteries), gaming in Casinos and Gaming Halls and betting transactions are excluded from the scope of EU Directive 2006/123/EC of the European Parliament and of the Council of the European Union of December 12, 2006 on services in the internal market. This Directive aims at removing barriers to the development of service activities between EU Member States in order to strengthen the integration of European countries and promote balanced and sustainable economic and social progress. The implementation of this Directive has required material amendments to the laws and regulations of several EU Member States.

On October 23, 2012, the European Commission sent the European Parliament, the Council of the European Union, the Economic and Social Committee and the Committee of the Regions, a communication regarding the establishment of a comprehensive European framework for online gaming and betting. However, instead of proposing legislation that would apply across the EU, the Commission suggested a comprehensive set of guiding principles. These principles focused on the protection of consumers, minors and vulnerable groups, responsible gaming advertising, prevention of fraud and money laundering and prevention of and response to betting-related match fixing (the act of deliberately manipulating aspects of a sports event to influence its outcome to fraudulently benefit those placing bets). On July 14, 2014, the European Commission adopted the Recommendation on the principles for the protection of consumers, players and minors (the "*Recommendation*"), which suggested the adoption of principles for online gaming and betting services and responsible commercial communications of those services. The aim was to safeguard health and minimize the potential economic harm that could result from compulsive or excessive gaming. In preparing this Recommendation, the European Commission drew from good practices already existing in the EU Member States. The EU Member States were invited to notify the Commission of any measures taken pursuant to this Recommendation by January 19, 2016. This would allow the European Commission to evaluate the implementation of this Recommendation. On November 27, 2015, the gaming regulatory authorities of the member states of the EEA signed a cooperation arrangement to enhance administrative cooperation with respect to certain challenges of online gaming and betting.

On December 7, 2017 the European Commission issued a press release referencing the decision of the European Commission to close infringement procedures and complaints in the gaming sector against EU Member States. It acknowledged the public interest objectives being pursued by EU Member States when regulating gaming services, however, had decided that it was not a priority for the European Commission to use its infringement powers to promote an EU Single Market in the area of online gaming and betting services. However, the European Commission will continue to support EU Member States in their efforts to modernize their national online gaming and betting legal frameworks and to facilitate cooperation between national gaming regulators.

Spain

Traditional Gaming

In 1977, Spain legalized the traditional private gaming sector, which includes slot machines, Gaming Halls and Casinos and requires physical presence. Initially, the Spanish national government was the regulatory body for this sector, implementing national regulations that were applicable across the country. However, the Spanish Constitution provided for the Spanish autonomous regions (each, a "*Region*" and together, the "*Regions*"), to regulate traditional gaming activities within the scope of their territory, as long as they did not invade the powers reserved to the State by the Spanish Constitution. Consequentially, in Spain, the regulation of traditional gaming is predominantly a regional responsibility. National legislation is applicable in instances where regional legislation does not exist, when it does not regulate a specific gaming activity or when the gaming activity extends beyond the boundaries of a single Region. At present, most Regions have passed extensive legislation governing traditional private gaming, including the granting of the relevant operating licenses and authorizations, tax measures and the monitoring of each type of private game. Furthermore, the Regions have the authority to regulate the public traditional gaming market (which includes lotteries) within their respective territories. Overall, the regulatory framework for the traditional private gaming market is relatively uniform across all Regions. However, national laws and regulations pertaining to traditional private gaming do exist and are enforced in certain Regions under specific circumstances. Certain residual responsibilities, such as assistance with standardization of slot machines and collection of industry statistical information, are within the purview of the Spanish Gaming Authority *(Dirección General de Ordenación del Juego).*

Any changes in the regulatory scheme in Spain or in any other jurisdiction in which we operate may have an adverse effect on our business. See "*Risk Factors—Legal and Regulatory Risks—The gaming industry is subject to extensive regulation and licensing requirements and our business may be adversely affected by our inability to comply with these requirements, regulatory changes and increases in the taxation of gaming, which could result in litigation*."

Below is a summary of certain of the regulations and taxes that apply to the operation of slot machines, Casinos, Gaming Halls, betting activities and online gaming in Spain. This summary does not purport to be complete and only refers to traditional versions of these games where physical presence is required. The Spanish traditional gaming regulatory regime is highly complex and changes in regulation are frequent. Whether national or regional regulations apply depends on various factors, including the type of game operated and the Region in which the game is being operated.

Beyond the scope of gaming and gaming tax laws, gaming operators and their activities are also governed by other legislation. These include, but are not limited to, regulations pertaining to environmental concerns, zoning restrictions, advertising practices and the safeguarding of minors. For example, due to zoning and environmental regulations, gaming operators are required to secure the necessary licenses from the local authorities of the cities in which the operations are being conducted. This is in addition to the gaming sector authorizations previously outlined. On anti-money laundering and terrorism prevention, in 2014, the Royal Decree 304/2014 of May 5, 2014, which adopted the Regulation for Law 10/2010, of April 28, 2010, on combatting anti-money laundering and the financing of terrorism, established specific measures related to the payment of prizes and due diligence client identity measures in gaming activities. This Regulation applies to both traditional and online gaming. On May 20, 2015, the European Parliament and the Council of the European Union adopted Directive (EU) 2015/849 of May 20, 2015 (modified by Directive (EU) 2018/843 of May 30, 2018), with EU Member States required to bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by January 10, 2020. Among others, this Directive applies to providers of gaming services to mitigate the use of the gaming sector to launder the proceeds of criminal activity. It established obligations upon providers of gaming services posing higher risks to apply customer due diligence measures for single transactions amounting to €2,000 or more regarding standalone transactions made by the same person on a specific date. This obligation applies to Casinos (when customers attempt to exchange chips into cash) and online gaming, while for Gaming Halls, it only applies for the payment of prizes over €2,000. Therefore, these limitations do not apply in the HoReCa channel as these prizes do not exceed €500. EU Member States should ensure that obliged entities apply the same threshold to the collection of winnings and wagering of stakes, including by the purchase and exchange of gaming chips, or both. In 2018, Spain transposed Directives 2015/849 and 2018/843 into national law setting forth the due diligence measures to be implemented by the providers of gaming services (concerning, among others, the identification of customers and, in particular, the due diligence measures that should be applied when customers perform transactions amounting to €2,000 or more in a single operation or in several operations that seem to be related (i.e., even if each transaction does not individually exceed the limit of €2,000, such transactions are carried out successively, simultaneously or in a coordinated manner between the same customers or between several related customers, in order to circumvent the control or identification required for larger transactions). Regulatory amendments have mainly been focused, among others, on anti-money laundering legislation that affects cryptocurrencies and other types of currencies of similar nature.

General

In Spain, gaming operations (including licenses and other authorizations, gaming activities and wages placed on slot machines as well as in Casinos and Gaming Halls) and the opening of gaming establishments are subject to gaming taxes. We hold licenses for each of our Casinos and Gaming Halls. Additionally, in each Region, we hold a license to operate slot machines and a license to commercialize them through our B2B operations. Furthermore, each gaming operator also requires a general license. In general, the gaming taxpayer is the person or entity to which the operating license has been granted. For example, the slot machine operator is the gaming taxpayer in connection with the operation of slot machines.

All Regions in Spain have limitations on the number of Casinos which can be operated within its territory. For example, only three, four and three Casinos are allowed in the Basque Country, Catalonia (excluding the special regime in force in Port Aventura) and the Balearic Islands, respectively. In addition, certain Regions have imposed restrictions on the issuance of new permits for other kinds of gaming establishments, such as bingo halls. For instance, in Catalonia, only 75 bingos are allowed, in Basque Country, only 14 bingos are allowed and in the Balearic Islands, only four bingos are permitted. Other Regions which have not yet established a limited number of gaming establishments have been pursuing modifications of their regulations in order to stablish such restrictions. Some of those Regions, including Castilla-La Mancha, La Rioja and Valencia, have halted the issuance of new permits for gaming establishments while they analyze the possibility of setting a limit to the number of licenses for gaming establishments. There is a high likelihood that regional governments could extend the regulatory restrictions. These restrictions, which include limitations on the number of Casinos and Gaming Halls and slot machines, as well as the mandated distance between Casinos and Gaming Halls, were initially planned for enforcement in the upcoming years. In response to recent developments, the Ministry of Consumer Affairs has also expressed its commitment to reinstate laws designed to limit gaming advertisements.

Such new restrictions would only apply to new Gaming Halls and not existing ones.

Slot Machines

Entities involved in the slot machine industry, including manufacturers, distributors and operators, are required to adhere to the legal and regulatory framework that oversees all aspects of slot machine operations. This includes compliance with rules pertaining to the physical attributes of the slot machines, the amounts wagered, the statistics of prize payouts, the payout amounts, the gaming taxes and the permissible locations for each variety of slot machine. In specific Regions, any change in the ownership interest of slot machine manufacturers and distributors requires either prior approval from, or prior notification to, the respective regional authority.

Moreover, according to the regulatory framework, prizes that can be won from slot machines shall be visible and easily identifiable to customers from outside of the slot machine.

Regulations typically categorize slot machines into several types, although some Regions explicitly exclude certain types. The categorization is as follows:

Amusement only Slot Machines (known in the Spanish gaming industry as Type A slot machines). These are slot machines of mere leisure or amusement and are limited to giving the player a certain length of playing time in exchange for the price of the game (or in certain Regions and under certain circumstances, a prize in kind). Amusement only slot machines cannot give the player any kind of cash, chips or other type of prize that is exchangeable for cash or other items (except for extra time if the player wins). Generally, amusement only slot machines may be placed within bars, cafes, restaurants and sites that provide amusement only slot machine entertainment. Possible locations include hotels, camp grounds, cruise ships, amusement centers, family entertainment centers, Casinos and Gaming Halls.

AWP Slot Machines (known in the Spanish gaming industry as Type B slot machines). These slot machines are amusement with prizes (“*AWP*”) slot machines that, in exchange for the price of a game, give the player a certain length of playing time and, in accordance with the game program, reward the player with a cash prize. AWP slot machines are subject to regulatory approval in each Region in which they are sold. The regulations typically provide that, among other things, the slot machine must have (i) a maximum wager of €0.20 (although Aragón and Castilla-La Mancha allows maximum bets up to €1 instead of €0.20 and the remaining Regions allow “five times bet” slot machines which provide that in certain circumstances up to €1 may be wagered), (ii) a maximum prize of 500 times the price of the wager and (iii) a minimum pay-out of at least 70% (75% in Asturias) of the amount wagered by players. AWP or Type B slot machines may be installed in Gaming Halls, certain bars and restaurants and Casinos and Gaming Halls. Each AWP slot machine requires a specific permit per machine. However, all Regions (except in Andalusia, Madrid, Extremadura, Castilla y León, Asturias, Balearic Islands, La Rioja and Navarra) limit the total number of AWP slot machines that may be authorized within each Region and no new permits can be issued. For instance, in the Regions of Catalonia and Valencia, the overall number of authorized AWP slot machines is 33,202 and 18,372, respectively. However, when a slot machine is decommissioned, new authorizations are not being granted, therefore, the number of authorized AWPs decrease.

Solely in the case of La Rioja there is a limit per company of the 15% of the total number of permits. Video Type B slot machines are permitted throughout Spain (i.e., the Type B slot machines that are allowed to have video screens).

Machines for arcades and bingo halls (known in the Spanish gaming industry as Type B3, B4, D, E or Special, depending on the Region). These slot machines can only be installed in arcades and bingo halls (which we include in Gaming Halls) as well as Casinos with certain limitations. These slot machines, in exchange for the price of a game, give the player a certain length of playing time and eventually reward the player with a prize in cash in accordance with the game program previously established. The maximum wager is up to €6, depending on the Region. The minimum pay-out is required to be at least 80%. Generally, the maximum value of the prize is 1,000 times the price of the wager, although in some Regions, the maximum value of the prize can be lower, and in other Regions, for example Aragón, Catalunya, Castilla y Leon or Extremadura, the maximum value of the prize may be higher. If the special-type slot machines are connected with other special-type slot machines (in the Casinos and Gaming Halls where they are located or in other Casinos and Gaming Halls), the maximum value of the prizes may be much higher. There are also special-type bingo-type slot machines for Gaming Halls which allow bets from €1 up to €6 (depending on the Region) with the same value of the prizes.

Casino-type Slot Machines (known in the Spanish gaming industry as Type C slot machines). Casino-type slot machines offer the player, in exchange for the price of the game, a certain length of playing time and, eventually, a prize that will always depend on chance. The main characteristics of Type C slot machines are: (i) in practice, the regulators allow higher maximum wagers and maximum prizes of up to 2,000 times the value of the wager (a figure that is not standardized, but depends on the model of each slot machine), excluding accruing jackpots or other special payouts, (ii) the minimum pay-out is required to be at least 80%. In Spain, only Casinos may own and operate Casino style slot machines. For a discussion on the regulations regarding the operation of Casinos and taxation of Casino style slot machines, see "*—Spain—Casinos*."

Although Type B slot machines could also be operated inside Casinos, we only operate Type C slot machines inside Casinos.

Amusement with prizes in kind Slot Machines (known in the Spanish gaming industry as Type D slot machines). These slot machines are amusement with prize in kind slot machines that, in exchange for the price of a game, give the player a certain length of playing time, and, in accordance with the game program and the skills of the player, eventually reward the player with a prize in kind. These type of slot machines are currently authorized in several Regions. Most of the regulations provide that, among other things, the maximum price of the game is €1 and the maximum value of the prize is generally 20 times the price of the wager.

Each type of slot machine must comply with specific requirements set forth in the applicable laws and regulations of the relevant Region. These requirements are mandatory for the slot machine to be duly registered at the relevant models registry. Registration of each model is mandatory prior to obtaining any of the authorizations to manufacture, market, distribute or operate each slot machine model. Additionally, each slot machine must be marked with the name of manufacturer and the operating permit. Most Regions have relaxed requirements for the operation of amusement-only, or Type-A, slot machines. Some Regions (such as Castilla-La Mancha or Valencia) have recently suspended or introduced limitations to the yearly total number of new slot machine authorizations to be granted.

Before commencing operations, all slot machine manufacturers, distributors and operators, as well as others engaged in the slot machine business, must register with and be approved by the gaming authority of the Region in which they intend to conduct operations. The registration and authorization processes include, among other things, a demonstration of sufficient technical and financial resources and professional expertise to operate the slot machines, a criminal background check and a deposit of a guarantee to ensure regulatory compliance. Slot machine operators are also required to deposit an additional guarantee with the relevant regional authority in an amount which is based on the number of slot machines to be operated in the relevant Region. The amounts of the required guarantees vary across each Region.

In addition to regulations regarding the types of slot machines, other regulations set forth the types of sites at which slot machines can be placed and the number of slot machines that can be placed in each type of site. For example, most Regions allow only one or two slot machines per bar, café or restaurant or a certain number per Gaming Hall (for example, in Castilla-La Mancha, two Type B slot machines are permitted per bar, restaurant or similar; and a maximum of 12 Type C slot machines per Casino). In addition, for each slot machine, the owner of the site and the operator of the slot machines must each file an application with the relevant Region to obtain approval to place the slot machines at the site. Most Regions provide approval for installation of slot machines for a period of one to five years (except Basque Country which has established a term between three and six years or Asturias between one and ten years, depending on the terms of the agreement between the company and the site owner). Almost all the Regions require that a site owner use the same slot machine operator during the approved time period. The renewal of such authorizations is a simple process according to which the relevant bar, restaurant or operating company (*empresa operadora)* executes a document serving as an installation bulletin or authorization which is then filed with the respective Region's gaming authority.

Additionally, certain Spanish autonomous communities (excluding Andalusia, Madrid, Extremadura, Castilla y León, Asturias, Balearic Island, La Rioja and Navarra) have passed legislations which establish that, following their entry into force, no additional licenses for Type B or AWP slot machines may be issued. As a result, in order for the Company to operate new slot machines in such regions, the Company will be required to acquire a pre-existing license.

Slot machine operators are required to maintain certain documentation related to the slot machines they operate, including their authorizations to operate the slot machines in the event that an inspection takes place.

Slot machine operators are mandated to remit a gaming tax every quarter to the Region where the machine is being operated. This applies to all operational Type B and Type C slot machines, whereas Type A slot machines do not pay any gaming taxes. For slot machines, there is no taxable base as an annual fixed fee is required for each machine. The fee varies based on the type of slot machine and can be increased if the machine allows multiple players at once or if the game's maximum authorized price is altered by the wages per game. The gaming taxes are set at a fixed amount per slot machine, ranging from €3,000 to €4,020 annually, for each Type B slot machine, depending on the Region.

While gaming legislation does not specify a tax regime for players' winnings, players are nonetheless obligated to declare their gaming winnings as part of their annual income tax declaration and to pay the corresponding income tax.

Each Region has a sanctioning regime in the event of breaches and infringements of the applicable gaming laws and regulations. Additionally, manufacturing, distributing and operating authorizations may be revoked if the relevant regional authority determines that a manufacturer, distributor or operator has not complied with applicable gaming laws and regulations.

Finally, for land-based gaming locations, the limitations on advertising are set forth by Region. Such limitations are aimed at limiting advertising made without prior authorization from the relevant regulator and banning publicity which directly incites to gamble. Limitations on advertising are very restrictive in all Regions.

Casinos

In relation to Casinos, authorizations to establish and operate Casinos are governed by each Region. Generally, when a Region intends to grant authorizations for a new Casino, it conducts a public tender. Companies participating in the public tender each provide a proposal that sets forth how the proposed Casino falls within the requirements of the intended authorization. Requirements for a new Casino may include size, location, approximate number of jobs to be created, the types of financial guarantees to be provided by the applicant and the amount of the investment to be made in that Region. Additionally, Casinos must offer certain complementary services to the gaming activities, such as a restaurant service. The Region will grant the authorization to the applicant whose proposal best matches the terms and conditions of the intended authorization.

In addition to obtaining authorization from the Region to establish a new Casino, the applicant must also obtain authorization from that Region to operate the Casino. The authorization to operate the Casino is not transferable without prior approval by the competent authority subject to certain conditions. A transfer of ownership interest in the Casino, however, is permitted, so long as the Region is notified, or in some Regions, the Region approves the transfer. Similar to a company intending to operate a Gaming Hall, a company intending to operate a Casino must satisfy certain requirements, such as having valid corporate status in Spain, having a primary business purpose of operating Casinos, being organized by individuals and having a minimum fully subscribed share capital (for example, €12 million in Madrid and €600,000 in Castilla-La Mancha). In addition, shares are to be nominative and participation in more than one to six Casinos (depending on the Region) within the relevant Region is prohibited. In addition, the shareholders of record and directors of a Casino company must not have been convicted of any criminal offense. These authorizations are usually granted for an initial period of up to three to 15 years and then are automatically renewed (pursuant to the payment of a fee which is usually not material for the company) for successive periods varying in length of up to four to 15 years, depending on the Region. Generally, an authorization holder must obtain prior approval from the granting Region if it intends to deviate substantially from the terms and conditions under which it was granted the authorization to install the Casino or from the authorization to operate the Casino. For instance, the change of location within the Region of an authorized Casino in certain cases is forbidden and, in others, as in Valencia, subject to prior authorization by the Region. A sanctioning regime exists in the event of breach or infringement of the applicable Casino laws and regulations. Additionally, the regional authorities may revoke the authorization of a company to operate a Casino if they determine that such company has not complied with the applicable laws and regulations.

On March 17, 2016, the Region of Galicia approved a new regulation on Casinos that also applies to existing authorized Casinos. Amongst others, this regulation creates the Regional Registry of Casinos and Gaming Halls for companies manufacturing and importing Casino material or operating Casinos and Gaming Halls in the Region of Galicia, and introduces the possibility for companies already operating a Casino in the Region to install and operate one additional hall (as an annex) located outside the premises of the main Casino, provided that the relevant requirements are fulfilled and that the additional hall is authorized by the competent authority. Among other requirements, the additional Casino hall must be located in a different city but within the same province as the main Casino. Additionally, according to the regulation, the additional hall may have a maximum gaming area of 80% of the total gaming area of the main Casino. In addition to the specific obligations for the installation and operation of the additional hall, it is subject to the same obligations and provisions as the main Casino.

Generally, Casinos are subject to periodic compliance inspections by the relevant regional authorities.

Casinos are required to provide certain services, including restaurant and bar services. Casinos must also comply with certain personnel requirements and maintain certain accounting records as required by the applicable laws and regulations. Casinos operating slot machines are also subject to compliance with the relevant laws and regulations approved by the relevant Region on this matter. The number of machines is generally determined by the authorization.

Casinos are mandated to remit gaming taxes to the corresponding regional authorities on a quarterly schedule. These gaming taxes comprise of both direct taxes related to gaming and ancillary taxes such as those on property income and business activities. In Spain, the gaming taxes that are directly tied to the operations of the Casino can be a fixed and/or variable rate and can be distinguished into three principal categories:

(1) Table Gaming Tax: This tax is imposed as a percentage of the net income from tables and is a sliding scale. The amount is Region-dependent and fluctuates between 10% and 55%. For instance, in Region of Valencia the tax scale is as follows:

  (a) between €0 to €2,000,000 is levied 20%;

  (b) between €2,000,000.01 and €4,000,000 is levied 30%;

  (c) between €4,000,000.01 and €6,000,000 is levied to 40%; and

  (d) more than 6,000,000 is levied 50%.

(2) Slot Machine Tax: A fixed annual amount ranging from €4,500 to €5,800 is levied for Type C slot machines. This tax is paid even though the income from the machine may be zero or negative.

In any case, gaming tax is deductible from corporate tax which are paid on the profit of a company, after the deduction of all expenses.

The Regions of Madrid and Catalonia have approved acts allowing the establishment and operation of new Casinos subject to the relevant tender procedure in integrated development centers (*Centros Integrados de Desarrollo*) and touristic entertainment centers (*Centros Recreativos Turísticos*). These acts also establish a beneficial gaming tax regime for Casinos in both Regions, with a flat tax rate of 10% once a Casino begins operations in these centers. At present, no Casinos have been authorized to operate in any integrated development center in Madrid. In Catalonia, after the relevant tender procedure, an authorization to establish and operate a Casino in the Vila-seca and Salou Touristic Entertainment Center (*Centro Recreativo Turístico de Vila-seca y Salou*) was granted to a third-party by the Director General for Taxation and Gaming of the Government of Catalonia by means of the Resolution VEH/985/2018 of May 22, 2018, published in the Official Gazette of the Regional Government of Catalonia No. 7627 of May 25, 2018.

Bingo Halls

In Spain, we operate 39 bingo halls (which we include under "Gaming Halls" in our Casinos Business Unit; see "*Business—Operations and Activities—Our Business Units—Casinos Business Unit*").

In some Regions, authorizations to establish and operate bingo halls are only granted to charitable, cultural or sporting institutions and hotels. These institutions usually enter into operating agreements with the gaming companies that undertake the management of the bingo halls. In other Regions, an authorization may be awarded to such institutions or directly to a gaming company which intends to establish and operate a bingo hall. In either case, a company or other entity intending to establish and operate a bingo hall must satisfy several requirements in order to obtain the relevant authorization. In the case of companies, amongst other requirements, they must possess a valid corporate status under Spanish law, have a fully subscribed and paid in share capital in an amount that varies depending on the Region and the shareholders of record and directors must not have been convicted of a criminal offense. Furthermore, in some Regions (for example, Andalusia, La Rioja, the Balearic Islands and Catalonia), neither an individual nor a legal entity is permitted to be a shareholder in more than a certain limited number of bingo hall companies. Other shareholding restrictions are imposed on directors of bingo hall companies in some

Regions. For example, in La Rioja, neither an individual nor a legal entity may have a majority shareholding in the capital or hold management positions in more than three companies operating bingo halls, Gaming Halls or slot machines.

Additionally, in some Regions, such as in Catalonia, a company is not allowed to hold more than a certain limited number of bingo halls within the Region. In some Regions, the government has limited the total number of bingo halls able to be authorized in the Region. For example, in Catalonia, the total number of bingo halls is limited to 75 and, as of December 31, 2024, this limit has not been reached.

The authorization for operating a bingo hall varies in duration from three to ten years depending on the Region, generally with automatic extensions for the same periods of time, on the terms established in the relevant regional laws and regulations.

Bingo halls are subject to a number of regulations relating to the types of bingo games able to be played, location, size and opening hours of the bingo hall, the activities permitted at the bingo hall and the permitted activities of employees. The required traditional bingo card price ranges from €1.5 to €10. Generally, there is a required minimum pay-out from 63% to 75% depending on the Region of the amount wagered by players. In addition, the majority of the Regions have passed regulations concerning electronic bingo. These regulations establish the requirements for electronic bingo manufacturers including, among others, registration requirements at the relevant regional registry and requirements to obtain approval for the electronic bingo systems.

Bingo halls are required to pay gaming taxes on a quarterly basis to the Region in which they are located. These taxes are based on the selling value of the bingo card and not on any discounted price at which bingo cards may be sold to customers. In this regard, electronic bingos have a different taxation compared to bingo halls as cards in electronic bingos are played through electronic machines.

Bingo Gaming Tax: The tax base over which the gaming tax for bingo is calculated differs according to Region, and could be one of the following (in general would be 3.75% to 15% of wagered amount):

(a) over the selling price of the bingo card,

(b) over GGR, and

(c) over GGR plus an increase which is calculated over bingo prizes (in some Regions where we do not operate).

Generally, a limited number of AWP or Type B slot machines may be operated in or adjacent to the bingo halls. Casino-type or Type C slot machines and other gaming activities (other than betting activities) are not permitted in bingo halls but only within Casinos. Although the exact number varies by Region, generally, the number of AWP slot machines permitted in a bingo hall depends on the number of seats in or the surface of the bingo hall. Bingo companies are typically able to obtain the necessary authorizations to operate the stipulated number of AWP slot machines. In Valencia, a maximum of nine Type B slot machines and 25 special bingo machines are permitted, while Andalusia permits up to nine Type B1 and three Type B3 machines, and the number of B4 machines allowed is dependent on the relevant local authority’s decision. Additionally, in Madrid, a maximum of 30 Type B1 and B2 machines are allowed, with the number of B2 machines capped at 10.

In some Regions, interconnected versions of bingo are operated. Some Regions also allow interconnected versions of bingo between Regions.

Salones de Juego

In Spain, as of December 31, 2024 out of our 264 Gaming Halls, we operated 225 salones de juego which differ from Casinos because they only offer digital gaming tables (i.e., no physical gaming tables) and because Type B slot machines may be operated there (while Type C slot machines can only be operated in Casinos) and 39 bingo halls. Regional laws and regulations stipulate the requirements for operating slot machine Gaming Halls (*salones de juego y bingos*). While there are minor differences between the regional laws and regulations, the main obligations for Gaming Hall operators may be summarized as follows: (i) to be registered at the relevant regional registry as Gaming Hall operators, specifying the slot machine type that they intend to manage and operate at the Gaming Halls (*salones de juego y bingos*); (ii) to obtain a specific authorization; (iii) to provide a guarantee securing compliance with regulatory requirements, the amount of which will depend on the regional regulation; (iv) to obtain the relevant operating licenses awarded by the municipality; (v) to communicate to the regional gaming authority any changes in the information supplied to the regional authority for the purposes of registration (in some cases, such as license transfers or share purchases, the modification of such information may require prior approval by the Regions); and (vi) in some Regions (such as Castilla La Mancha and Valencia), to furnish annual or monthly reporting of certain information to update the Region's registry.

Each Region provides for a specific sanctioning regime in the event of a breach or infringement of the applicable Gaming Hall (*salones de juego y bingos*) laws and regulations. In terms of restrictions, for Gaming Halls (*salones de juego*), in some Regions, (i) the granting of new licenses has been temporarily suspended (i.e., Valencia, Castilla la Mancha, La Rioja and Murcia), (ii) there is a maximum limit on the number of Gaming Halls (*salones de juego*) permitted to operate and such limit has been reached or exceeded (i.e., Gaming Halls (*salones de juego*) in (a) Catalonia, where the maximum limit is 126; (b) the Balearic Islands where the maximum limit is 75 Gaming Halls (*salones de juego*) per million inhabitants, (c) the Basque Country, where the maximum limit is 170, (d) Asturias, where the maximum limit is 28 and (e) the Canary Islands, where there is a different limit for each island and such limit has been exceeded in all of them except for La Palma, La Gomera and El Hierro) and (iii) there is no limit on the number of Gaming Halls (*salones de juego*) (i.e. in Andalusia, Aragon, Navarra and Castilla León) but there may be restrictions on the distances between Gaming Halls.

In general, bars are permitted to have two Type B (AWP) slot machines, subject to certain exceptions in some Regions. For example, in the Basque Country, only one AWP slot machine per bar is permitted, and in Catalonia, bars with a usable area greater than 50 m^2 can have up to three machines. In Gaming Halls (salones de juego y bingos), the number of machines allowed typically correlates with the venue's size. For example, in Catalonia and Valencia, one AWP is allowed for every three m^2 of usable space. In Andalusia, a minimum of ten Type B1, B3, or B4 machines is required (the maximum number allowed is determined by the relevant authority and the minimum number is determined by the number of Type B slot machines), although each Type B4 machine cannot have more than five seats. In Madrid, a minimum of 15 Type B seats is mandated (with at least three machines installed), as one slot could have several seats (each seat places an independent bet on the relevant slot machine), and a maximum of ten B3 machines. In bingo halls, the requirements also vary by Region.

Betting Activities

Every Region in Spain has implemented regulations concerning betting activities in PoS. Some Regions have general betting rules, while others, like Aragón, have specific guidelines for sports betting in PoS. Betting is typically described as an activity where a player stakes a sum of money on a predetermined event with an uncertain outcome that the player cannot influence. There are generally two types of bets in PoS: live bets (placed before the event concludes) and pre-match bets (placed before the event begins). In addition, online live bets are also permitted for some forms of betting.

To serve as a betting organizer, regional regulations typically necessitate the operator's registration, and in some Regions, approval from the regional administration is required. Moreover, the operator is mandated to provide a guarantee, the amount of which varies by Region.

The tax structure for gaming activities varies by Region, with the authority to approve tax rates resting with distinct local entities. Gaming taxes are accumulated on a monthly basis and are paid quarterly for both online and retail operations.

For retail operations, the tax rates on net win vary by Region. The applicable tax for land-based sports betting ranges from 10% to 20%.

Online Gaming

Spanish State Law 13/2011, adopted May 27, 2011 on gaming (*Ley 13/2011, de 27 de mayo, de Regulación del Juego*) (as amended, the "*Gaming Act*") is the primary legislation governing the national gaming sector in Spain and provides a framework for the management and conduct of gaming activities on a national level, in particular for those gaming activities conducted by means of electronic communication, including, among others, the internet, television, telephone, interactive systems and software tools where the physical presence of players is ancillary (in contrast to traditional gaming activities played in person).

The Gaming Act aims, among other goals, to encourage a varied and multi-dimensioned gaming market in Spain, enabling third parties to provide statewide games (other than lottery) by means of electronic communication, subject to State control to protect the different interests involved and preserve public order. With respect to non-occasional lottery games, the Gaming Act designates the National Lottery Operator (*Sociedad Estatal de Loterias y Apuestas del Estado*) and the National Organization of the Blind (*Organización Nacional de Ciegos Españoles*) as the only operators authorized to operate such games on a national basis. State-owned operators competing against Cirsa and this state monopoly are only present in Spain. The Gaming Act has been implemented with the approval of different regulations, including, amongst others, those related to licensing by Royal Decree 1614/2011 of November 14, which develops the Gaming Act with respect to licenses, authorizations and gaming registers (*Real Decreto 1614/2011, de 14 de noviembre, por el que se desarrolla la Ley 13/2011, de 27 de mayo, de regulación del juego, en lo relativo a licencias, autorizaciones y registros del juego*), the technical aspects of gaming activities by Royal Decree 1613/2011 of November 14, which develops the Gaming Act with regard to the technical requirements of gaming activities (*Real Decreto 1613/2011, de 14 de noviembre, por el que se desarrolla la Ley 13/2011, de 27 de mayo, de regulación del juego, en lo relativo a los requisitos técnicos de las actividades de juego*) and those ministerial orders governing various types of games (including, among others, horse betting, sports betting, poker, blackjack, bingo, roulette, slot machines and crossed betting) (the "*Ministerial Orders*"). On February 27, 2018, the Spanish government carried out a public consultation over the suitability of modifying the Ministerial Orders regulating the different types of online games in Spain. Although the public consultation closed in March 2018, the Ministerial Orders regulating the different types of games have not been modified to date. Non-regulated games are prohibited.

The purpose of the Gaming Act is to govern online gaming activities carried out on a national basis in order to preserve public order, combat fraud, prevent addiction, protect the rights of minors and safeguard the rights of participants in gaming activities. The Gaming Act also regulates advertising, sponsorship and promotion activities relating to gaming. The Gaming Act additionally sets forth: (i) the legal definition for certain games; (ii) the primary factors to be taken into account by the Spanish authorities when approving regulations governing the types of games that may be provided; (iii) prohibited games; (iv) individuals prohibited from participating in games governed by the Gaming Act (for example, minors, individuals who have voluntarily requested to be banned from gaming activities and, in sports betting, involved in the activity on which the bets are placed); (v) rules relating to consumer protection and on responsible gaming (including rules such as the implementation of sufficient internal controls to flag gaming by at-risk groups and informing the public about making safe choices in relation to gaming activities and the prohibition of minors' participation in the respective gaming activity); (vi) the applicable licensing regime for state-wide gaming activities conducted by means of electronic communication; (vii) the authorization regime for lottery games; (viii) monitoring measures applicable to operators and participants; (ix) standardization of gaming technical systems; (x) sanctioning and tax regimes; and (xi) the entities that are authorized to operate non occasional lottery games in Spain.

Anyone seeking to provide gaming activities on a regular basis must obtain a general license for the relevant game category identified by the Gaming Act by means of a public tender. After obtaining the general license, the operation of each of the games within the scope of a general license is subject to the grant of a specific license. Likewise, the provision of gaming activities on a non-regular basis requires prior authorization.

General licenses may be granted for a ten-year period with the possibility of renewal for a subsequent ten-year period, except in those cases where the number of general licenses awarded is limited and certain conditions set forth in the Gaming Act occur that justify the need to call for a new public tender after the initial term has elapsed (i.e., the existence of a third-party interested in obtaining a license). Specific licenses will be granted per each type of activity (sports betting, online casino games, etc.) and for a term of between one to five years, with the possibility of being renewed for subsequent terms of the same period. The regulations for each type of game establishes the term of the relevant specific license and the conditions for renewal. Notwithstanding the above, specific licenses are renewed almost automatically and at almost no cost. Both general and specific licenses are granted nationally and they also require the holders of the licenses to grant guarantees to secure compliance with the Gaming Act and its implementing regulations.

The costs of the auction of online gaming licenses in 2012/2017 amounted to approximately to €10,000. The auction of online gaming licenses was then based on qualitative and not quantitative criteria. The costs included corresponded to the administrative tax paid, updated every year according to the consumer price index.

Holders of general licenses are typically required to grant a guarantee of €1.0 million. Holders of general licenses who are entitled only to organize and operate contests are required to grant a guarantee of €250,000. Holders of specific licenses must grant an additional guarantee, besides the guarantee concerning the general license, the amount of which is set on a case-by-case basis by the Spanish Gaming Authority with the limits established for each type of game in its specific regulations.

If a holder of a license intends to engage in advertising and promotional activities related to the license, the holder must obtain prior authorization to do so, as governed under RD 958/2020. Pursuant to RD 958/2020, advertising of gaming activities is subject to special restrictions, limitations and prohibitions, and gaming operators are obliged to adopt prevention, awareness-raising and intervention mechanisms to control the adverse effects of gaming on its consumers. Recently, the Spanish Supreme Court (Judgement no. 527/2024 of April 2, 2024, and Judgement no. 671/2024 of April 19, 2024), annulled some of the provisions of RD 958/2020 due to a lack of proper legal basis. Following this judgement, some of the main restrictions, limitations and prohibitions set by RD 958/2020 that remain in force are: (i) the sponsorship limitation, specially focused on sport-related activities or events; and (ii) the restriction of gaming advertising focused or related to minors throughout media, internet and social networks. Further regulatory development of RD 958/2020, specifically concerned with controlling the adverse effects of gaming among minors and the prevention, awareness-raising and intervention mechanisms to control the adverse effects of gaming on its consumers is yet to be approved.

Each Region has passed, or will pass in the future, similar regulations as RD 958/2020 that will be applicable in the relevant Region (for example, Cantabria, Aragón, Madrid, Castilla León, Castilla La Mancha, Balearic Islands, Navarra and Galicia). These regulations will enforce similar obligations such as those mentioned above in order to control the adverse effects of gaming, specifically on minors. A more severe sanctioning regime may be applicable in relation to these new regional regulations and new scenarios are expected to be included in these regulations, whereby an operating authorization may be revoked if the relevant regional authority determines that an operator has not complied with applicable gaming laws and regulations.

On March 15, 2023, Royal Decree 176/2023 regulating the development of safer gaming environments was published. Although it does not set daily, weekly or monthly limits per player, RD 176/2023 consolidates the enforceability and material scope of the currently applicable framework and entails new obligations for operators in the matter of "Responsible Gaming," which was regulated by Law 13/2011 by the establishment of general limits per bettor (i.e. €600 per day, €1,500 per week and €3,000 per month) and had been developed by means of RD 176/2023. RD 176/2023 obliges each player to register online previously to play (through such registration, the company verifies the eligibility of the player by age), establishes new categories of vulnerable participants or risk groups based on their gaming habits and defines certain categories of "privileged clientele (VIP player)," "participants with intensive gambling behaviors" (players that lose €600 per week during three consecutive weeks or €200 euro if the player is under 25 years old), "participants with risky gaming behaviors" and "young participants" (players under 25 years old). RD 176/2023 provides for unique safety measures for each participant category. For example, "participants with intensive gambling behaviors" must receive a monthly summary of their gaming activity and are prohibited from using deposit funds or using credit cards, "young participants" may not be subject to any form of promotional activity whose object is unrelated to the operator's gaming activity and "participants with risky gaming behaviors" may not be subject to any form of promotional activity at all. Operators are required to apply different responsible gaming measures depending on the category in which each participant falls. If a player is classified as a "participant with intensive gambling behaviors," credit card use is prohibited for betting, and the operator is obliged to send them a notice communicating that they have fallen under this category. In order to get out of this classification, such player must not lose the amount that originally caused them to be labelled as such for six consecutive weeks. If a player is classified as a "young player," promotion of any kind from the operator is not allowed.

The primary obligations of holders of general and specific licenses include the following (among others): comply with the terms and conditions set forth in the license documents; record the relevant data the Register of Persons Associated to Gaming Operators (*Registro de Personas Vinculadas a Operadores de Juego*) and other records identified in the Gaming Act; comply with anti-money laundering and data protection laws and regulations; establish relevant measures to prevent minors, disabled people and other people for whom gaming is prohibited pursuant to the Gaming Act to access gaming activities; adopt consumer protection policies; have their gaming technical systems duly standardized by the Spanish Gaming Authority; and enter contracts with users in accordance with the terms of the applicable laws and regulations.

Pursuant to the Gaming Act and its implementing regulations, gaming licenses shall be terminated for the following reasons (among others): (a) not obtaining a favorable standardization report by the Spanish Gaming Authority to convert the provisional licenses into final licenses; (b) at the specific written request of the holder of the license; (c) termination of its term (including renewals where applicable); or, (d) upon a decision issued by the Spanish Gaming Authority recognizing the occurrence of one of the following causes of termination (among others): (i) the discontinuation of any or all of the conditions whereby it was issued; (ii) death or incapacity of the individual or entity holding the permit, dissolution or extinction of the entity holding the license or permit, or discontinuation of the activity for which the licenses were issued or a lack of activity for at least one year, in the case of licenses; (iii) declaration of bankruptcy or declaration of insolvency of the entity holding the license or permit in any other proceeding; (iv) imposition of termination as a sanction under relevant disciplinary proceedings; (v) non-performance of the basic conditions of the permit or license; (vi) assignment or transfer of the license through merger, split, or share of a business branch without prior authorization; or (vii) holding a license obtained under false pretenses or alteration of the conditions whereby it was granted. In those cases where the cause for termination can be cured, the Spanish Gaming Authority may ask the holder of the license to cure it within a one-month term. Should the cause of the termination be cured within the term provided, the procedure to terminate the license will be ended. Otherwise, the license will be eventually declared terminated.

On June 1, 2012, two general licenses allowing for the provision of betting activities and other games (as defined in the Gaming Act), and specific licenses allowing for the provision of poker, roulette, sports fixed odds betting, blackjack and "punto y banca," were granted to Cirsa Digital, S.A.U. (currently, Sportium Apuestas Digital, S.A.) by the Spanish Gaming Authority, and duly registered in the General Gaming Registry on June 14, 2012. In addition, the Company was later granted specific licenses in connection with online slot machines, horse fixed-odds betting and other fixed-odds betting (i.e. bets with fixed-odds such as roulettes, bingos and virtual races where probability of win is pre-established). These licenses were recently extended by the Spanish Gaming Authority and also include the authorization to engage in advertising and promotional activities related to such games. In particular, the two general licenses were renewed in April 2022 for a new period of 10 years and the eight singular licenses will expire between 2025 and 2027. However, the latter can be renewed for a new period of five years at no significant cost.

The general licenses granted to Cirsa Digital, S.A.U. were conditional upon the Spanish Gaming Authority's final and favorable certification of the technical gaming systems. On April 4, 2013 the Spanish Gaming Authority approved the technical gaming systems of Cirsa Digital S.A.U. for a period of ten years (until April 4, 2023) which was then extended on January 23, 2023 for a further period of ten years (until January 23, 2033). The most recent certification verified the game systems' compliance with the technical requirements required for the performance of gaming activities in Spain. The certification extends to the components, hardware and software included in the Final Technical Report filed by Sportium Apuestas Digital S.A. This certification is only related to online software systems and the external audit for such certification is carried out every two years. The Spanish Gaming Authority resolution certifying the systems also rendered these formerly provisional licenses final.

The authorization and organization of games, raffles (i.e., similar to a lottery – the holder or holders of the awarded number win a prize), contests, bets games and other gaming activities provided on a national basis in Spain are subject to the gaming tax under the Gaming Act. In general terms, the gaming tax applies fixed tax rates ranging from 10.0% to 22.0%, depending on the gaming activity to the relevant game's gross revenue (in case of mutual bets, raffles and contests) or the relevant game's net revenue (in case of bets with consideration or other games). The 2018 General Budget standardized the tax rate for bet games and online gaming at 20% (over the gross revenue) including all sports betting. However, if the company is based in Ceuta or Melilla, as in the case of the majority of companies like *Sportium*, this rate is 10% and it applies on net revenues (i.e., after payment of prizes) and includes all kind of bets. This new regulation was passed on July 3, 2018, entered into force on July 5, 2018, and effective as of July 1, 2018.

In addition to the gaming tax, the Gaming Act also establishes a gaming duty which seeks to cover the costs of the gaming authority's regulatory activities. As a general rule, the gaming duty is equal to 0.075% of the gross revenue of the relevant game and is paid on December 31 of each year. The Gaming Act establishes that the general budget law for the relevant year may set the percentage of gaming duty for that year. No relevant changes for gaming operators have been introduced to this gaming duty of 0.075% for 2024.

The Ministry of Consumer Affairs (*Ministerio de Consumo*), through the Spanish Gaming Authority, regulates and oversees online gaming activities in Spain. It has assumed the powers to oversee the proper functioning of the gaming sector and safeguard the availability and provision of competitive gaming services for the benefit of users. Its main goal is to authorize, supervise, monitor and sanction, as the case may be, the development, conduct and marketing of games and other gaming activities. It safeguards the integrity, safety, reliability and transparency of gaming operations, as well as compliance with gaming legislation and with the conditions established for the conduct of games, For example, on its latest technical resolution on online gaming, issued on July 18, 2023, the Ministry updated the identification requirements of participants in games, established controls on subjective prohibitions on participation and provided data models of the monitoring system for recording gaming operations. Furthermore, on March 14, 2024, the Spanish Gaming Authority initiated a public consultation concerning the potential adoption of a resolution to regulate horses and sports fixed-odds betting operators into the global bets market investigation services.

Each player is obliged to register online to engage in online gaming. This is the moment at which the gaming operator is responsible for verifying each player's age and eligibility. As explained, players are capped at their losses depending on their age. In this regard, we have set up protocols to manage how each of our departments operate when a behavior constituting or leading to risky behaviors is detected.

The Regions, within the scope of their respective territories, also have the power to regulate gaming activities conducted by means of electronic communication including, among others, television, telephone, interactive systems and software tools where the physical presence of players is ancillary to the game (in contrast to traditional gaming activities played in person). This power exists as long as the Region does not encroach on the powers reserved to the State by the Spanish Constitution under the terms construed by the Spanish Constitutional Court. The Regions also have their own gaming authorities regulating, supervising and controlling gaming activities carried out within their respective territories.

Certain Regions have already approved laws and regulations governing the provision of gaming activities by means of electronic communication (including Madrid, Extremadura, Aragón, Asturias, Illes Baleares, Cantabria, La Rioja, Murcia, Valencia and Navarra). Furthermore, the Royal Decree 958/2020, which regulates commercial communications for online gaming, was approved in November 2020. The Royal Decree imposes strict limitations on gaming advertising in order to protect public order and social interest.

Panama

The gaming industry in Panama is regulated by the Gaming Control Board - *Junta de Control de Juegos* ("*JCJ*") - a department of the Ministry of Economy and Finance. The JCJ may authorize private parties to operate gaming activities through the execution of administrative licensing contracts over which the JCJ retains supervision. The JCJ may also conduct public tenders. The Games Department of the JCJ is also responsible for the supervision and administration of amusement only slot machine halls, Gaming Halls, betting agencies and similar gaming activities in Panama. To apply for a Casino license, potential operators must have a legal representative in Panama, pass all background checks, either be incorporated in the country or registered in the Panamanian public registers and have more than five years' experience in the activity.

In February 1998, slot machines were re-classified as amusement-only slot machines and their respective authorizations, as granted by the JCJ, were declared valid for 20 years from their respective authorization dates. Each company that had been authorized by the JCJ to conduct gaming operations prior to February 1998 was permitted to operate only the number of slot machines already authorized.

Regulations limit the issuance of new slot machine licenses within the designated area as defined in the Law Decree No. 2 dated February 10, 1998. In 2009, a number of legislative changes and regulatory developments in the gaming industry in Panama led to changes in the ownership and operating structure of our Casino business and increased gaming tax rates for operators of the licenses.

Although we have a license to operate Type C slot machines, we only operate Type A slot machines in Panama. These Type A machines can only be operated in Casinos and Type A Casinos. There is no limit to the number of slot machines allowed inside each Casino or Type A Casino, although Law Decree No. 2 limits the number of Type A Casino licenses that an entity is permitted to hold and operate within a specific geographical area or "designated area." As of December 31, 2024, we owned a total of 40 Type A Casino licenses in Panama, although only 34 of these licenses are being operated. Further, we operate two Casinos with tables in Panama. Although each license is individual and will be renewed once the 20 year term expires, of the 42 total licenses we own, 26 licenses will expire in 2038. Provided that the cost of the licenses remains the same, the Company would have to pay \$13 million for the renewal of these 26 licenses and \$9 million for the renewal of the remaining licenses. The Majestic Casino will expire in 2043 and all the other licenses will expire in similar terms. As of the date of this annual report, the cost of renewal of each license is \$500,000 per Type A Casino license, \$1,000,000 per Casino license and \$50,000 per online license, the terms of each being 20 years. Licenses require a one-off payment for the amount stated and do not require additional periodic payments during their term of validity. We are currently subject to litigation over our licenses in Panama, see "*Business—Litigation—Challenge over the number of Type A licenses we hold in Panama*."

Panamanian applicable law does not limit the number of individuals who can bet. However, a self-exclusion procedure exists and can be activated directly by the interested party by means of a request to the JCJ. The JCJ then issues a resolution ordering the relevant operators not to allow that person to place a bet. Likewise, in online gaming, in addition to self-exclusion, individuals can directly establish maximum limits per month.

Casinos

We also possess a 50% stake in Majestic Casino, a Casino situated in the Multicentro complex in Panama City. In 2003, our subsidiary, Gaming & Services, and Luna Brillante S.A., a stakeholder in the group that owns Hotel Decapolis and the Multicentro shopping mall, formed a joint venture and established Majestic 507 Corporation, S.A. (previously known as MultiCasino S.A.). This was done with the intention of operating a Casino in Multicentro. The JCJ granted Hotel Decapolis a license to operate a Casino in the Multicentro shopping mall, which is adjacent to the hotel, for a duration of 20 years. We also participate in the operation of a Casino in Chorrera, operated by Alma de Panama Oeste S.A.

Taxation

Gaming taxes in Panama do not depend on the number of operating machines or tables and are paid on actual win. These gaming taxes accrue monthly and are payable within the first 14 days of the following month. According to the first paragraph of Article 11 of Law 28 of 2012, which modified Article 61 of Law 2 of 1998, the tax rate for Type A slot machines in Casinos is 18% on a gross monthly income and the tax rate for gaming tables in Casinos is 12% on the gross monthly income. However, pursuant to a judgment of the Supreme Court of Panama of February 9, 2017, this first paragraph of Article 11 of Law 28 of 2012 was declared unconstitutional, as published in the Official Gazette No. 28515 A of April 30, 2018. The declaration of unconstitutionality has been effective since April 30, 2019, but as of the date of this annual report, we are still paying the aforementioned gaming taxes. There are no payouts or wagers in Panama.

Additionally, pursuant to the Panamanian Tax Code, the current corporate income tax applicable is 25%.

On May 4, 2015, the Panamanian government passed Ley 27 de 2015 which established a 5.5% selective excise tax on amounts "cashed out" (winning for customers) in gaming activities (which became effective on June 23, 2015). This tax replaced the 7% selective excise tax applicable to gaming prizes higher than $300. Before the adoption of the 5.5% selective excise tax, gaming prizes below $300 were exempt from the excise tax.

Republic of Colombia

Gaming activity is a monopoly of the Colombian state and may only be conducted by entering into an agreement with *Empresa Industrial y Comercial del Estado Administradora del Monopolio Rentístico de los Juegos de Suerte y Azar* ("*COLJUEGOS*"), a public entity created by Decree 4142 of 2011, which is responsible for the administration, operation and regulation of the national gaming sector. COLJUEGOS commenced operations on April 17, 2012 and replaced *Empresa Territorial para La Salud—ETESA en Liquidación* ("*ETESA*"), which was liquidated by Decrees 175 of 2010, 4816 of 2010 and 4961 of 2011 and 873 of 2012 issued by the Colombian government. It was also established by Decree 4142 of 2011 that all existing enforceable contracts and agreements entered into by ETESA (including the concession agreements that we entered into with ETESA) would continue with COLJUEGOS under the same terms and conditions.

The Colombian gaming market is highly regulated and operators are required to: (i) prove legal possession of the equipment and components used for the operation of the games; (ii) obtain a previous validation or zoning certification from municipal authorities indicating that the land on which Casinos or slot machines will be located can legally be used for gaming operations; (iii) obtain an authorization to operate Casinos or slot machines from COLJUEGOS through concession agreements; and (iv) once the competent authority grants the necessary certifications as required, execute a concession agreement with COLJUEGOS to operate Casinos and/or slot machines. The applicable law requires that the term of the concession agreements for the operation of Casinos and slot machines may not be less than three years or more than five years. Winner Group currently has two concession agreements. These concession agreements run until April 2028 and June 2029 and entitle Cirsa to operate (i) 251 gaming tables and 397 slot machines and (ii) four gaming tables and 7,350 slot machines respectively. We amend these agreements each time we decide to open a new establishment or increase or decrease the number of slots and tables in a single Casino. In this regard, a particular Casino may install slots and gaming tables under different concessions. Any Casino can contain gaming tables and/or slots at any given moment. Notably, Colombia has not set a cap on the total number of Casinos that can be in operation within its borders.

All of our Casinos in Colombia are covered by these two concession agreements with COLJUEGOS as in Colombia there is no specific license per Casino, but all machines and tables are grouped under one or more agreement. The machines and tables operated in the last eight Casinos acquired in 2023 are covered under the agreement expiring in June 2029. The machines and tables operated in the remaining Casinos are covered under the agreements expiring in April 2028 and June 2029. The renewal of these agreements is an administrative process, and no material payment or fees are involved.

Articles 1.7.4 and 3.1.4 of COLJUEGOS Agreement No. 08 of 2020 prohibit minors and individuals with mental illnesses who have been declared legally incompetent by a court from participating in games of chance. Additionally, players who have self-excluded through requests submitted to authorized operators are barred from participating in online gambling. Other than these exclusions, Colombia does not classify players based on intensive gambling behaviors and does not impose restrictions to their participation.

Likewise, in Colombia, there are no legal limits for gambling. However, in the online gaming industry, all operators must require each player to impose personal daily, weekly and monthly limits for gambling, without which the player will not be able to register or play. Furthermore, Colombian applicable law does not impose restrictions on payouts or wagers.

In recent years, COLJUEGOS has leaded numerous initiatives aimed at promoting the legal gaming industry. For instance, in April 2023, COLJUEGOS authorized the online operation of instant lottery games. Additionally, in March 2024, COLJUEGOS approved resolutions to legalize previously unauthorized slot machines, with the goal of regularizing approximately 100,000 slot machines across Colombia.

Taxation

From January 1, 2012, the National Taxes and Customs Authority (*Dirección de Impuestos y Aduanas Nacionales de Colombia*) was responsible for the collection of gaming taxes and administrative duties payable by gaming operators but COLJUEGOS has assumed this function since it entered into operation. Gaming taxes are levied for the fiscal year 2025 as follows: (i) slot machines have a rate of 12% over the gross income minus prize payments; and (ii) gaming tables have a fixed monthly tax of COP $5,696,000 for each of the Casino tables (for example, blackjack, poker, baccarat, craps and roulette), the equivalent of approximately $1,374.61 (using an exchange rate of COP 4,143.72 per U.S. dollar), which on an annual basis corresponds to approximately $16,495.32 for each table. In Colombia, we operated 255 gaming tables as of December 31, 2024, therefore, the total annual tax to be paid will amount approximately to $4,206,307.38 (using an exchange rate of COP 4,143.72 per U.S. dollar). In addition to the above, administrative fees are collected at 1% over gaming taxes. Since November 2016, it has been mandatory to connect all slot machines to the gaming authority's central online system for the purposes of monitoring gross revenues.

Further to the declaration of State of Emergency, the Colombian Government introduced certain temporary tax measures with Decree No. 175, issued on February 14, 2025. Pursuant to these measures, online gaming, whether operated within the national territory or from abroad, became subject to VAT. As Winner Group S.A. engages in online gaming, it is designated as a withholding agent for VAT, effective from February 22, 2025 until December 31, 2025, when the temporary tax measures established by the Colombian Government will expire.

Additionally, Decree No. 175 of 2025 established a temporary 1% stamp tax rate applicable to public instruments and private documents, including negotiable instruments, that are executed or accepted within the national territory, or executed abroad but enforceable in Colombia or generating obligations within the country. This stamp tax applies to instruments documenting the creation, existence, modification, or termination of any obligations, as well as their extension for an amount equal or greater than 6,000 UVT (*Unidad de Valor Tributario*), currently $298,794,000 (approximately $72,107.67, using an exchange rate of COP4,143.72 per U.S. dollar).

Finally, pursuant to Article 240 of the Colombian Tax Code, the corporate income tax applicable for fiscal year 2023 and onwards is 35% and according to Article 317 of the Colombian Tax Code, capital gains tax is levied at 20% rate on winnings.

Mexico

The Mexican government is divided into three levels of government: federal, state and municipal. The gaming industry in Mexico is regulated at a federal level by the Federal Law on Gaming and Lotteries (enacted in 1947) and the Federal Regulations on Gaming and Lotteries (enacted in 2004). Pursuant to the provisions of these law and regulations, all forms of gambling are generally prohibited subject to expressly permitted lotteries and games which are legally regulated. The federal authority responsible for issuing gaming permits, regulating gaming activities, inspecting gaming facilities and imposing sanctions is the Ministry of Interior (*Secretaría de Gobernación* or "*SEGOB*").

The Mexican gaming legal framework as a result of 2004 Regulations set out to: (i) expressly ratify existing permits, including the terms pursuant to which they should be governed; (ii) outline the process to obtain new permits; (iii) defining where gaming facilities may be located; (iv) recognize the role of operators as providers of gaming services to gaming permit holders; (v) authorize limited forms of advertising; and (vi) recognize electronic modalities of permitted bingo games that are likewise allowed under existing permits, among others.

On November 16, 2023, the Mexican government amended the Federal Regulations on Gaming and Lotteries. Previous to the 2023 amendments, gaming permits for slots and sports betting were granted by the Ministry of the Interior subject to the terms and conditions discussed above. The amendments to the Federal Regulations on Gaming and Lotteries expressly prohibited, and continues to prohibit, the establishment of gaming centers near schools and work centers.

Pursuant to the 2023 amendments, the Federal Regulations on Gaming and Lotteries prohibited betting activities through slot machines, playing cards, dices and roulettes in Mexico, establishing that such activities can only be practiced by existing permit holders and operators until the expiration of their permits. For gaming operators with gaming permits then in force, they could continue operating during the term of their respective permits or up to 15 years (if the term of the permit exceeds 15 years) and would be eligible to renew their gaming permits beyond such period. However, the renewal will only allow installations of traditional bingo halls and sport bookings and excludes slot machines and gaming tables. If renewals are not granted, operators may apply for new permits on the basis that any new permits are similarly limited to traditional bingo halls and sport bookings. Changes to gaming center locations require the issuance of a new gaming permit. Such amendments were disputed before the Mexican courts which have upheld in a final decision that the amendments do not affect our current operations in Mexico. As a result, the disputed regulations that include these prohibitions will not be applicable to our Mexican subsidiary, which will be able to continue operating under the prior regulatory regime until the term of its current licenses expires.

A permit issued by SEGOB is required for the installation and operation of gaming facilities. The issuance of permits is subject to the fulfillment of certain requirements, among which, for example, is obtaining a favorable opinion of the state, municipal or delegation authority of the place in which the premises subject of the permit will be located. Pursuant to the 2023 amendments to the Federal Regulations on gaming and lotteries, licenses are exclusively available for application by Mexican entities. Prior to these amendments, Mexican entities could form partnerships with foreign entities authorized by SEGOB to act as operators of gaming permit holders. We currently operate our gaming facilities through our Mexican subsidiary, PRINGSA.

Permit holders must comply with certain obligations, including, but not limited to, the following: (i) obtaining authorizations to re-locate the gaming premises, (ii) deliver quarterly and annual financial statements as well as insurance policies covering permitted activities within established deadlines, (iii) provide monthly reports on income and payment of government fees, (iv) obtain a bond to guarantee payment of unpaid prizes and (v) notify SEGOB of any transfer of shares or any change in the shareholders' structure. Failure to comply with such obligations or the ones specifically set forth in gaming permits may result in the imposition of fines, the revocation of gaming permits and/or the closure of gaming facilities.

Our gaming permits in Mexico are valid until May 2030 and August 2033. Mexican gaming law does not establish a certain number of gaming permits to be granted per region or inhabitants. The obtaining of the gaming permits has no cost, but we are required to pay a variable amount determined by SEGOB for each of the gaming permits as federal duties on a monthly basis.

Permits for the installation and operation of sport book halls and Casinos that include bingo and sports betting activities will be issued with a maximum validity of 15 years and may be extended for up to 15 additional years, provided that the permit holder complies with the permit's terms and conditions alongside its obligations under the Federal Law on Gaming and Lotteries and its Regulations.

Gaming premises are also subject to compliance with administrative law obligations in accordance with applicable state and municipal laws. Each of the 32 states of Mexico has its own laws and regulations concerning matters that fall under their jurisdiction, and therefore administrative law requirements may differ from place to place.

As a general rule, a land use or zoning certificate, opinion, license or authorization issued by the municipal authority, an operational license issued by the municipal authority and a civil protection authorization issued by the local civil protection authority are required prior to and for the operation of gaming premises.

Mexican applicable law does not impose restrictions on payouts or wagers, nor limits the amount that individuals can bet (except (i) when cash is used, which is limited to approximately $18,000 per day (during Casino business hours), per transaction or per person, as the case may be, pursuant to AML regulations, and (ii) with respect to taxes on payouts, as further explained below). Additionally, the Mexican legal framework does not consider specific regulations or restrictions with respect to individuals that may be deemed as "vulnerable or at-risk customers," with "intensive gambling behaviors," or similar (except for the express prohibition for individuals under the age of 18 to bet or gamble).

Taxation

In Mexico, the gaming industry, including slots and tables, is subject to a variety of taxes. These include "Federal taxes" such as corporate income tax (the entities in the industry are subject at the regular CIT regime that establishes a 30% tax rate), Excise tax (IEPS) and SEGOB tax ("*participación*" according to Article 5 of the Federal Law on Gaming and Lotteries which in 2023 amounted to 6.9% of our net operating revenues) which are paid to the Mexican tax agency and SEGOB, respectively. In addition, pursuant to the last paragraph of Article 27 of the IEPS law, each state has the possibility of establishing its own taxes on gaming and raffles. As such, each state may impose taxes on different activities and at different rates inherent to games with bets and draws.

Payouts and gaming taxes are also regulated both by state law (of which the current maximum tax rate for winners is 6% of the price value) and federal law (of which the current maximum tax rate for winners is 1% of the price value).

Online Gaming

Although online betting and gaming operations are not expressly regulated in Mexico, such operations are in practice treated as remote betting centers and governed by general principles of Mexican law. The Federal Regulations on Gaming and Lotteries regulates remote betting centers as centers legally authorized to capture bets placed through the internet, telephone or electronic means but still require them to have a physical establishment. However, in administrative practice, it has been interpreted that a company that is authorized to operate remote betting centers is permitted to collect bets placed through the internet, telephone or electronic means regardless of whether it has a physical establishment. Therefore, a company that is authorized to operate remote betting centers can make use of a website or application to develop and run betting operations through the internet. Our Mexican subsidiary PRINGSA has held a permit to operate remote betting centers in Mexico since May 17, 2005 and has been authorized to operate the online betting site www.ganabet.mx, i.e., GanaBet, as a licensee (with Operadora General de Entretenimiento, S.A. de C.V. as operator) since December 8, 2022. From October 1, 2023, PRINGSA changed the domain name of the online betting site to www.sportiumbet.mx, operating under the same conditions granted to GanaBet. Additionally, PRINGSA was authorized to operate the online betting site www.casinolife.com.mx as sole licensee since March 18, 2022, but such betting site is not currently in operation. The Group’s online betting licenses are linked to our gaming permits, both of which expire in 2030.

Anti-money Laundering Regulations

In Mexico, our operations are considered vulnerable activities under its anti-money laundering regulations and, therefore, subject to the obligations described in “*Risk Factors—Risks Related to Our Business—Our business may be negatively impacted by the economic volatility and political conditions in Spain and other markets in which we operate, heightened inflation, trade wars, unemployment and other geopolitical and macroeconomic factors beyond our control*.” These obligations are as follows: (i) identifying clients and users (KYC); (ii) periodically requesting clients and users information about their activities or occupations, and, if such clients and users participate in vulnerable activities, requesting information about the existence of any beneficial owner thereof; (iii) safeguarding information on vulnerable activities for at least five years; (iv) allowing ex-officio inspections; and (v) filing periodic notices to the Ministry of Finance and Public Credit with respect to the aforementioned obligation. As of the date of this annual report, (i) there is no specific regulation for the protection of persons with gambling addictions in Mexico and (ii) we have not been provided with information regarding any fine in connection with AML regulations. Additionally, pursuant to AML regulations, cash operations involving bets made by individuals and prizes paid by Casinos are prohibited when these exceed $18,000 per day (during Casino business hours), per transaction or per person, as the case may be.

Italy

We primarily operate in the Italian AWP and video lottery terminals (“*VLT*”) slot machines market through our Slots Italy Business Unit. As of December 31, 2024, we wholly owned nine Gaming Halls in Italy (which are reported under our Slots Italy Business Unit), of which three are also bingo halls. See “*Business—Our Business Units—Slots Italy*.” We have also extended our Online Gaming & Betting Business Unit in Italy by acquiring E-Play24 and other online gaming companies. See “*Business—Operations and Activities—Our Business Units—Online Gaming & Betting Business Unit.*”

Our Italian VLT and AWP concessions and licenses expired on December 31, 2024 and have been extended until December 31, 2026, as explained below. Considering the amount of VLT and AWP slot machines operated by the Company in Italy as of the date of this annual report such amount would have amounted to, approximately, €39.7 million for a nine-year period. Our Italian gaming concessions have historically been extended by the Italian government subject to payment of an extension fee (which was equal to approximately €7.5 million for VLTs (€1,916.67 per year for each VLT license from July 1, 2023 to December 31, 2024) and €950,600 for AWPs (€66.67 per year for each AWP license from July 1, 2023 to December 31, 2024), €621,000 for bingos (approximately €103,500 per year for each bingo license from January 1, 2023 to December 31, 2024) and €40,000 for online licenses, in each case based on the fees paid for the most recent extensions, which ran until December 31, 2024). Pursuant to the Italian Budget Law for 2025 (Law No. 207 of December 30, 2024), land-based gaming concessions and licenses are extended for another 24-month period (i.e., until December 31, 2026) through the payment of €108,000 per year for each bingo hall license (to be paid in two installments on January 31 and June 30 for each year of extension) and €60 and €2,000 per year for each AWP and VLT license, respectively (based on the number of AWP and VLT licenses held by the Company as of December 31, 2024, to be paid in three annual installments on March 15, July 15 and October 1 for each year of extension). Therefore, the total cost for the 24-months term extension of our land-based gaming concessions and licenses would amount to approximately €12.1 million (of which €10.3 million for VLT licenses, €1.1 million for AWP licenses and €648,000 for bingo hall licenses).

The extension of the term of bingo concessions granted by the Italian legislator in 2017 against payment of an increased fee (as noted above, further term extension against payment of increased fee have been granted also later on) was challenged in Court by certain Italian gaming operators, which claimed that the fee increases that were paid in order to extend the term of the concessions should be refunded. On March 20, 2025, the Court of Justice of the European Union ("CJEU") issued a decision (C-728/22, 729/22 and 730/22) stating that, according to Directive 2014/23/EU, any material change in concessions (including the extension of the final term) cannot be made without a prior public tender. However, the CJEU also stated that the extension itself (and not just the extension fee) would have to be disapplied in its entirety. It is now up to the Italian Courts to apply the decision of the CJEU and to decide its consequences (i.e., whether operators are entitled to a refund of the increased fees without also terminating the effect of the extension). In any case, it is possible that the same principles will be applied to the term extension against increased fees granted by the Italian legislator with respect to other gaming (such as VLT and AWP) concessions, including pursuant to the Italian Budget Law for 2025.

With respect to online gaming concessions, on December 17, 2024, the Italian government has issued a new tender offer for a nine-year period, which may be awarded against a payment of €7 million for each concession. The deadline for operators to submit applications is 5:00 p.m. (CET) on May 30, 2025, with final concessions to be awarded by the ADM on September 17, 2025. Until the new concessions are awarded, the current online gaming operators may ask to the Italian government a technical extension of the current concessions until September 17, 2025, with the possibility of a further three-month extension. The extension up to September 17, 2025 is subject to the payment of €19,444.44 until February 15, 2025 and €8,310.5 until July 15, 2025 and the fee for the further three-month extension will be determined by the ADM. Although each group of companies can apply for up to a maximum of five of such online gaming licenses, we are only applying for one online gaming license. We face uncertainty of being awarded new concessions within said new public tender process. Failure to renew our Italian concessions could have a material adverse effect on our business, financial condition and results of operations.

At the same time, steps are being taken to reform the regulatory framework governing the Italian gaming and betting industry. Under Article 15 of the Law no. 111 of August 9, 2023, the Italian government has been delegated to reform this industry along the following principles: (i) ensuring full protection of vulnerable peoples and preventing gaming disorders; (ii) ensuring safe and controlled environments for gaming operations through effectively planning the physical locations of gaming operations through consultations between local authorities; (iii) counteracting illegal gaming by improving transparency regulations; and (iv) adapting tax levies to be based on specific types of gaming activities. With reference to the aim to protect vulnerable peoples and avoid gaming disorders, Law no 2023/111 requires implementation of specific measures such as decrease of limits of bets and winnings (currently existing only for slots and online gaming), tools for self-exclusion from gaming, identification process of the players in order to exclude underage persons from gaming and communications on legal gaming consistent with the need to protect the most vulnerable persons.

Aligning with these principles, the Italian Government issued the Legislative Decree No. 41 of March 25, 2024 ("*Decreto Riordino Online*"), in force and fully effective since April 4, 2024, on the matters of online gaming and betting (i.e., through any platform either on the internet, TV or smartphone) (see below "*—Online Gaming & Betting Regulatory Framework*"), and provided for the launch of a new tender for online betting and gaming concessions to replace existing ones. The existing implementation of reforms of other betting and gaming activities (such as VLT, AWP and gaming and bingo halls) is currently postponed.

The Competent Authority

The Italian betting and gaming regulatory authority is the *Agenzia delle Dogane e dei Monopoli* (the "*ADM*") which, pursuant to Law Decree No. 95 of July 6, 2012, has replaced the *Amministrazione Autonoma dei Monopoli di Stato* as the gaming competent authority starting from December 1, 2012.

In Italy, public games and betting are regulated by numerous legislative provisions, as well as decrees enacted by the director of the ADM.

Pursuant to Legislative Decree No. 496 of April 14, 1948, the regulation of public gaming in Italy (such as games and betting) is reserved to the state, although regions and municipalities enact regulations affecting the gaming activity in their respective territories. For example, regulations can invoke regional competence on protections to health from gaming and of mayoral powers to intervene on the opening hours of commercial establishments and public premises. Furthermore, the ADM has the power to grant concessions to private gaming operators as selected through public tender processes and possesses regulatory powers over gaming activities.

The ADM regulates, among others, (i) the specific games and bets which may be offered in the Italian gaming market and, when not already provided by law, (ii) the minimum and maximum bets that may be accepted by operators, (iii) the payout ratio of winnings, (iv) the compensation of gaming operators (concessionaires) and (v) the number and location of points of sale.

For each category of game there is a specific regulation providing for, among other things, the compensation of the operators (concessionaires) and, in certain cases, the profits of the pubs and venues (i.e., lottery, scratch and win). This is not the case for the AWP and VLT concessions, where only the payout and the tax level are determined by law, leaving network operators with the freedom to negotiate commercial conditions with pubs and venues as how to distribute net gross revenue.

General conditions to carry out gaming and betting activities in Italy

Under Italian law, in order to carry out gaming and betting activities, it is mandatory for operators to obtain the following:

(i) a concession awarded by the ADM in compliance with European Union and Italian national public procurement rules; and

(ii) a license (or certified communication of commencement of activity – *segnalazione certificata di inizio attività* – to the extent that a license has been previously issued) to run the betting, slot machines and bingo activities for each single point of sale under Article 86 Royal Decree No. 773 of June 18, 1931 ("*Consolidated Law on Public Security*"—*Testo Unico di Pubblica Sicurezza*).

Additional permits (such as authorizations and clearance – *nulla osta*) may be required according to specific legal provisions and ADM regulations.

The concessionaires selected by public tender and the ADM enter into a concession agreement, the terms of which are set by the ADM and cannot be negotiated. The concession agreement regulates, among other things, permitted activities under the concession, the concessionaire's obligations towards the ADM, the duration of the concession and the concession fee, the conditions for the assignment of the concession to third parties, etc.

The license is granted with respect to each sales point, is personal and is subject to revocation or suspension in cases of violations committed by the authorized person. Persons who have a criminal record or who are unable to demonstrate that they meet the moral and professional requirements cannot obtain a license. Additionally, licenses can be revoked if the authorized person subsequently fails to satisfy the application criteria. Carrying out gaming activities without fulfilling the relevant licensing requirements is a criminal offense.

ADM Decree No. 31857 of September 9, 2011, requires AWP and VLT slot machine operators, including operators who already have contractual relations in the AWP and/or VLT slot machines fields, to meet certain conditions and to register on a special list. Only the entities on such list are authorized to operate AWP and/or VLTs slot machines. In accordance with the abovementioned decree, the applicant must hold: (i) a license referring to the slot machines as provided by Royal Decree No. 773 of June 18, 1931 (as subsequently integrated and amended), valid for the registration period; (ii) an anti-mafia certificate in compliance with Law No. 575 of May 31, 1975; and (iii) a deposit receipt of €150. In addition, the applicant must inform the ADM if it holds any other licenses issued by the ADM. The decree also establishes certain rules governing any violations of law by the applicant.

AWP Slot Machines

The regulation of slot machines in Italy is principally governed by Royal Decree No. 773 of June 18, 1931 (*testo unico sulle leggi di pubblica sicurezza* - consolidated act on public security laws – "*TULPS*") and its subsequent amendments. The Italian slot machines market is highly regulated. Namely, paragraph six of Article 110 of TULPS distinguishes between AWP slot machines which are gaming devices with a game card inside, and VLT slot machines which are gaming terminals connected to a central system and without a game card inside.

Pursuant to Article 86, paragraph 3 of the Royal Decree No. 773 of June 18, 1931, governmental authorization is required for either the manufacture or import of each individual slot machine, and for its installation and operation in a specific location. The Italian regulator must also be notified in the event that a slot machine is relocated, transferred or scrapped.

Pursuant to Italian Budget Law No. 289 of December 27, 2002, only interlinked slot machines would be permitted to operate in Italy after October 31, 2004. This requirement of interlinking allows regulatory authorities to monitor slot operators for regulatory and tax purposes (Communication Protocol 6A). The ADM is responsible for the regulation and oversight of the interlinked slot machine system.

Under the concessions, operators can operate their own slot machines and offer interconnection to third parties (operators that were not granted a concession) for a specified fee. The terms of the grant of the initial concessions to Cirsa Italia and a number of other operators established certain targets for the interconnection of slot machines by a specified date. Network operators are responsible for installing the network, conducting all activities directly or indirectly related to the management and operation of the network and paying the so called PREU tax (Prelievo Erariale Unico) levied on slot machine operations. Subject to certain conditions, a network operator can also charge to third parties that it interconnects to its network a fee of not higher than 3% of the revenues per machine. These concessions also include the service standards to be met by the operators.

Locations where slots may be installed

Venue requirements for VLTs and AWP slot machines are regulated by ADM Decree No. 30011 of July 27, 2011, and by the specific provisions set forth in Article 6 of ADM Decree No. 37100/RU. ADM Decree No. 30011, VLT machines are permitted to be installed in Gaming Halls, agencies for betting on sporting events, agencies for totalizer (games based on the choice of numbers or randomly allocated numbers into a prize pool) and fixed-odds betting on horse races, gaming shops whose primary activity is marketing public gaming products, public gaming rooms specifically established for the conduct of lawful gaming that provide a separate area for games reserved for underage players, and establishments dedicated exclusively to AWP and VLT slot machines. VLTs can be installed in the abovementioned shops, halls or premises on the condition that such shops, halls or premises hold a specific gaming license, which in the case of Gaming Halls are not subject to term or renewal, in accordance with the Italian regulatory framework.

Moreover, AWP (and not VLT) slot machines may be also installed in bars, cafés and similar establishments, which have as their principal activity the retail sale and serving of food and beverages; restaurants, fast-food outlets, inns, trattorias and similar establishments, the main activity of which is the serving of meals; bathing establishments; hotels, inns and similar establishments whose main activity is the provision of hospitality; private clubs, associations and similar collective bodies, which carry out social and recreational activities reserved for members only, provided that they hold a license for the serving of food and drink; commercial or public establishments other than the above or other areas open to the public or in private clubs for which the specific license referred to in Article 86(3) of the TULPS has been issued.

The decree provides that the maximum number of slots that can be installed and operated on any of these premises must be proportionally limited to the premises' surface area and/or to the total number of slot or other betting machines hosted.

A number of local authorities at a regional and municipal level in Italy have, from time to time, issued orders and enacted regulations that purport to place further restrictions on where slots can be located. Cirsa Italia has challenged, and presently intends to continue to challenge, any attempts to enforce such orders and regulations on the basis that the authority to regulate gaming activities is reserved to the Italian Parliament. To date, these regulations have not had a material adverse effect on the business or results of operations of Cirsa Italia.

AWP Slot Machines

AWP slot machines are machines that are activated with metal coins or special electronic payment instruments and provide, for each game, a maximum cost of one euro and a minimum duration of four seconds. In addition, there are no restrictions on the maximum number of games that can be played by each customer.

AWP slot machines distribute cash winnings of no more than €100.00 and the payout must not be less than 65%, calculated on a total cycle of a maximum of 140,000 bets.

These devices must be type-approved and connected to the telematics network referred to in Article 14-bis, paragraph 4, of Presidential Decree no. 640 of 26 October 1972. This network is owned by the Customs and Monopolies Agency established by Article 22 of Law No 289 of 2002, which provides hardware and software infrastructure.

To operate, AWP slot machines include a gaming card, on which the tax-relevant data on the amount of bets is stored. Article 38(3) of Law No 388 of 23 December 2000, no. 388, set an obligation upon manufacturers for the certification of the technology at the manufacturers' expense and for importers of AWP to receive an authorization of distribution, pursuant to Article 38(4) of Law No 388 of 2000. Under Paragraph 5, it is also mandatory for concessionaires to obtain an operating nulla osta.

Article 1, paragraph 943 of the 2016 Italian Stability Law directed the Italian Treasury to issue a decree aimed at beginning a process of technological improvement and modernization of existing slot machines – this has yet to be completed. The same Article 1, paragraph 943 of the 2016 Italian Stability Law provided, among other things, that commencing from January 1, 2017, only those slot machines that allow remote monitoring (*gioco pubblico da ambiente remoto*) will be authorized. This provision resulted in a reduction by approximately 30% of the number of slot machines in operation as compared to July 31, 2015.

The 2016 Italian Stability Law also provided for the decrease in the number of AWP slot machines installed in the Italian market. For that purpose, Law Decree No. 50 dated April 24, 2017, and Decree of the Ministry of Economy dated July 25, 2017, reduced the number of authorizations for AWPs to 345,000 AWPs by December 31, 2017 and to 265,000 by April 30, 2018. In order to achieve this goal, each concessionaire had to reduce the number of authorizations it held as of December 31, 2016 by at least 15% by December 31, 2017 and by at least 34.9% by April 30, 2018. Cirsa Italia has duly reduced the number of authorizations relating to AWPs it held, achieving the mandated reduction level of 34.9% by mid-June 2018.

Without prejudice to the foregoing, the 2020 Italian Budget Law provided for the launch of tender for granting concession in the gaming sector, which has not been implemented as of the date of this annual report and there is no official information to the date thereof about the current expectations for launching a new tender process. As indicated, the limits applicable to AWPs and VLTs are as follows: (i) 200,000 rights for AWP machines, (ii) 50,000 rights for VLT machines, (iii) 35,000 rights for the operation of points of sale at cafes and tobacconists, as well as at other locations where it is possible to install AWPs and (iv) 2,500 rights for the operation of halls in which it is possible to place AWPs and VLTs where slots may be installed (see "*—Locations where slots may be installed*"). Additionally, the ADM and the Italian Minister of Economy and Finance have prepared a proposal in which a reduction of the number of AWPs in operation to 200,000 machines and a reduction of VLTs in operation to 45,000 machines is planned, to be discussed with the Conference of Italian Regions. On the basis of the output of such discussion, the Italian government will draft the legislative decree for the reorganization of the land-based gaming sector pursuant to the Law no. 111 of August 9, 2023. As of the date of this annual report, we cannot foresee when this legislative decree will be issued, but we do not expect it to be issued in the first half of 2025.

Starting from January 1, 2020, only AWP slot machines equipped with an electronic system for age control (i.e.¸ health insurance card (*tessera sanitaria*) reader system) can be operated to prevent minors from playing. Article 27, paragraph 4 of Law Decree No. 4 of January 28, 2019, clarifies that the introduction of the health card for access to AWPs is to be understood as referring to remote AWPs.

Under the current regulatory framework, after the 2020 Italian Budget Law, the PREU tax on slot machines has been set at 24% of collected bets as from January 1, 2021. We hold the relevant licenses to operate AWPs, and although we hold the concession, concessions are only required for AWPs to be connected to the ADM. We also hold a nine-year license as a network operator of AWPs, of which the current term has been extended until the end of 2026.

VLT Slot Machines

VLTs, which are slot machines connected to a central system that generates a winning series of numbers, are regulated by Law No. 77, dated June 24, 2009. Bets are processed on the central system and displayed on the terminal screen in real time in order to grant a higher level of security and control. The maximum cost of a single game is €10, with a minimum stake of 50 cents and payment can be made by prepaid card, coins or banknotes, gaming accounts, etc. Moreover, there are no restrictions on the maximum number of games that can be played by each customer. Pursuant to Article 1, paragraph 732 of Law No. 160 of 27 December 2019, VLT slot machines must have a minimum payout of no less than 83% for each gaming system. The maximum permitted winning, excluding the jackpot, is €5,000 and, up to this amount, may be paid directly in the gaming room. Higher winnings are paid by the concessionaire in accordance with the procedures displayed to the public in the gaming venue or on the video gaming machine. The jackpot may have a maximum amount of €100,000 in respect of each gaming venue (although the frequency depends on the Random Number Generator of the game and not per day) and a €500,000 maximum jackpot is set for all the VLT slot machines under the same game system (platform) in the whole country.

The games offered must not offend public decency or violate the provisions of the current copyright, trademark and patent law.

According to Article 9 *quater* of the Law Decree No. 87 passed on July 28, 2018, converted into Law No. 96, of August 9, 2018, in order to prevent players under the age of 18 years from playing, players were required to insert their government-issued health card to access the VLT machines from January 1, 2020.

Under the current regulatory framework, after the 2020 Italian Budget Law, the PREU tax levied on the amount of the collected bets on VLTs has been set at 8.5% of collected bets.

In addition, the win tax to be paid by players has increased to 20% on the quota of wins exceeding €200.

Law Decree No. 78 dated July 1, 2009 (converted into Law No. 102 dated August 3, 2009) mandated the organization of a tender procedure for VLT network operators, as required by Article 14 *bis*, paragraph 4, of the Presidential Decree No. 640 of October 26, 1972. Law No. 102/2009 set out the rules for the concession award procedure, including that (i) the ADM had to organize the award procedure for the concessions of the VLT network, (ii) the most economically efficient concession contractor had to be chosen, (iii) the duration of the concessions had to initially be nine years and could be renewed once (after such renewal period has elapsed, in order to obtain a new license, the Company has to participate in a new tender procedure once available) (Article 21, paragraph 4, of Law Decree No. 78 dated July 1, 2009), although they have been extended until the end of 2026, and (iv) the ten existing network system operators of slot machines in Italy already authorized to operate VLTs could request an extension of their concessions to include the VLT network. Certain technical and economic requirements had to be met for the ten existing network system operators to be authorized to install VLTs and to act as network system operators for VLTs. Unlike AWPs, there is no legal cap on the number of VLTs that can be granted by the ADM under the current legislation in force.

As of the date of this annual report, we hold licenses to operate AWPs, and although we hold the concession, concessions are only required for AWPs to be connected to the ADM. We also hold a license as a network operator. No concession is required for AWPs to be operated themselves, but are required for their interconnection to the ADM.

Illegal slot machines are subject to higher sanctions, including administrative fines from €5,000 to €50,000 for each illegal machine and the closure of the business which hosted the illegal slot machines from 30 to 60 days. Illegal gaming activities are subject to jail terms from three to six years and a fine from €20,000 to €50,000.

Bingo Halls

In Italy, as of December 31, 2024, we wholly owned nine Gaming Halls (which are reported under our Slots Italy Business Unit), out of which three are also bingo halls. Bingo hall licenses are subject to a nine-year expiry period, the most recent of which has been extended until the end of 2026. Licenses for Gaming Halls in Italy, without taking bingo halls into consideration, are not subject an expiry period. The operation of Gaming Halls has been permitted in Italy since 2000 (Ministerial Decree January 31, 2000, no. 29, issued pursuant to Article 16 of Law No. 133 of May 13, 1999). In Italy, 20% of the face value of the bingo card is required to be paid to the Italian tax authorities and 3.8% is required to be paid to the ADM. However, since November 1, 2009, under a pilot scheme implemented by the ADM, such percentages are reduced respectively to 11%—payable to Italian tax authorities—and 1%—payable to the ADM. Regulations require that 70% of the face value of the bingo be dedicated to prize payments.

Bingo can only be organized in a hall that is specifically authorized for such purposes. The concessionaire is entitled to payment of a remuneration equal to the income (taxes and fees deducted). All the expenses in relation to the business, the hall and the relevant equipment shall be borne by the concessionaires.

The 2018 Italian Budget Law provided for the renewal of all of Italy's 210 bingo concessions by means of a public tender process by September 30, 2018. The 2021 Italian Budget Law, due to the strain of COVID-19, extended the bingo concessions up until the tender procedure on September 30, 2023, on which a series of concessions of Gaming Halls in Italy, each for a term of nine years was planned to be awarded. The Italian Budget Law for 2025 (Law No. 207 of December 30, 2024) has further extended the terms of the bingo concessions up to December 31, 2026, subject to the payment of an extension fee of €108,000 per concession for each year of extension (in relevant installments), in view of the launch of the new tender procedure. We expect new tenders for this concession to take place in 2026 or after.

According to Article 1, paragraph 636, of the Law No. 147 of December 27, 2013, the rules for the public tender process to award the bingo hall concessions include, but are not limited to, the following: (i) the concessionaires shall pay a fee amounting to at least €350,000 for the award of each concession; (ii) the concession shall be for a non-renewable period of nine years; (iii) subjects already involved in gaming businesses within the European Economic Area are allowed to participate in the tender process and (iv) the concessionaires shall provide insurance or a bank guarantee for an amount equal to €300,000 effective for the whole duration of the concession. The provisions of this law have not been implemented so far.

Regulation and Taxation of the Italian Gaming Industry

New Framework on Retail Gaming

Modernization of AWP technology is currently addressed in Article 15 of Law No. 111 of August 9, 2023. On this basis, the Government has been delegated to implement the reorganization of the existing provisions on public games. The new legislative framework regarding retail gaming, which has not been approved as of the date of this annual report, will be contained in a subsequent legislative decree issued after the agreement between the state, regions and local authorities on the distribution of gaming venues in the Italian territory. The legislative decree, which is expected to be enacted in 2025, will also contain new technical rules to produce AWPs. Upon the enactment of such decree, we may face challenges in adapting our AWPs to the new technical rules. However, the closure of some bingo halls will depend on future tenders and their economic viability (and not directly on adapting our AWPs to the new technical rules). Hence, if the conditions of the new tender are not economically viable, this may imply the closure of some of the bingo halls.

As of the date of this annual report, only online gaming has been reorganized by means of the Decreto Riordino. In light of the delay in the issue of the legislative decree for the reorganization of land-based gaming, the Italian Budget Law for 2025 provides for a further extension of the expiry date of the concessions for the terrestrial gaming (including those concerning VLTs and AWPs) to December 31, 2026.

Laws Affecting Gaming Advertisements

Our operations in Italy are subject to Law Decree No. 158 of September 13, 2012, converted into Law No. 189 of November 8, 2012 which requires gaming advertisements to clearly indicate as a percentage, the probability of winning the advertised game, or, if not available, the historical percentage of similar games.

Pursuant to Article 9 of Law Decree No. 87 of July 12, 2018 (the "*Decreto Dignità*"), any forms of advertising, direct or indirect, in relation to off-line and online gaming and betting are prohibited. The Law Decree allowed for the continuation of advertising contracts that were in force on July 14, 2018, as subject to previous legislation until their expiry date, but whose duration could not last longer than one year from July 14, 2018. According to the same provisions, from January 1, 2019, sponsorships are also prohibited. Any breach of the mentioned legislation is subject to an administrative fine equal to 20% of the value of the sponsorship or advertising contract and, in any case, not lower than €50,000 per violation.

Anti-money Laundering Regulations

We are required to comply with anti-money laundering rules and regulations, including Legislative Decree No. 231 of November 21, 2007, as amended, which implements the EU's anti-money laundering directive, EU Directive (2005/60/EC). Under the decree, we are required to, among other things, verify the identities of our customers, record and preserve customer relationship data in a consolidated computer archive (*archivio unico informatico*) and report this information as well as any suspicious transactions to the competent authorities. Under the decree, we must also implement effective internal control measures and ensure adequate training to employees with respect to their obligations.

On February 15, 2019, the ADM published certain guidelines to prevent money laundering activities specifically in relation to concession operators (protocol No. 0027571/R.U.). The ADM guidelines introduced additional procedures and monitoring systems for VLTs concerning the tickets issued to customers following each game. As a consequence, VLTs' tickets now contain data such as the amount paid by the customer (coin in), the amount bet by the customer, gross and net win, the number of plays and the nominal value of the ticket (the amount due to the customer), the value of the win and other data, which is key to identify unusual factors from an anti-money laundering perspective. Cirsa Italia has adopted specific and unique procedures to comply with both current legislation and ADM guidelines. The information is also passed on to the tax authorities and the anti-money laundering competent authorities. In this regard, VLT's concessionaries notify the UIF (the Italian Financial Intelligence Unit, which is the competent anti-money laundering authority) bets considered suspicious according to the criteria they have established based on the ADM guidelines.

With regards to AWPs, given that they do not issue tickets and the maximum prize is €100, the anti-money laundering legislation is not applicable to them.

The Anti-Mafia Code

As of February 13, 2013, we are subject to the anti-mafia provisions established by Italian Legislative Decree No. 159 of September 6, 2011, as subsequently amended (the "*Anti-Mafia Code*"). Under the Anti-Mafia Code, we are required to, among other acts, provide the relevant public body with information regarding the Group and its related parties, such as shareholders, directors, general managers as well as any other natural person who may cohabit with such related parties. Such information must be transmitted prior to the execution of agreements or concessions with any public authority.

Online Gaming & Betting Regulatory Framework

Online gaming regulation in Italy is codified in Law Decree no. 223 of 2006 (converted into Law no. 248/2006), which introduced a "concessionary regime" for online gaming activities: gaming operators, licensed in any member state of the EEA, are entitled to conduct online gaming in Italy provided that such operators hold a specific concession issued by the ADM upon completion of a public procedure, in compliance with Law No. 88/2009.

In particular, the applicant operator (the "*Operator*") must meet certain requirements in order to request such concession: (i) the Operator must have either a gaming concession issued by any member state of the EEA (for at least one of the games authorized in Italy) or an adequate technical capacity (i.e., adequate infrastructure to offer at least one of the games authorized in Italy), along with the issuance of a bank/insurance guarantee for the amount of €1,500,000.00; (ii) the Operator's minimum corporate capital shall be equal to €1,500,000.00, attested to by financial statements for the previous two years of activity related to the gaming sector; (iii) the Operator's servers are not expressly required to be located in Italy, although they are required to be located within the territory of a member state of the EEA and (iv) additional requirements referring to the company and members of the board of directors (e.g., moral integrity) shall be met.

The number of concessions that can be granted is established by the Italian government and the application for licensing can be submitted only during the time frames set by the Ministry of Economy. On the other hand, the duration of such concessions is regulated from time to time in the contract executed with the relevant operator. E-Play24 holds an "online gaming" license issued by ADM, allowing it to operate online gaming activities in Italy. In particular, this license entitles us to operate sports betting, casino games, poker, bingo games, horse racing, card games and virtual games under different brands. For example, *Sportium* operates under the same license as E-Play24 albeit with a different domain. On December 17, 2024, the Italian government has issued a new tender for online gaming concessions for a nine-year period to be awarded against a payment of €7 million for each concession. We intend to apply for the renewal of E-Play24's online gaming license. Furthermore, the tender for the new online gaming concession provides that under each new license, an operator can operate a maximum of five brands. The current online gaming concession has expired on December 31, 2024; however, operators have the possibility to ask to the Italian Government for a technical extension thereof until September 17, 2025, pending the issuance of new concessions.

Additionally, in Italy, online gaming is also subject to the same restrictions applied to off-line gaming activities, including the Law Decree No. 87 of July 12, 2018, which prohibits any forms of advertising, even indirectly, in relation to gaming and betting and the Decree of the Ministry of Economy and Finance No. 666/2011.

Italian applicable law does not impose specific restrictions on the amount individuals are permitted to bet. However, each player, when opening a gaming account, must set a maximum daily, weekly or monthly deposit limit, and the player is not permitted to play once such limit has been reached. The player has the right to change the set limits, but any increase in the limit will take effect after seven days from the date of change, while reductions in limits take effect immediately.

Pursuant to Decreto Riordino Online, the ADM has launched a tender for awarding concessions for online gaming operation for the maximum duration of nine years (without renewal). For the issuance of the concession, any entity is required to comply with a set of requirements and conditions detailed in the Decreto Riordino Online and provided for in the tender notice and valid for the entire duration of the concession, in particular:

- possession of adequate experience and morality in the exercise of the activity of management and collection of games in one of the states of the European Economic Area and for the two fiscal years closed prior to the date of submission of the application, total revenues of not less than €3 million;

- the ownership of a technical-infrastructural capacity not less than that required by the ADM with the call for tenders supported by a technical report sworn by an independent third-party;

- the submission of an investment plan sworn by a third-party with a specific report on its sustainability proportioned with the duration and conditions governing the concessionary relationship;

- the commitment (conditional on the awarding of the concession) to the issuance in favor of the ADM of a guarantee;

- the payment of a one-time amount of €7 million for each license applied for.

Regarding the protection of players' health, the Decreto Riordino Online states that online gaming and the manner in which it is carried out must be supported by suitable advanced technology tools, with special regard also to artificial intelligence ones. For the protection of pathological gaming, the Decreto Riordino Online provides for certain criteria to be met, including:

- self-restraining measures for online gaming in terms of time, expenditure and loss of money, in particular, the current requirement that the online gaming operator must require the player, when opening a gaming account, to set a daily, weekly or monthly maximum deposit limit. The player has the option to change the set limits, but any increase will only take effect after seven days, while reductions will take effect immediately;

- introduction of automatic messages during the online game highlighting the duration of the game, real-time information to players on spending levels, when exceeding a certain preset time limit etc.;

- the current requirement that online gaming operators must provide players with tools for self-exclusion from gaming on a particular platform or on all gaming platforms in the territory, for a time period determined by the player himself; and

- engagement with online gaming sites on problematic gaming and the tools offered for prevention of pathological gaming and support to players.

Similar measures are likely to be requested for retail gaming through the establishment of a new legislative framework regarding retail gaming, expected to be contained in a subsequent legislative decree issued after an agreement has been reached between the state, regions and local authorities on the distribution of the gaming venues in the Italian territory.

The concessionaire must annually invest an amount equal to the 0.2% of its net revenues (in any case such amount not exceeding €1,000,000 per year) in information campaigns or responsible communication initiatives on topics, as annually determined by a government commission.

With regard to the procedure for the forfeiture or revocation of a gaming concession, the Decreto Riordino Online delegates to the ADM the means for assigning to the concessionaires a deadline for removing the causes that otherwise would lead to revocation or forfeiture of the concession.

In addition, to ensure the principle of stability of the concession rules, the Decreto Riordino Online regulates contractual fairness and the possibility for the concessionaire to agree with the ADM on an early expiration of the concession(s). Furthermore, to ensure stability of concession rules, it is provided that the fee and taxation regime of gaming activities shall not change during the concession's term and effectiveness.

According to the new online gaming tender, operators granted a license will pay as yearly rent an amount equal to 3% on gross gaming revenues and will be permitted to offer one website per license. The ADM will also be able to block payments to unlicensed gaming operators targeting the market.

Under the current regulatory framework, the online gaming tax varies depending on the type of Gaming and Betting game. For example, gaming taxes for online sports betting, digital betting and casino games are 24.5%, 24.5% and 25.5% of GGR (i.e., gross income after prizes payments), respectively. The gaming taxes for online card games is 25% of RAKE (i.e., the percentage of prizes paid out, from which the casino earns a 10%-15% fee). Finally, gaming taxes for poker, fixed-odds horse-racing (i.e. players bet "against the house," and if they win, they are paid the predetermined odds) and totalizer horse-racing (i.e. a type of bet where the prize is determined based on the total amount wagered by all players) are 25% of collection (i.e., gross income before prizes payments), 47% of GGR and between 3% to 6% of collection, respectively.

Anti-money laundering legislation is also applicable to online gaming. The ADM guidelines provide for the adoption by online concessionaires of tools that allow them to verify the identity of each customer who opens gaming accounts and any anomalies in the movement of such accounts.

Dominican Republic

The gaming industry in the Dominican Republic is regulated by the Ministry of Finance of the Dominican Republic *(Ministerio de Hacienda de la República Dominicana)* pursuant to national legislation concerning the regulation of games of chance adopted in 1964. The Ministry of Finance of the Dominican Republic is responsible for issuing gaming licenses. Casino licenses are issued to the owner of the site on which the Casino will operate. Five of our subsidiaries in the Dominican Republic have entered into operating agreements with local companies, pursuant to which we manage six Casinos. In the Dominican Republic, the number of Casinos is not limited by region or inhabitant. Accordingly, any hotel owner may apply for a Casino license. Furthermore, Casinos are not subject to gaming-specific corporate taxes or mandatory payouts.

Online gaming is allowed and regulated in the Dominican Republic pursuant to Resolution nº 136-2024.

Taxation

In the Dominican Republic, the total fixed taxation structure for casino gaming is based on the number of tables and slots, with monthly tax rates of DOP 70,450 (approximately, €1,065 per table per month) for up to 15 tables or slots, DOP 81,288 (approximately, €1,229 per table per month) for 16 to 36 tables or slots, and DOP 108,284 (approximately, €1,637 per table per month) for more than 36 tables or slots. For the year ended December 31, 2024, the Dominican Republic's corporate income tax rate was 27%. However, gambling activity is exempted insofar as the gambling tax replaces the corporate income tax.

Peru

Casinos

The gaming industry in Peru is regulated by the Ministry of Foreign Trade and Tourism pursuant to national legislation concerning the regulation of games of chance adopted in 1999. Law 27153/1999 establishes the main legal framework for the operation of Casinos and slot machines in the country, operations that form part of the tourism industry in Peru. Law 27153 also establishes the main requirements for the operation of gaming venues and minimum technical standards required for the operation of gaming equipment.

In Peru, Casino licenses are granted to hotels and restaurants included in the "five forks" category (i.e., the highest rating of quality services). The license's maturity term is five years and can be automatically renewed for periods of four years.

Taxation

In Peru, Casino table games are subject to a 12% tax on GGR per table, while slot machines are regulated and taxed by the Peruvian General Dicterorate of Casino Games and Slot Machines (*Dirección General de Juegos de Casino y Máquinas Tragamonedas*) at an average annual rate of PEN300 ($111) per machine. For the year ended December 31, 2024, Peru's corporate income tax rate was 29.5% with no payouts or wagers.

Online Gaming & Betting

The Online Gaming & Betting sector is also regulated at a national level in Peru. The license for Online Gaming & Betting operations is granted by the regulator for a period of six years. The gaming tax rate is computed as 12% of net win proceeds.

Costa Rica

Casinos

The gaming industry in Costa Rica is regulated by the Ministry of Public Security pursuant to national legislation concerning the regulation of games of chance adopted in 1922. Law No. 3/1922 establishes Costa Rica's main gaming legal framework.

In Costa Rica, Casino licenses are granted by the regulator in favor of hotels. For example, Cirsa has signed a management agreement with a hotel for a certain period that can range from five to 20 years.

Taxation

In Costa Rica, gaming taxes for both Casino tables and slot machines include a variable component of 10% of the Total Net Result (before CIT) per table or slot machine. The fixed component for tables is 60% of the minimum Costa Rican salary (CRC 277,320), while for slot machines, it's 10% of the minimum salary (CRC 46,220).

Morocco

In Morocco, each Casino has its own regulation (*Cahier des Charges*). In six out of the seven Casinos authorized to operate in Morocco (including our three Casinos), there is a limitation of entry imposed on Muslim residents in the country, although the Casinos have no entrance registry.

Online gaming only exists for betting, which is operated by a state agency, "*Marroquin des jeux sportives*," with 1,500 points of sale, whereas casino games are not allowed.

Casinos

The gaming industry in Morocco is regulated by the Ministry of Public Security pursuant to national legislation concerning the regulation of games of chance adopted in 2002.

In Morocco, Casino licenses are granted by the government in favor of the hotels with no maturity term. In the past, Cirsa subscribed to a management agreement with a hotel to operate the Casinos within their premises.

Taxation

In Morocco, gaming taxes for both Casino tables and slot machines consist of a variable component per slot or table, which is 6% of operating revenues (i.e., on a gain of 100 monetary units by the Casino, 20% VAT would be paid, and on the differential of 80 monetary units, a 6% gambling tax is paid).

Puerto Rico

Puerto Rico is home to several Casinos and gaming halls and one racetrack and, notably, recently legalized sports betting and slot machines outside Casinos and gaming halls. The Puerto Rico gaming commission is tasked with regulating all forms of gambling.

In 2022, Puerto Rico launched its commercial retail sports betting market, followed in June 2023 with the launch of its online sports betting market. Horse race betting in Puerto Rico is monopolized by the island's sole racetrack, which operates a horse race betting website and a network of off-track betting outlets. These off- track betting outlets are also permitted to offer video lottery terminals (VLTs). Casino licenses are legal and regulated, but granted only within hotels. However, recent regulatory developments have authorized the licensing of up to 45,000 slot machines that were illegally operating outside Casinos and gaming halls and these hotels.

Relevant regulations in Puerto Rico include: (i) Law 81/2019, which created the gaming commission and authorized sports betting, fantasy sports and slot machines outside Casinos and gaming halls; (ii) Law 221/1948, which established the legal framework for gaming activities in Puerto Rico; (iii) Law 11/1933, which established the legal framework for slot machines; and (iv) Law 83/1987, which regulates horseracing activities.

Currently, our land-based betting terminals are operated in partnership with Hipódromo Camarero as bets can be placed at the racetrack and on slot machines outside Casinos and gaming halls. In addition, our online gaming license is currently pending approval by the gaming commission. As of the date of this annual report, the Company intends to operate only in the online and betting market in Puerto Rico.

The minimum cost for an internet betting license is $50,000 per year, and licenses are granted for a period of three years. Applicants seeking an operator license must complete several disclosure requirements, including a business entity disclosure form. Internet betting operators must maintain at least one physical operating space or office with the capacity to provide customer service and respond to player complaints.

Taxation

Online sports betting revenue is taxed at 12% and land-based betting revenue is taxed at 7%, both subject to an additional 0.25% additional federal excise tax on handle. Winnings are not taxed in Puerto Rico.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The Company was incorporated on November 15, 2017 for the purpose of facilitating the Original Acquisition. Prior to the completion of the Original Acquisition on July 3, 2018, it had no material assets or liabilities, and had not engaged in any material activities, other than those in preparation for the Original Acquisition and its financing. The Company is a holding company that owns the entire share capital of Cirsa Finance and the Group.

In this annual report, we present the Special Purpose Consolidated Financial Statements of the Company and its subsidiaries as of and for the years ended December 31, 2022, 2023 and 2024, in each case, prepared in accordance with IFRS. The Special Purpose Consolidated Financial Statements have been audited by Ernst & Young S.L. and their auditors' report thereon is included elsewhere on our investor relations website. The Special Purpose Consolidated Financial Statements are presented in euro.

In the discussion and analysis below, where we discuss the results of operations, cash flows and working capital requirements as of and for the year ended December 31, 2024 compared to December 31, 2023 and the results of operations, cash flows and working capital requirements as of and for the year ended December 31, 2023 compared to the year ended December 31, 2022, we have derived the financial information for these periods from Cirsa's Special Purpose Consolidated Financial Statements.

The Company has retrospectively corrected an error identified in the Special Purpose Consolidated Financial Statements in the initial recognition, according to IFRS 3, of the business combination of Cirsa Gaming that took place on July 3, 2018, which results in an increase in the line items Goodwill and Shareholders' equity. In addition, the impact of currency translation differences regarding Goodwill amounts denominated in foreign currencies in respect of business combinations accounted in prior years has been retrospectively corrected, impacting the line items Goodwill and Currency translation differences.

The following discussion of the financial condition and results of operations of the Company and its consolidated subsidiaries, should be read in conjunction with the information contained in the Special Purpose Consolidated Financial Statements and related notes included elsewhere on our investor relations website. The following discussion contains forward-looking statements. See "Forward-Looking Statements," "Selected Financial and Other Information" and "Risk Factors" for a discussion on the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially and adversely from those contained in any forward-looking statements.

Overview

We are a leading gaming company in Spain, Panama, Colombia, Costa Rica and the Dominican Republic, and a key player in Italy, Morocco, and certain other Latin American countries (including Mexico, Puerto Rico and Peru). We operate in fully regulated markets only.

Our well-diversified product portfolio encompasses: (i) Casinos with a full entertainment offering, including slot machines, sports betting and, in certain Casinos (i.e., Casinos with tables), physical gaming tables (such as roulette, poker, blackjack and others), food & beverage and shows: and (ii) Gaming Halls (also commercially known as electronic casinos), with a narrower product offering compared to Casinos, including mostly slot machines, electronic roulettes, sports betting and, in certain instances, bingo games, all of which we include in the same Casinos Business Unit. Additionally, we operate slot machines in bars, cafes and restaurants across Spain and Italy. Furthermore, we offer online gaming and sports betting products through our websites, mobile applications and retail outlets. As of December 31, 2024, our operations included 83,827 slot machines (of which 35,599 are Casinos Business Unit slot machines, 25,083 are Slots Spain Business Unit slot machines, 11,015 are AWPs and 2,571 are VLTs in the Italy Slots Business Unit and 9,559 are betting terminals), 61 Casinos with tables, 122 Casinos without tables, 264 Gaming Halls, 654 gaming tables and 2,461 betting points.

Business Unit Reporting

Prior to January 1, 2023, we were organized into six Business Units: Slots, Casinos, Bingo, B2B (Business to Business), Online Gaming & Betting and Structure. From January 1, 2023, in an effort to reduce the number of our Business Units, make them more homogenous and ease the comparability of our results and financial information, we changed the segmentation of our Business Units in our financial statements. In light of this and considering the material differences in tax regimes and regulations applicable to each relevant geography, we split the Slots Italy Business Unit from the Slots Spain Business Unit. Accordingly, from January 1, 2023, we have five Business Units which are as follows: Casinos, Slots Spain, Online Gaming & Betting, Slots Italy and Structure. See also "*Presentation of Financial Information*" and "*Business—*

Overview.” In implementing these changes, our Special Purpose Consolidated Financial Statements as of and for the years ended December 31, 2024 and 2023 have been prepared on the basis of the new Business Units and comparative results as of and for the year ended December 31, 2022 have been restated. We believe that the Structure Business Unit includes items that are not material to our key metrics and therefore, we do not describe or discuss in detail the results of this Business Unit in this annual report.

Our primary basis of segment reporting is by Business Unit, which reflects the management structure of our business, our system of internal financial reporting and what we believe to be the predominant source of the risks and returns in our business. We report net operating revenues, EBITDA and profit/(loss) before tax for each of our Business Units. See note 3 to our Special Purpose Consolidated Financial Statements.

Our secondary basis of segment reporting is geographic, and we report operating revenues and total assets for Spain, Latin America and Africa (i.e., the three Casinos that make up our Moroccan operations) and Italy. See note 3.2 to our Special Purpose Consolidated Financial Statements.

In this operating and financial review, one of the key measures that we utilize to assess and analyze our performance and the performance of our Business Units is EBITDA, which on a consolidated basis we define as profit/(loss) before tax, depreciation, amortization and impairment, financial results, profit/(loss) on sale of non-current assets and loss/(profit) on investment in associates. We view EBITDA as providing a more useful tool to assess and analyze the performance of the Group and our Business Units and our overall liquidity than operating profit or net result.

Subsequent Events

On April 10, 2025 and April 28, 2025, the Company borrowed an amount of €15 million and €20 million, respectively, under the Revolving Credit Facility.

Results of Operations Attributable to Joint Arrangements

Based on the application of IFRS 11 and in accordance with the equity method of accounting, financial results of arrangements where the Group does not have a right to control the significant activities of a company are not consolidated in the financial statements regardless of equity ownership.

The following tables set forth net operating revenues and EBITDA attributable to equity method joint arrangements. These tables do not account for net operating revenues or EBITDA attributable to minority interests that exist within the Group.

	Year ended December 31,		
(in € millions)	**2022**	**2023**	**2024**
Net operating revenues	1,701.1	1,991.0	2,150.2
Net operating revenues of Equity Method Joint Arrangements:			
AOG	13.9	11.2	7.8
Montecarlo Andalucia	2.9	3.2	3.4
UORSA	8.6	9.1	10.0
Others	8.4	9.2	11.1
Total	**1,734.9**	**2,023.7**	**2,182.5**

	Year ended December 31,		
(in € millions)	**2022**	**2023**	**2024**
EBITDA	552.5	630.1	699.3
EBITDA of Equity Method Joint Arrangements:			
AOG	(0.2)	0.4	0.5
Montecarlo Andalucia	1.2	1.3	1.3
UORSA	4.2	4.6	5.2
Others	0.7	1.5	1.9
Total	**558.4**	**637.9**	**708.2**

Latin American Currency Effects

Our Latin American businesses account for a significant and increasing portion of the operating revenues, EBIT and EBITDA of the Group generally and of our Casinos Business Unit in particular. For the years ended December 31, 2023 and 2024, our operations in Latin America accounted for 30.3% and 32.4%, respectively, of our consolidated net operating revenues, 33.4% and 30.8%, respectively, of our consolidated EBIT and approximately 40.9% and 40.7%, respectively, of our consolidated EBITDA. While we endeavor to operate in markets with stable currencies, the results of operations and financial position of the Group and our Casinos Business Unit, in particular, have from time to time been adversely affected by currency fluctuations. During the period under review, the currency fluctuations that have had the most significant effect on our results of operations have been the appreciation of local currencies against the euro (except the Colombian peso). We expect that our results of operations and financial condition will continue to be impacted by the effect of currency fluctuations on our Latin American businesses in the future. As of December 31, 2024, our future results of operations are most sensitive to depreciations in the U.S. Dollar, followed by the Colombian Peso, the Moroccan Dirham, and the Dominican Peso. We generally have not entered into currency hedging transactions in the past and, other than to a limited extent, do not intend to enter into currency hedging transactions in the foreseeable future.

During 2022 and 2023, the Colombian peso experienced an average depreciation against the euro of 0.3% and 3.2% compared to the respective previous year. The depreciation of the Colombian peso against the euro during 2022 and 2023 adversely affected our results of operations. During 2024, the Colombian peso experienced an average appreciation against the euro of 4.1% compared to 2023, positively affecting our results of operations.

During 2022 and 2024, the appreciation of the U.S. dollar against the euro positively affected our results of operations. During 2023, the depreciation of the U.S. dollar against the euro negatively affected our results of operations. The average exchange rate of the U.S. dollar against the euro decreased by 3.1% and increased 0.2% in the years ended December 31, 2023 and December 31, 2024, respectively, as compared to the years ended December 31, 2022 and December 31, 2023, respectively.

During the year ended December 31, 2024, the appreciation of the U.S. dollar against the euro has positively affected our results of operations. The average exchange rate of the U.S. dollar against the euro increased by 0.2% and the average exchange rate of the Mexican peso against the euro decreased by 4.9%, in each case, compared to the year ended December 31, 2023. Additionally, during the year ended December 31, 2024, the Company recorded a positive impact of €2.7 million in its consolidated statement of changes in equity as a result of currency translation differences (whereas during the year ended December 31, 2023, the negative impact attributed to currency translation differences amounted to €31.3 million).

Due to translation effects, in our Special Purpose Consolidated Financial Statements, the depreciation of the Colombian peso in 2022 and 2023, the U.S. dollar in 2023 and 2024 and the other local currencies against the euro have resulted in a decrease in euro terms of the revenues of our Colombian, Panamanian and other Latin American businesses. In Panama, we are not exposed to rate fluctuations of the local currency as such currency is pegged to the U.S. dollar. The impact of these translation effects has been partially offset due to the appreciation of the U.S. dollar against the euro in 2022 and the incurrence of most of the operating costs of these businesses in their respective local currencies.

Currencies in Latin America may be particularly sensitive to the U.S. market following the recent increase in tariffs. Given that the U.S. is the primary export market for many Latin American countries, any changes in U.S. trade policies may have a significant impact on the economic stability of these regions. The increased tariffs may lead to higher costs for exported goods, which may, in turn, affect the exchange rates and increase inflation in Latin American countries.

The following table presents the average exchange rates of the euro used to prepare our financial information for each of the years and periods indicated.

	Average Exchange Rate				
	In the year ended December 31,				
One € Equals	**2022**	**2023**	**Variation**	**2024**	**Variation**
U.S. dollar	1.0500	1.0828	(3.1)%	1.0808	0.2%
Colombian Peso	4,478.7187	4,623.0736	(3.2)%	4,433,5487	4.1%
Mexican Peso	21.0387	19.0758	9.3%	20.0045	(4.9)%

Factors Affecting Comparability

Restatement of the Special Purpose Consolidated Financial Statements

The Company has retrospectively corrected an error identified in the Special Purpose Consolidated Financial Statements in the initial recognition, according to IFRS 3, of the business combination of Cirsa Gaming that took place on July

3, 2018, which results in an increase in the line items Goodwill and Shareholders' equity. In addition, the impact of currency translation differences regarding Goodwill amounts denominated in foreign currencies in respect of business combinations accounted in prior years has been retrospectively corrected, impacting the line items Goodwill and Currency translation differences.

Impact of COVID-19

In December 2019, a novel strain of coronavirus (COVID-19) was identified in Wuhan (China), rapidly spreading to nearly all regions around the world, including Spain and Italy, which caused the World Health Organization to declare COVID-19 a pandemic on March 11, 2020. In order to prevent the spread of the virus, governments around the world implemented travel restrictions, mandatory quarantines and self-isolations for infected people, business slowdowns or shutdowns, encouraging or requiring people to avoid large gatherings. Restrictions aimed at minimizing social contact and slowing down the spread of the virus varied from full lockdowns to closing retail stores, bars and restaurants. Furthermore, leisure activities and mass events were prohibited during such periods of lockdown. Due to the temporary closure of our businesses during the major part of 2020 and 2021 (i.e., Mexico where several Casinos were closed until October 2021 and Panama and Peru where several Casinos were closed until March 2021) and during a portion of 2022 (where our operations in Morocco remained closed until May 2022 and operations in certain Latin American markets were restricted by capacity and opening hours during the first half of 2022), our results of operations and cash flows for the years ended December 31, 2023 and 2024 may not be directly comparable to our results of operations and cash flows for the year ended December 31, 2022. See "*—Key Factors Affecting Our Results of Operations—COVID-19.*"

Key Factors Affecting Our Results of Operations

COVID-19

Effective March 30, 2020, we temporarily closed all our operations other than our online gaming and betting operations in accordance with the directives given by the countries where we operate. Such closures continued during most of 2021 and a portion of 2022, the latter during which our operations in Morocco remained closed until May and our operations in certain Latin American markets were limited by capacity and opening hours in the first half of the year. Our revenues and operations were impacted by such temporary closures and restrictions on opening hours and capacity of bars, sports betting and manufacturing facilities, as a consequence of the guidelines given by the respective governments of the countries where we operate.

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

- *Improving our liquidity position*: As of December 31, 2024, the Group showed negative working capital amounting to €(161.4) million, calculated as the difference between total current assets of €476.4 million and, total current liabilities of €637.7 million. Therefore, in order to increase our resilience and protect us from the uncertainty of economic and financial markets, maximizing liquidity has been one of the primary objectives of the Group, particularly since the beginning of the COVID-19 pandemic. In order to meet this objective, we launched a cash management plan in the first quarter of 2020 to ensure maximum cash availability. As part of this emergency cash management plan, we had fully drawn our Revolving Credit Facility as of March 13, 2020. The Revolving Credit Facility was progressively repaid up to May 24, 2023 when it was fully repaid. Additionally, in July 2020, we executed two new financing lines: (1) a second revolving credit facility, which originally matured in December 2021 but was repaid and cancelled in full on September 27, 2021 and (2) a term loan facility, which originally matured in September 2025 but was repaid and cancelled in full on November 7, 2022. During the periods under review, the Group issued several series of senior secured notes, the proceeds of which were used to repay and refinance certain existing indebtedness from time to time (including the repayment, in full or in part, of certain series of such senior secured notes) and for other general corporate purposes. Separately, several other credit lines with financial institutions have also been renewed and increased, providing the Group with additional liquidity when necessary, including extension of the maturity and increasing the size of the Revolving Credit Facility in August 2022.

- *Personnel expenses*: The Group made labor costs more flexible during 2020 through temporary labor force adjustment plans, mainly in Spain and Italy, that allowed businesses to suspend employment contracts or reduce staff hours, while applying for the state to pay a portion of employee wages. In the remaining markets where such plans did not exist, a combination of measures were implemented to reduce our costs and ensure that our employees were available to resume operations as soon as local authorities permitted.

- *Fixed gaming taxes in Spain*: Spanish gaming associations, of which the Group is a significant member, agreed to a full or partial suspension and/or postponement in the payment of fixed gaming taxes for fiscal years 2020 and 2021 in most of the Spanish tax jurisdictions in which we operate.

- *Operating leases*: We renegotiated a majority of our lease arrangements during 2020 and 2021 in order to fully or partially suspend and/or postpone payments during the state of emergency in each of the countries in which the Group operated.

- *Other fixed expenses*: We implemented a comprehensive cost reduction scheme by reviewing the terms and conditions with suppliers, cancelling contracts and/or implementing other cost reduction measures.

Our results of operations and profitability in each of our Business Units were largely affected by the temporary closures and restrictions imposed by governments during the COVID-19 pandemic in 2020 and 2021. Following the strong COVID-19 vaccination momentum and the lifting of restrictions in 2021 and 2022 in the markets where we operate, our operating hours and permitted capacity increased.

Casinos Business Unit

Our Casinos Business Unit is comprised of our retail gaming offering through our own managed halls in Spain and our Casinos and Gaming Halls businesses in Spain, Latin America and Morocco, as applicable. The revenues and profitability for our Casinos Business Unit have been impacted by a variety of factors, in particular the COVID-19 pandemic due to the temporary closure and restrictions on opening of our Casinos and Gaming Halls in Spain and other countries where we operate. Other factors include currency fluctuations, the effects of acquisitions and opening new Casinos and Gaming Halls or expanding Casinos and Gaming Halls, regulatory changes and location specific factors. Our Casinos Business Unit derives revenues primarily from gaming tables and slot machines, the popularity of games and the overall mix of gaming tables and slot machines. Revenues are also affected by the number of visitors to our Casinos and Gaming Halls, the average visit length and the average amount wagered by visitors.

Our revenues and profitability, as well as the comparability of our results from period-to-period, may be impacted by the acquisition of additional Casinos and Gaming Halls and the opening of new Casinos and Gaming Halls. Besides the costs of acquiring a Casino license or a Casino, we also incur costs in connection with the acquisition of new or additional slot machines for our Casinos and Gaming Halls and the refurbishment of our Casinos and Gaming Halls. We also incur start-up costs in connection with the hiring and training of staff for new Casinos and Gaming Halls. It also typically takes a period of time before a newly opened Casino or Gaming Hall attains profitability.

In several of our Casino locations, we presently operate the only Casino in the area due to our exclusive licenses. However, the performance of our Casinos Business Unit may be affected by regulatory changes in the number of Casino licenses issued, permitted slot machines per site, the minimum wager, licensing fees and taxes assessed on Casinos and Gaming Halls and slot machines, as well as by shifts in the regulatory framework. In addition to gaming industry regulation, our Casinos and Gaming Halls may also be impacted by other regulatory changes.

A part of our revenues generated from Gaming Halls in Spain (included in the Casinos Business Unit) are from our bingo operations. Bingo card sales tend to increase with the availability of larger prize pools which, in turn, depends on the number of players during each game. The development and implementation of linked Gaming Halls and similar technology also has the potential to generate more bingo card sales.

The majority of the cost of running our Gaming Halls and Casinos without tables relates to employee expenses and gaming taxes. Increased profitability of our Gaming Halls operations and the operations of our Casinos without tables depends on realizing operating efficiencies, principally through improved staffing practices and an increase in the average number of games played per day. The performance of our Gaming Hall operations and the operations of our Casinos without tables may be affected by changes in gaming taxes.

As is the case with some of our other businesses, our Mexican Casino business has been impacted by changes in regulation and the regulatory environment. As of December 31, 2024, we operated 30 Casinos (including 13 Casinos with tables and 17 Casinos without tables) in Mexico. Our Mexican Casino operations have a broad entertainment offering, including Casino style slot machines, and gaming tables. On November 16, 2023, the Mexican government amended the regulatory framework applicable to the gaming industry by prohibiting betting activities through slot machines, playing cards, dices and roulettes, in the new Casinos. Pursuant to the amendments to the Mexican gaming regulations, gaming operators with gaming permits currently in force may continue operating during the term of their respective permits or up to 15 years (if the term of the permit exceeds 15 years), and will be eligible to renew the gaming permits or apply for new ones beyond such period. However, the renewal or the new permit will allow installations of traditional bingo halls and sports betting corners only, excluding slot machines and gaming tables. We have challenged the constitutionality of such legislation affecting our current operations, and our appeals have been upheld by the Courts, so that these disputed regulations containing the prohibitions referred to in this paragraph will not be applicable to our Mexican subsidiary, enabling it to continue operating its current licenses under the prior regulatory regime with respect to the disputed regulations. Therefore, we believe that such regulatory changes will not have an adverse effect on the current operations of our business in Mexico.

Further, on April 23, 2021, a legal reform was published in Mexico, limiting existing outsourcing and insourcing practices in Mexico, through which companies are able to subcontract employees that are not employed directly by operating companies. Employees shall only be subcontracted from third parties in the case of so-called specialized services. Such reform came into force on September 1, 2021. Our Mexican subsidiaries have performed the necessary changes to comply with the abovementioned reform, including hiring directly the personnel required to operate Casinos in Mexico and merging the former insourcing companies into another company which will survive as the sole employer of personnel in Mexico.

In addition, our geographic operations in the Spanish East Coast and Latin America expose our Casino operations to risks linked to local weather conditions, such as hurricanes, tropical storms or flood rains. These weather events could cause damage to our property and technology and could cause disruption to our operations and customers. For example, the recent torrential rains in Valencia, Spain affected our operations in that region and led to the closure of the Casino de Valencia for one day, while Hurricane Otis in Mexico in October 2023 led to the closure of our two Casinos in Acapulco for two months.

Slots Spain Business Unit

Revenues and profitability for our Slots Spain Business Unit have generally been stable and predictable, except during the COVID-19 pandemic. Following a period of rapid growth due to the consolidation of the Spanish slots market, the size of our slot machines installed base in Spain has been relatively stable in recent years. In 2019, we added additional slot machines to our Spanish operations through the acquisition of Giga Game System Operation, S.L.U., increasing our Spanish slot machine operations and driving revenue growth from our Slots Spain Business Unit. We have generally focused on optimizing revenue per machine and profitability. Because of the minimum wager, gaming taxes and the payout per slot machine being regulated by law, we have concentrated on identifying and obtaining attractive sites to place our slot machines and controlling operating costs and expenses through efficient management. We monitor slot machine performance carefully to determine when to replace or relocate slot machines to improve profitability. As a part of our overall strategy to improve profitability, during the last several years we have eliminated underperforming slot machines. The total number of slot machines in the Spanish market has contracted, in particular after the COVID-19 pandemic. This contraction and the ongoing consolidation of the Spanish slots market present opportunities for acquisitions. We have continued to pursue selective acquisitions of attractive slot machine operations, integrating approximately 1,000 slots (in gross terms, i.e., not taking into account the amount of machines which have, in turn, been taken off the market) to our Slots Spain Business Unit from 2022 to 2024.

Profitability in our Slots Spain Business Unit is affected by the terms of our agreements with site owners and the agreements we enter into to acquire new route operations. When we acquire other slots operators in Spain, we frequently enter into participation agreements with the acquired operators to facilitate our acquisition or to retain the strategic benefits of the acquired slot operators' relationships with site owners. The participation agreements with sub operators are profit-sharing agreements, the terms of which vary by sub operator. Payments to sub operators are recorded in the results of the Slots Spain Business Unit as an expense under Variable rent and other. Our profitability is affected by the degree to which our locations are subject to these profit-sharing arrangements. As of December 31, 2024, approximately 18.9% of our slot machines were covered by such arrangements.

The performance of our Slots Spain Business Unit is also affected by regulatory changes in Spain with respect to the number of slot machines permitted per site, the minimum wager, the maximum payout per slot machine, licensing fees and taxes assessed on slot machines. Costs associated with the regulatory environment in Spain have been relatively stable in recent years.

Our Slots Spain Business Unit also houses our B2B business which engages in the development of interactive gaming systems and designs, manufactures and distributes slot machines and gaming kits for the Spanish market. We believe that among the key factors that drive the revenues and profitability of our B2B operation are the popularity of the new games for slot machines that we and our competitors introduce, the volume of slot machines that we sell in the Spanish market, the product mix between slot machines and gaming kits, the mix between sales to third parties and to our own Slots Spain Business Unit and our ability to realize cost savings and operational efficiencies in our manufacturing operations. One of the key elements of our strategy is to concentrate on leadership in the Type B or amusements with prizes ("*AWP*") segment in the Spanish slots and interlinked Gaming Halls market. In general, our margins benefit if we are able to attain a robust market share in the Spanish AWP slots market as a result of the popularity of our slot machine games.

Our manufacturing costs are comprised principally of materials, components and labor costs. Innovation is critical to the success of our slot machines and investment in research and development also accounts for a portion of our costs. A significant portion of the operating costs and expenses of our B2B business are fixed costs, although we have undertaken initiatives to move towards a more variable cost model.

Online Gaming & Betting Business Unit

Up to September 2019, we held a non-controlling stake of 50% on *Sportium* through a joint venture with Ladbrokes. In October 2019, we acquired the remaining 50% stake in *Sportium* and began consolidating the *Sportium*'s activity in our consolidated financial statements. Through *Sportium*, we launched our Online Gaming & Betting Business Unit, offering online gaming services which comprises sports betting, casino games, and social games through our website, mobile applications and retail outlets in Spain, to which some betting operations were later added in Colombia, Panama, Peru, Dominican Republic and more recently in Italy with the acquisition of E-Play24 in July 2022, in Mexico with the acquisition of GanaBet (rebranded as *Sportium*) in April 2023, in Puerto Rico through a collaboration between *Sportium* and Hipódromo Camarero in February 2024, in Peru, by acquiring a majority stake in Apuesta Total in July 2024, which we believe is the #1 online gaming and sports betting operator in Peru and in Portugal by acquiring a majority stake in SFP Online, S.A. ("*CasinoPortugal*") in December 2024. By virtue of the agreement entered into with Apuesta Total, there are certain matters that require the approval of Apuesta Total (e.g., mergers, by-laws amendments or capital increases, among others), but the day-to-day management and the appointment of the CEO and CFO are exercised by Cirsa.

Our Online Gaming & Betting Business Unit revenues are comprised of net income (including the amount allocated to prizes) from the sports betting business and bets from the online activities (online Casino activities). The majority of our costs are gaming taxes, publicity, advertising and public relations, and employee expenses.

Further, part of our online services are also offered through third parties such as betting corners in third-party locations and the so called "*Punto Vendita di Ricarica*" (PVRs) in Italy, which differ from our Spanish PoSs as they do not allow customers to place bets, only enabling them to top-up their accounts.

Slots Italy Business Unit

We function as a network system operator for slot machines and video lottery terminals ("*VLTs*") in Italy. The Italian slots and VLT market has been characterized by significant regulatory, tax and operational uncertainty. As described in "*Regulation—Italy*," there were a number of developments in recent years that resulted in or may result in increased taxes and other costs for our Italian business in the near future, including increases to the gaming turnover (*Prelievo Erariale Unico,* "*PREU*") taxes payable on slot machines.

Under Law No. 160 of December 27, 2019 (the "*2020 Italian Budget Law*"), from January 1, 2020, the amounts of the PREU tax on AWP and VLT slot machines were increased and are set respectively at 23.85% until December 31, 2020, and at 24% from January 1, 2021, of the collected bets for slot machines, and at 8.50% until December 31, 2020, and at 8.60% from January 1, 2021, of the collected bets for VLTs.

Article 1, paragraph 732 of the 2020 Italian Budget Law provides that from January 1, 2020, the percentage of the total amount of the bets to be paid out (pay-out) shall not be less than 65% for slot machines and 83% for VLTs (these new regulatory changes reducing the percentage of bets collected payable as winnings require other technical upgrades which may result in further investments in updates to or replacements of machines). The law also clarifies that the technical operations for the adjustment of the pay-out percentage shall be completed within 18 months from January 1, 2020 (the date of entry into force of the law itself), i.e., before June 30, 2021. We completed the replacement of all of the AWPs that still had a pay-out of 68%, and all pay-outs have been adjusted to 65%.

The Slots Italy Business Unit includes operating revenues from our slot machines in Italy and our nine Gaming Halls in Italy.

Principal Profit and Loss Account Items

The following is a brief description of the revenues and expenses that are included in the line items of our consolidated profit and loss accounts.

Operating Revenues

Operating revenues are principally comprised of revenues from our operations and, to a lesser extent, other activities.

Operations. We record operating revenues from our principal Business Units as follows:

Casinos. Operating revenues from our Casinos Business Unit are recorded as the net amount ("*win*"), which are the revenues after deducting the prizes paid to customers. Our Casinos Business Unit also records revenue from admission fees, on site bars, restaurants, the total amount of bingo cards sold, according to their face value, net of bingo prizes (i.e., the prizes payable on bingo cards).

Slots Spain. Operating revenues from our slot machines in Spain are recorded as the total amount collected, net of prizes and also includes operating revenues from our B2B business which incorporates the sales of our slot machines and gaming kits to third parties and sales by our distribution companies of slot machines produced by third parties.

Online Gaming & Betting. Operating revenues from our Online Gaming & Betting Business Unit are recorded as the total amount of sports betting products sold and total amount collected on the betting machines and through the betting operations, net of prizes paid to customers.

Slots Italy. Operating revenues from our slot machines in Italy include the revenues from our AWPs and VLTs in Italy as well as the revenue from our nine Gaming Halls in Italy.

Structure/Other. We also record operating revenues from a variety of other activities, including revenues and overhead costs reimbursed from joint ventures, personal services and license fees and the Group's administrative and management structure, which are part of our overhead costs.

Net Operating Revenues

Net operating revenues are comprised of operating revenues less variable rent and other payments.

Variable rent and other payments refers to the amount collected from slot machines that are payable to the owner of the premises on a revenue sharing basis, channel costs in the Online Gaming & Betting Business Unit (such as (i) referral fees in connection with our online business, including profit-sharing deals under our "skin model" which consists of agreements with third parties (media or personalities from the sports industry) collaborating with the commercial fronting to create different betting websites under different brands and (ii) fees to point-of-sale operators) and contractual payments to sub-operators (which are based on a profit-sharing formula that varies by sub operator depending on the specific terms of the applicable participation agreement). Payments to sub operators are recorded in the results of the Slots Spain Business Unit as an expense under Variable rent and other payments. Our profitability is affected by the degree to which our locations are subject to these profit-sharing arrangements.

Consumption

Our Slots Spain Business Unit incurs costs related to our B2B business, which include costs of raw materials and costs of finished and semi-finished components furnished by third-party contractors. For our Casinos Business Unit, these costs principally include ordinary course costs such as bingo cards, playing cards and chips and food and beverage expenses.

Personnel Expenses

Our personnel costs include wages and salaries, employee benefit costs and employee indemnity payments. The Company does not currently have any pension plans in place for any of its employees.

Gaming Taxes

Gaming tax expenses include all taxes relating to our gaming activities assessed by national, regional and local authorities.

External Supplies and Services

External supplies and services expenses are primarily comprised of rent and lease costs for certain facilities, professional expenses (which mainly comprise advisory, notary, external advisors and registration fees with the relevant registries, among others) and publicity, advertising and public relation expenses.

Depreciation, Amortization and Impairment

Depreciation expense relates to the depreciation of property, plant, equipment and right-of-use assets.

Amortization expense principally relates to the amortization of the cost of our licenses for gaming services in Panama, capitalized development costs of our B2B business and right-of-use assets. We have license costs for licenses that are awarded in public tenders.

Impairment relates to the impairment loss in respect of intangible assets, including goodwill, property, plant and equipment and equity investments.

We capitalize those development costs which qualify for recognition as an asset pursuant to IAS 38 which, in any case, represent a minority portion of the total expenditures in research and development linked to our B2B business. In our consolidated statement of cash flows, this is shown as a movement in "*Purchase and development of intangibles*."

Depreciation, amortization and impairment includes depreciation, amortization and impairment of higher value assets resulting from business combinations following purchase price allocation principles. Depreciation, amortization and impairment also includes write-offs and change in trade provisions for the relevant period.

Financial Results

Financial results comprises finance income less finance costs and expenses (which includes finance lease expenses and change in financial provisions).

Finance income is comprised of income from financial investments, interest from loans made to a variety of parties, site owners and sub operators in our Slots Spain and Slots Italy Business Units, and site owners of certain international Casinos and Gaming Halls.

Finance costs and expenses includes finance lease expenses, change in financial provisions and gains / (losses) on investment in associates.

Loss/(Profit) on investment in associates

Loss/(Profit) on investment in associates refers to realized and unrealized exchange gains and losses and other financial results. The intragroup exchange gains/losses in foreign subsidiaries arising from loans granted by us are recorded in the consolidated balance sheet under "Cumulative Translation Reserve" and therefore do not affect the consolidated profit and loss account so long as the loans constitute a component of our total net investment in the foreign subsidiary.

Income Tax

Due to Spanish tax legislation, our history of acquisitions and dispositions and internal corporate reorganizations as the Group has grown, and the significant international operations of the Group, our tax position is complex.

For Spanish tax purposes, as of December 31, 2023, we had two groups that filed their tax returns on a fiscal consolidated basis: one group has 120 Spanish companies and the second group has seven Spanish companies. As of December 31, 2023, under Spanish tax legislation, we must have owned more than 75% of the capital stock of a company at the start of the tax year in order to include the company in its tax consolidated group. Spanish companies that are not part of the fiscal consolidated group pay tax on an unconsolidated basis (unless it belongs to another fiscal group). Our non-Spanish subsidiaries are not included in the tax consolidated group and pay taxes in their local jurisdictions.

The statutory corporate tax rate in Spain in 2024 is 25%. We define our effective tax rate as our income tax expense over our profit/(loss) before tax. The level of our effective tax rate is influenced by a number of factors, including (i) the profitability of Group companies, (ii) the fact that certain expenses in the profit and loss account are not deductible for Spanish tax purposes and (iii) the availability of tax credits to offset against profits so as to reduce tax expense. The statutory corporate tax rate in Spain during 2025 is 25%.

Minority Interest

Minority interest is comprised of the results included in consolidated results for which we do not own 100%. In our Special Purpose Consolidated Financial Statements, our minority interests are principally attributable to our historical minority ownership interests in Winner Group in Colombia, two Panamanian Casino business, one Casino in Spain and one Spanish slots business (Egartronic S.A.) although there are also some additional businesses in which the Group holds minority interests that are not considered material.

EBITDA

We define EBITDA as profit/(loss) before tax, depreciation, amortization and impairment, financial results, profit/(loss) on sale of non-current assets and loss/(profit) on investment in associates.

Business Unit Results—Other Structure/Consolidation

In determining the operating revenues, total EBIT, total EBITDA and external supplies and services for the Group, we have to take account of certain unallocated corporate overhead costs and consolidation adjustments. Corporate overhead costs include such items as payroll expenses, rent expenses and the costs of professional services. We allocate a portion of corporate overhead costs to each Business Unit based on their use of such services. Corporate overhead costs allocated to a Business Unit are included in the Business Unit's "*External supplies and services*."

Consolidation adjustments primarily relate to the elimination of intercompany balances arising from financial operations, rental agreements, payment of dividends, purchase and sale of inventories, tangible fixed assets and investments, and services.

Historical Results of Operations

Year ended December 31, 2024 compared to the year ended December 31, 2023

	For the year ended December 31,		
(in € millions, except percentages)	**2023**	**2024**	**Change**
	(audited)	*(audited)*	
Operating Revenues	**2,396.7**	**2,563.9**	**167.2**
Variable rent and other	(405.7)	(413.7)	(8.0)
Net Operating Revenues	**1,991.0**	**2,150.2**	**159.2**
Consumption	(57.7)	(56.2)	1.5
Personnel expenses	(317.6)	(338.4)	(20.8)
Gaming taxes	(599.2)	(617.9)	(18.7)
External supplies and services	(386.3)	(438.3)	(52.0)
Depreciation, amortization and impairment(1)	(318.5)	(365.9)	(47.4)
EBIT	**311.7**	**333.4**	**21.7**
Financial results(2)	(174.8)	(215.1)	(40.3)
Loss/(Profit) on investment in associates	4.9	7.1	2.2
Foreign exchange results	1.6	(9.7)	(11.3)
Results on sale of non-current assets	(4.3)	(4.8)	(0.5)
Profit/(loss)before tax	**139.1**	**111.0**	**(28.1)**
Income tax	(27.1)	(66.6)	(39.5)
Net profit/(loss) for the period	**112.0**	**44.3**	**(67.7)**
Minority interest	(32.0)	(31.7)	0.3
Net profit/(loss) for the period attributable to the Company	**80.0**	**12.6**	(67.4)
EBITDA(3)	**630.1**	**699.3**	**69.2**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Financial results comprises finance income less finance costs and expenses (which includes finance lease expenses and change in financial provisions).

(3) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Net Operating Revenues

Net operating revenues increased by €159.2 million, or 8.0%, from €1,991.0 million in the year ended December 31, 2023 to €2,150.2 million in the year ended December 31, 2024. The growth in net operating revenues was primarily due to the good performance of our Online Gaming & Betting Business Unit as well as our Slots Spain Business Unit, positively impacted by full year consolidation of Apuesta Total (whose net operating revenue for the year ended December 31, 2024 was €76.0 million), as well as our Slots Spain Business Unit. As a comparison, the acquisition of Modena Giochi in April 2023 added net operating revenues of €56.4 million for the year ended December 31, 2023 (with net operating revenues of €72.8 million for the year ended December 31, 2023) and the acquisition of E-Play24 in July 2022 added net operating revenues of €71.2 million (with net operating revenues of €153.2 million for the year ended December 31, 2022).

External supplies and services

External supplies and services increased by 13.5% from €386.3 million in the year ended December 31, 2023 to €438.3 million in the year ended December 31, 2024. Further, for the year ended December 31, 2023 and 2024, respectively, rent and lease costs for certain facilities amounted to €34.5 million and €41.5 million, professional expenses amounted to €121.3 million and €149.3 million, and publicity, advertising and public relation expenses amounted to €63.9 million and €71.9 million.

EBIT

EBIT increased by €21.7 million, to €333.4 million in the year ended December 31, 2024 from €311.7 million in the year ended December 31, 2023. The growth was primarily due to the good performance of our Slots Spain Business Unit reflecting the implementation of selected productivity programs throughout our operations.

Financial Results

Financial results were negative €215.1 million in the year ended December 31, 2024 as compared to negative €174.8 million in the year ended December 31, 2023. The increase in finance costs in the reported period was mainly due to the increase in the nominal amount of the notes issued by the Group (€2,347.5 million, €2,130.0 million and €2,080.0 million for the years ended December 31, 2024, 2023 and 2022, respectively) and to the increase in the prevailing interest rate in the market that has affected the coupons in the new issuances carried out compared with the coupons of cancelled issuances. In addition, the amount of finance costs arising from other loans and payables increased to €38.8 million in the year ended December 31, 2024 from €19.2 million in the year ended December 31, 2023 due to the increase in the finance costs arising from payables for the deferred payment for the acquisition of companies (which increased to €12.6 million in the year ended December 31, 2024 from 4.7 million in the year ended December 31, 2023).

Loss/(Profit) on investment in associates

Loss/(Profit) on investment in associates were €7.1 million in the year ended December 31, 2024 as compared to €4.9 million in the year ended December 31, 2023.

Income Tax Expense

Income tax expense increased to €66.6 million in the year ended December 31, 2024 from €27.1 million in the year ended December 31, 2023. The increase was primarily due to a reduction of the amount of financial expense that can be deducted as an expense for tax purposes, which, in turn, was mainly due to: (i) a regulatory change effective January 1, 2024, which established that any income, expenses or revenues not included permanently in the corporate income tax base of a taxpayer (which serves as a reference for determining financial expenses) should be excluded from the operating profit of such taxpayer; and (ii) higher finance costs. Additional contributing factors to such increase were also because the Income tax expense for the year ended December 31, 2023 was positively impacted by certain deferred tax assets (€12.5 million) recorded from unused deductions for which it was considered likely that sufficient taxable profit would be generated in the future, as well as the utilization of certain unused tax loss carryforwards.

Net Profit

As a result of the foregoing, net profit/(loss) for the period attributable to the Company, after minority interests, was €12.6 million in the year ended December 31, 2024 as compared to €80.0 million in the year ended December 31, 2023.

EBITDA

EBITDA increased by €69.2 million, or 11.0%, to €699.3 million in the year ended December 31, 2024 from €630.1 million in the year ended December 31, 2023. EBITDA Margin (EBITDA as a percentage of net operating revenues) increased from 31.6% in the year ended December 31, 2023 to 32.5% in the year ended December 31, 2024. The increase in EBITDA was primarily due to the good performance of the Casinos, Slots Spain and Online Gaming & Betting Business Units.

Historical Results of Operations by Business Unit

Casinos

(in € millions, except percentages)	For the year ended December 31, 2023	2024	Change
	(audited)	*(audited)*	
Operating Revenues	**948.5**	987.9	**39.4**
Variable rent and other	(17.7)	(19.7)	(2.0)
Net Operating Revenues	**930.8**	**968.3**	**37.5**
Consumption	(28.2)	(27.6)	0.6
Personnel expenses	(177.7)	(186.8)	(9.1)
Gaming taxes	(134.6)	(138.9)	(4.3)
External supplies and services	(199.2)	(209.2)	(10.0)
Depreciation, amortization and impairment[1]	(193.5)	(201.1)	(7.6)
EBIT	**197.7**	**204.5**	**6.8**
EBITDA[2]	**391.1**	**405.7**	**14.6**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Casinos and Gaming Halls primarily comprise revenues from gaming tables and slot machines located at our Casinos and Gaming Halls. We also generate revenues from restaurant services, on-site bars, admission ticket sales and tips. Operating revenues from our bingo operations (which are included in our Casinos Business Unit) include revenues from sales of traditional bingo cards, net of prize payouts, and revenues from electronic bingo and roulette games and slot machines located in our Gaming Halls and Casinos without tables.

Operating revenues from our Casinos Business Unit increased by 4.2% from €948.5 million in the year ended December 31, 2023 to €987.9 million in the year ended December 31, 2024. This increase was primarily due to the good level of customer visits through the year as a result of the implementation of our customer relationship management (CRM) strategies, which continue to drive our organic growth.

Net Operating Revenues. Net operating revenues from our Casinos Business Unit represent operating revenues after variable rent and other payments. Net operating revenues increased by 4.0% from €930.8 million in the year ended December 31, 2023 to €968.3 million in the year ended December 31, 2024. The increase in net operating revenues was mainly driven by organic growth in all our markets.

Costs and Expenses. Costs and expenses for our Casinos Business Unit principally include personnel expenditures, depreciation, amortization and impairment expenses, taxes on gaming and other operating expenses.

Costs and expenses for our Casinos Business Unit increased from €733.2 million in the year ended December 31, 2023 to €763.6 million in the year ended December 31, 2024. The key changes in the components of operating expenses are as follows:

- *Consumption*. Consumption costs for our Casinos Business Unit principally include ordinary course costs such as playing cards and chips, ordinary course materials required to operate Casinos and Gaming Halls, such as food and beverages and bingo supplies. Consumption costs decreased to €27.6 million in the year ended December 31, 2024 from €28.2 million in the year ended December 31, 2023. As a percentage of Business Unit EBITDA, this expense category decreased by 6.8%.

- *Personnel Expenses*. Personnel expenses increased by 5.1% to €186.8 million in the year ended December 31, 2024 compared to €177.7 million in the year ended December 31, 2023. This increase was primarily owing to an increase in the minimum wage in countries such as Colombia and Mexico. As a percentage of Business Unit EBITDA, this expense category increased to 46.0% in the year ended December 31, 2024 compared to 45.4% in the year ended December 31, 2023.

- *Gaming Taxes*. Gaming taxes increased by 3.2% to €138.9 million in the year ended December 31, 2024 compared to €134.6 million in the year ended December 31, 2023. This increase was primarily due to the increase of revenues in all the countries in which we operate. As a percentage of Business Unit net operating revenues, this expense category decreased to 14.3% in the year ended December 31, 2024 compared to 14.5% in the year ended December 31, 2023.

- *External Supplies and Services*. External supplies and services expenses for our Casinos Business Unit include costs such as security, travel, professional services, sales and marketing, and lease costs for our Casinos and Gaming Halls. This expense category increased by 5.0% to €209.2 million in the year ended December 31, 2024 from €199.2 million in the year ended December 31, 2023, primarily due to an increase in the leases of some of our premises. As a percentage of Business Unit EBITDA, this expense category increased to 51.6% in the year ended December 31, 2024 compared to 50.9% in the year ended December 31, 2023. Further, for the years ended December 31, 2023 and 2024, respectively, rent and lease costs for certain facilities amounted to €22.5 million and €25.5 million, professional expenses amounted to €10.7 million and €8.6 million, and publicity, advertising and public relation expenses amounted to €41.0 million and €41.8 million.

- *Depreciation, Amortization and Impairment*. Depreciation, amortization and impairment expenses increased to €201.1 million in the year ended December 31, 2024 compared to €193.5 million in the year ended December 31, 2023.

EBIT. EBIT from our Casinos Business Unit increased to €204.5 million in the year ended December 31, 2024 from €197.7 million in the year ended December 31, 2023.

EBITDA. EBITDA for our Casinos Business Unit increased by 3.7% to €405.7 million in the year ended December 31, 2024 from €391.1 million in the year ended December 31, 2023. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) slightly decreased to 41.9% in the year ended December 31, 2024 compared to 42.0% in the year ended December 31, 2023.

Slots Spain

	For the year ended December 31,		
(in € millions, except percentages)	**2023**	**2024**	**Change**
	(audited)	*(audited)*	
Operating Revenues	**644.9**	**682.0**	**37.1**
Variable rent and other	(249.9)	(267.7)	(17.8)
Net Operating Revenues	395.0	**414.3**	**19.3**
Consumption	(21.7)	(21.9)	(0.2)
Personnel expenses	(63.7)	(64.3)	(0.6)
Gaming taxes	(103.2)	(102.8)	0.4
External supplies and services	(37.3)	(34.6)	2.7
Depreciation, amortization and impairment[(1)]	(74.5)	(81.9)	(7.4)
EBIT	**94.7**	**108.8**	**14.1**
EBITDA[(2)]	**169.2**	**190.7**	**21.5**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Slots Spain Business Unit principally represent revenues collected from our slot machines after prize payouts. Operating revenues increased by 5.8% from €644.9 million in the year ended December 31, 2023 to €682.0 million in the year ended December 31, 2024.

Net Operating Revenues. Net operating revenues from our Slots Spain Business Unit represent operating revenues after variable rent and other payments made to site owners and payments to sub-operators under participation agreements. Net operating revenues increased by 4.9% from €395.0 million in the year ended December 31, 2023 to €414.3 million in the year ended December 31, 2024.

Average revenues per unit also increased in the year ended December 31, 2024 as compared to the year ended December 31, 2023.

Costs and Expenses. Costs and expenses for our Slots Spain Business Unit principally include taxes on gaming activities, personnel expenditures, depreciation, amortization and impairment expenses and external supplies and services expenses.

Overall costs and expenses for our Slots Spain Business Unit increased to €305.5 million in the year ended December 31, 2024 as compared to €300.4 million in the year ended December 31, 2023. The key changes in the components of operating expenses are as follows:

- *Consumption*. Consumption costs are primarily comprised of purchases of semi-finished and finished components. This expense category increased by 0.9% from €21.7 million in the year ended December 31, 2023 to €21.9 million in the year ended December 31, 2024. This increase was primarily due to the good performance of our B2B operations.

- *Personnel Expenses*. Personnel expenses include wages and salaries for commercial, collection and technical support employees. This expense category increased by 0.9% from €63.7 million in the year ended December 31, 2023 to €64.3 million in the year ended December 31, 2024.

- *Gaming Taxes*. Gaming taxes, which in Spain are incurred annually based on a fixed amount for each machine, decreased by 0.4% from €103.2 million in the year ended December 31, 2023 to €102.8 million in the year ended December 31, 2024. As a percentage of Business Unit net operating revenues, gaming taxes decreased to 24.8% in the year ended December 31, 2024 from 26.1% in the year ended December 31, 2023.

- *External Supplies and Services*. External expenses decreased by 7.2% from €37.3 million in the year ended December 31, 2023 to €34.6 million in the year ended December 31, 2024. Further, for the years ended December 31, 2023 and 2024, respectively, rent and lease costs for certain facilities amounted to €3.3 million and €2.0 million, professional expenses amounted to €1.9 million and €4.1 million, and publicity, advertising and public relation expenses amounted to €0.4 million and €0.7 million.

- *Depreciation, Amortization and Impairment*. Depreciation, amortization and impairment expenses increased by 9.9% from €74.5 million in the year ended December 31, 2023 to €81.9 million in the year ended December 31, 2024.

EBIT. EBIT for our Slots Spain Business Unit increased from €94.7 million in the year ended December 31, 2023 to €108.8 million in the year ended December 31, 2024.

EBITDA. EBITDA for our Slots Spain Business Unit increased from €169.2 million in the year ended December 31, 2023 to €190.7 million in the year ended December 31, 2024, driven by an overall mix improvement, particularly in the PoS quality and slot machines portfolio optimizations that resulted in higher daily revenues per slot and also by the strong performance of our B2B business. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) increased to 46.0% in the year ended December 31, 2024 as compared to 42.8% in the year ended December 31, 2023.

Online Gaming & Betting

	For the year ended December 31,		
(in € millions, except percentages)	**2023**	**2024**	**Change**
	(audited)	*(audited)*	
Operating Revenues	**378.8**	**465.6**	**86.8**
Variable rent and other	(53.3)	(45.2)	8.1
Net Operating Revenues	**325.5**	**420.4**	**94.9**
Consumption	(2.7)	(1.3)	1.4
Personnel expenses	(26.2)	(39.5)	(13.3)
Gaming taxes	(73.8)	(82.0)	(8.2)
External supplies and services	(168.2)	(212.3)	(44.1)
Depreciation, amortization and impairment[1]	(35.2)	(61.5)	(26.3)
EBIT	**19.4**	**23.8**	**4.4**
EBITDA[2]	**54.6**	**85.3**	**30.7**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Online Gaming & Betting Business Unit comprise the total amount of sports betting products sold and total amount collected on the betting machines and through the betting operations, net of prizes paid to customers. Operating revenues from our Online Gaming & Betting Business Unit increased by 22.9% from €378.8 million in the year ended December 31, 2023 to €465.6 million in the year ended December 31, 2024.

Net Operating Revenues. Net operating revenues from our Online Gaming & Betting Business Unit represent operating revenues after variable rent and other payments. Net operating revenues increased by 29.2% to €420.4 million in the year ended December 31, 2024 compared to €325.5 million in the year ended December 31, 2023, due to the full year consolidation of the acquisition of the leading Peruvian online sports betting and gaming operator Apuesta Total in July 2024 (whose net operating revenue for the year ended December 31, 2024 was €76.0 million).

Costs and Expenses. Costs and expenses from our Online Gaming & Betting Business Unit principally include personnel expenditures, depreciation, amortization and impairment expenses, taxes on gaming and other operating expenses.

Overall costs and expenses for the Online Gaming & Betting Business Unit increased by 29.6% from €306.1 million in the year ended December 31, 2023 to €396.6 million in the year ended December 31, 2024. The key changes in the components of operating expenses are as follows:

- *Consumption*. Consumption expense for our Online Gaming & Betting Business Unit primarily relate to ordinary course costs such as spare parts for machines in connection with our betting terminals in retail outlets and betting shops. Consumption expense decreased to €1.3 million in the year ended December 31, 2024 compared to €2.7 million in the year ended December 31, 2023.

- *Personnel Expenses*. Personnel expenses are primarily comprised of the wages and salaries and employee benefits of our sports betting and online staff. Personnel expenses increased by 50.8% from €26.2 million in the year ended December 31, 2023 to €39.5 million in the year ended December 31, 2024. As a percentage of Business Unit EBITDA, personnel expenses decreased to 46.3% in the year ended December 31, 2024 from 48.0% in the year ended December 31, 2023. This increase was mainly due to the business model of Apuesta Total including a retail gaming business which, as of the date of the acquisition in July 2024, had 1,469 employees. Prior to the acquisition of Apuesta Total, we had only 584 employees in the Online Gaming & Betting Business Unit.

- *Gaming Taxes*. Gaming taxes increased by 11.1% to €82.0 million in the year ended December 31, 2024 from €73.8 million in the year ended December 31, 2023.

- *External Supplies and Services*. External expenses increased by 26.2% to €212.3 million in the year ended December 31, 2024 from €168.2 million in the year ended December 31, 2023. Further, for the year ended December 31, 2023 and 2024, respectively, rent and lease costs for certain facilities amounted to €1.6 million and €5.4 million, professional expenses amounted to €99.7 million (mainly attributable to commission paid to third parties (media groups or famous personalities from the sports industry) for the association with them under the "skin model" established through E-Play24, a licensed gambling operator in Italy allowing such third parties to create different betting websites under different brands by using the E-Play24 license as a "skin" and to receive a commission for each bet placed while E-Play24 recognizes revenues from such bets) and €125.4 million, and publicity, advertising and public relation expenses amounted to €22.9 million and €28.6 million. The increases referred to above were mainly due to the acquisition of Apuesta Total in July 2024.

- *Depreciation, Amortization and Impairment Expenses*. Depreciation, amortization and impairment expenses increased from €35.2 million in the year ended December 31, 2023 to €61.5 million in the year ended December 31, 2024. This increase was primarily due to a €9.0 million depreciation of our goodwill arising from the review of Ganabet's valuation, the amortization of installation rights for the acquisition of Apuesta Total in July 2024 and a provision relating to E-Play24's payables.

EBIT. EBIT from our Online Gaming & Betting Business Unit increased from €19.4 million in the year ended December 31, 2023 to €23.8 million in the year ended December 31, 2024.

EBITDA. EBITDA for our Online Gaming & Betting Business Unit increased by 56.2% to €85.3 million in the year ended December 31, 2024 from €54.6 million in the year ended December 31, 2023. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) increased to 20.3% in the year ended December 31, 2024 compared to 16.8% in the year ended December 31, 2023 primarily driven by the acquisition of Apuesta Total in July 2024, which contributed to higher margins over the year.

Slots Italy

(in € millions, except percentages)	For the year ended December 30, 2023	2024	Change
	(audited)	*(audited)*	
Operating Revenues	**446.0**	**450.0**	**4.0**
Variable rent and other	(83.7)	(81.1)	2.6
Net Operating Revenues	**362.3**	**368.8**	**6.5**
Consumption	(7.0)	(6.1)	0.9
Personnel expenses	(17.2)	(18.9)	(1.7)
Gaming taxes	(287.3)	(290.1)	(2.8)
External supplies and services	(23.5)	(24.7)	(1.2)
Depreciation, amortization and impairment(1)	(16.1)	(19.4)	(3.3)
EBIT	**11.2**	**9.6**	**(1.6)**
EBITDA(2)	**27.4**	**29.0**	**1.6**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Slots Italy Business Unit principally represent revenues collected from our slot machines after prize payouts. Our Slots Italy Business Unit is both an operator as well as a concessionaire business, where we operate the slots but also hold the license for the activity. Accordingly, our Operating revenues from our Slots Italy Business Unit also include the fee charged by us as concessionaire where we also undertake certain administrative functions in relation to taxes etc. Operating revenues increased by 0.9% from €446.0 million in the year ended December 31, 2023 (with 10,986 AWPs and 2,477 VLTs as of such date) to €450.0 million in the year ended December 31, 2024 (with 11,015 AWPs and 2,571 VLTs as of such date).

Net Operating Revenues. Net operating revenues from our Slots Italy Business Unit represent operating revenues after variable rent and other payments made to site owners. Net operating revenues increased by 1.8% from €362.3 million in the year ended December 31, 2023 to €368.8 million in the year ended December 31, 2024.

Costs and Expenses. Costs and expenses for our Slots Italy Business Unit principally include taxes on gaming activities, personnel expenditures, depreciation, amortization and impairment expenses and external supplies and services expenses.

Overall costs and expenses for our Slots Italy Business Unit increased to €359.2 million in the year ended December 31, 2024 as compared to €351.1 million in the year ended December 31, 2023. The key changes in the components of operating expenses are as follows:

- *Consumption*. This expense category decreased by 12.9% from €7.0 million in the year ended December 31, 2023 to €6.1 million in the year ended December 31, 2024.

- *Personnel Expenses*. Personnel expenses include wages and salaries for commercial, collection and technical support employees. This expense category increased by 9.9% to €18.9 million in the year ended December 31, 2024 from €17.2 million in the year ended December 31, 2023.

- *Gaming Taxes*. Gaming taxes, which in Italy are incurred at a variable rate based on machine revenues, increased by 1.0% from €287.3 million in the year ended December 31, 2023 to €290.1 million in the year ended December 31, 2024. As a percentage of Business Unit net operating revenues, gaming taxes decreased by 0.6% to 78.7% in the year ended December 31, 2024 from 79.3% in the year ended December 31, 2023.

- *External Supplies and Services*. This expense category increased by 5.1% from €23.5 million in the year ended December 31, 2023 to €24.7 million in the year ended December 31, 2024. Further, for the years ended December 31, 2023 and 2024, respectively, rent and lease costs for certain facilities amounted to €10.5 million and €10.6 million and professional expenses amounted to €1.9 million and €1.4 million, and publicity, advertising and public relation expenses amounted to €0.8 million and €0.3 million.

- *Depreciation, Amortization and Impairment*. Depreciation, amortization and impairment expenses increased by 20.5% from €16.1 million in the year ended December 31, 2023 to €19.4 million in the year ended December 31, 2024.

EBIT. EBIT for our Slots Italy Business Unit decreased from €11.2 million in the year ended December 31, 2023 to €9.6 million in the year ended December 31, 2024.

EBITDA. EBITDA for our Slots Italy Business Unit increased from €27.4 million in the year ended December 31, 2023 to €29.0 million in the year ended December 31, 2024, primarily due to the cost efficiencies achieved. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) increased to 7.9% in the year ended December 31, 2024 as compared to 7.6% in the year ended December 31, 2023.

Year ended December 31, 2023 compared to the year ended December 31, 2022

	For the year ended December 31,		
(in € millions, except percentages)	**2022**	**2023**	**Change**
	(audited)	*(audited)*	
Operating Revenues	**2,038.9**	**2,396.7**	**357.8**
Variable rent and other	(337.8)	(405.7)	(67.9)
Net Operating Revenues	**1,701.1**	**1,991.0**	**289.9**
Consumption	(43.8)	(57.7)	(13.9)
Personnel expenses	(278.8)	(317.6)	(38.8)
Gaming taxes	(504.6)	(599.2)	(94.6)
External supplies and services	(321.4)	(386.3)	(64.9)
Depreciation, amortization and impairment(1)	(302.6)	(318.5)	(15.9)
EBIT	**249.9**	**311.7**	**61.8**
Financial results(2)	(140.0)	(174.8)	(34.8)
Loss/(Profit) on investment in associates	2.1	4.9	2.8
Foreign exchange results	2.2	1.6	(0.6)
Results on sale of non-current assets	(5.0)	(4.3)	0.7
Profit/(loss)before tax	**109.2**	**139.1**	**29.9**
Income tax	(29.6)	(27.1)	2.5
Net profit/(loss) for the year	**79.6**	**112.0**	**32.4**
Minority interest	(23.0)	(32.0)	(9.0)
Net profit/(loss) for the period attributable to the Company	**56.6**	**80.0**	**23.4**
EBITDA(3)	**552.5**	**630.1**	**77.6**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Financial results comprises finance income less finance costs and expenses (which includes finance lease expenses and change in financial provisions).

(3) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Net Operating Revenues

Net operating revenues increased by €289.9 million, or 17.0%, to €1,991.0 million in 2023 from €1,701.1 million in 2022. The growth in net operating revenues was primarily due to the strong performance of all our Business Units and geographies, in particular the increase in the revenue of our Casino, Slots Italy and Online Gaming & Betting Business Units.

External supplies and services

External supplies and services increased by 20.2% from €321.4 million in the year ended December 31, 2022 to €386.3 million in the year ended December 31, 2023. Further, for the years ended December 31, 2022 and 2023, respectively, rent and lease costs for certain facilities amounted to €34.3 million and €34.5 million, professional expenses amounted to €75.6 million and €121.3 million and publicity, advertising and public relation expenses amounted to €56.2 million and €63.9 million.

The increase in professional expenses was primarily due to increased costs associated with the acquisition of E-Play24, given that the business model of this company requires the payment of commission charges for "skins," as it allows other companies to operate without a license by using the E-Play24 license as a "skin" and receiving a commission for each bet placed while E-Play24 recognizes revenues from such bets.

EBIT

EBIT increased by €61.8 million from €249.9 million in 2022 to €311.7 million in 2023. The growth was primarily due to the increased revenue from our Casinos and Gaming Halls as a result of a solid performance in all the countries where we operate.

Financial Results

Financial results were negative €174.8 million in 2023 (a decrease of 24.9%) compared to negative €140.0 million in 2022, primarily due to higher EURIBOR rates resulting in interest on new bond issues to accrue at higher rates compared to the notes that were redeemed and have also negatively impacted the interest accruing on our existing floating rate notes.

Loss/(Profit) on investment in associates

Loss/(Profit) on investment in associates were €4.9 million in 2023 compared to €2.1 million in 2022.

Income Tax Expense

Income tax expense decreased to negative €27.1 million in 2023 from negative €29.6 million in 2022. The difference was primarily due to deferred tax assets recorded as of December 31, 2023 from unused deductions from which it was considered highly likely that sufficient taxable profit will be generated in the future.

Net Profit

As a result of the foregoing, net profit/(loss) for the period attributable to the Company, after minority interests, was €80.0 million in 2023 compared to €56.6 million in 2022.

EBITDA

EBITDA increased by €77.6 million to €630.1 million in 2023 from €552.5 million in 2022. EBITDA Margin (EBITDA as a percentage of net operating revenues) decreased from 32.5% in 2022 to an EBITDA Margin of 31.6% in 2023. The increase in EBITDA was primarily due to the strong performance of all our Business Units across our different markets and the sustainable productivity measures implemented.

Historical Results of Operations by Business Unit

Casinos

	For the year ended December 31,		
(in € millions, except percentages)	**2022**	**2023**	**Change**
	(audited)	*(audited)*	
Operating Revenues	**859.5**	**948.5**	**89.0**
Variable rent and other	(14.5)	(17.7)	(3.2)
Net Operating Revenues	**845.0**	**930.8**	**85.8**
Consumption	(23.6)	(28.2)	(4.6)
Personnel expenses	(156.5)	(177.7)	(21.2)
Gaming taxes	(125.0)	(134.6)	(9.6)
External supplies and services	(190.1)	(199.2)	(9.1)
Depreciation, amortization and impairment[1]	(194.5)	(193.5)	1.0
EBIT	**155.3**	**197.7**	**42.4**
EBITDA[2]	**349.8**	**391.1**	**41.3**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Casinos and Gaming Halls primarily comprise revenues from gaming tables and slot machines located at our Casinos and Gaming Halls. We also generate revenues from restaurant services, on-site bars, admission ticket sales and tips. Operating revenues from Casinos and Gaming Halls include revenues from slot machines, electronic bingo and roulette.

Operating revenues from our Casinos Business Unit increased by 10.4% from €859.5 million in 2022 to €948.5 million in 2023. This increase was primarily due to the continuous growth in customer visits and number of customers as a result of our customer relationship management (CRM) strategies execution.

Net Operating Revenues. Net operating revenues from our Casinos Business Unit represent operating revenues after variable rent and other payments. Net operating revenues increased by 10.2% from €845.0 million in 2022 to €930.8 million in 2023. The increase in net operating revenues was mainly driven by the strong organic growth in all our markets.

Costs and Expenses. Costs and expenses for our Casinos Business Unit principally include personnel expenditures, depreciation, amortization and impairment expenses, taxes on gaming and other operating expenses.

Costs and expenses for our Casinos Business Unit increased from €689.7 million in 2022 to €733.2 million in 2023. The key changes in the components of operating expenses are as follows:

- *Consumption*. Consumption costs for our Casinos Business Unit principally include ordinary course costs such as playing cards and chips, ordinary course materials required to operate Casinos and Gaming Halls, such as food and beverages and bingo supplies. Consumption costs increased by 19.5% to €28.2 million in 2023 from €23.6 million in 2022. As a percentage of Business Unit EBITDA, this expense category slightly increased to 7.2% in 2023 compared to 6.7% in 2022.

- *Personnel Expenses*. Personnel expenses increased by 13.5% to €177.7 million in 2023 compared to €156.5 million in 2022. This increase was primarily due to the reopening of the Moroccan market after the COVID-19 pandemic, which had remained closed until May 2022, and the return to normality of the Mexican market, which had restrictions in the first quarter of 2022 as a result of the COVID-19 pandemic. As a percentage of Business Unit EBITDA, this expense category slightly increased to 45.4% in 2023 compared to 44.7% in 2022.

- *Gaming Taxes*. Gaming taxes increased by 7.7% to €134.6 million in 2023 compared to €125.0 million in 2022. This increase was primarily due to the increase in revenues in all geographies. As a percentage of Business Unit net operating revenues, this expense category decreased slightly to 14.4% in 2023 compared to 14.8% in 2022.

- *External Supplies and Services*. External supplies and services expenses for our Casinos Business Unit include costs such as security, travel, professional services, sales and marketing, and lease costs for our Casinos and Gaming Halls. This expense category increased by 4.8% to €199.2 million in 2023 from €190.1 million in 2022, primarily due to the reopening of the Moroccan market after the COVID-19 pandemic, which had remained closed until May 2022 and the return to normality of the Mexican market, which had restrictions in the first quarter of 2022 as a result of the COVID-19 pandemic. As a percentage of Business Unit EBITDA, this expense category decreased from 54.3% in 2022 to 50.9% in 2023. Further, for the years ended December 31, 2022 and 2023, respectively, rent and lease costs for certain facilities amounted to €21.5 million and €22.5 million, professional expenses amounted to €14.4 million and €10.7 million, and publicity, advertising and public relation expenses amounted to €36.3 million and €41.0 million.

- *Depreciation, Amortization and Impairment*. Depreciation, amortization and impairment expenses decreased slightly to €193.5 million in 2023 compared to €194.5 million in 2022. As a percentage of Business Unit EBITDA, this expense category decreased from 55.6% in 2022 to 49.5% in 2023.

EBIT. EBIT from our Casinos Business Unit increased to €197.7 million in 2023 from €155.3 million in 2022.

EBITDA. EBITDA for our Casinos Business Unit increased by 11.8% to €391.1 million in 2023 from €349.8 million in 2022. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) increased to 42.0% in 2023 compared to 41.4% in 2022. The EBITDA Margin increase was primarily due to the efficiency and productivity plans implemented.

Slots Spain

(in € millions, except percentages)	For the year ended December 31, 2022	2023	Change
	(audited)	*(audited)*	
Operating Revenues	**596.6**	**644.9**	**48.3**
Variable rent and other	(234.0)	(249.9)	(15.9)
Net Operating Revenues	362.6	395.0	**32.4**
Consumption	(12.6)	(21.7)	(9.1)
Personnel expenses	(57.8)	(63.7)	(5.9)
Gaming taxes	(104.5)	(103.2)	1.3
External supplies and services	(36.0)	(37.3)	(1.3)
Depreciation, amortization and impairment[(1)]	(81.6)	(74.5)	7.1
EBIT	**70.1**	**94.7**	**24.6**
EBITDA[(2)]	**151.7**	**169.2**	**17.5**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Slots Spain Business Unit principally represent revenues collected from our slot machines after prize payouts. Operating revenues increased by 8.1% from €596.6 million in 2022 (with 25,700 slot machines as of December 31, 2022) to €644.9 million in 2023 (with 25,250 slot machines as of December 31, 2023). Revenues for our Slots Spain Business Unit were positively impacted due to higher revenue per slot as a result of our slot replacement program.

Net Operating Revenues. Net operating revenues from our Slots Spain Business Unit represent operating revenues after variable rent and other payments made to site owners and payments to sub-operators under participation agreements. Net operating revenues increased by 8.9% from €362.6 million in 2022 to €395.0 million in 2023. Variable rent in Spain is higher than the other countries where we operate because the number of machines located on third parties PoS is significantly higher so our share of profits in Spain is also higher.

Average revenues per unit increased in the year ended December 31, 2023 as compared to the year ended December 31, 2022.

Costs and Expenses. Costs and expenses for our Slots Spain Business Unit principally include taxes on gaming activities, personnel expenditures, depreciation, amortization and impairment expenses and external supplies and services expenses.

Overall costs and expenses for our Slots Spain Business Unit increased by 2.7% to €300.4 million in 2023 compared to €292.5 million in 2022. The key changes in the components of operating expenses are as follows:

- *Consumption*. Consumption costs are primarily comprised of purchases of semi-finished and finished components. This expense category increased by 72.2% from €12.6 million in 2022 to €21.7 million in 2023. This increase was primarily due to the increase in the number of slot machines sold. As a percentage of Business Unit EBITDA, this expense category increased from 8.3% in 2022 to 12.8% in 2023.

- *Personnel Expenses*. Personnel expenses include wages and salaries for commercial, collection and technical support employees. This expense category increased by 10.2% to €63.7 in 2023 from €57.8 million in 2022. This increase was primarily due to inflation-linked wage increases and bonuses linked to productivity gains. As a percentage of Business Unit EBITDA, this expense category decreased slightly from 38.1% in 2022 to 37.6% in 2023.

- *Gaming Taxes*. Gaming taxes, which in Spain are incurred annually based on a fixed amount for each machine, slightly decreased by 1.2% from €104.5 million in 2022 to €103.2 million in 2023. As a percentage of Business Unit net operating revenues, gaming taxes decreased to 26.1% in 2023 from 28.8% in 2022.

- *External Supplies and Services*. This expense category increased by 3.6% from €36.0 million in 2022 to €37.3 million in 2023. As a percentage of Business Unit EBITDA, this expense category decreased to 22.0% in 2023 from 23.7% in 2022. Further, for the years ended December 31, 2022 and 2023, respectively, rent and lease costs for certain facilities amounted to €3.6 million and €3.3 million and professional expenses amounted to €1.7

million and €1.9 million, and publicity, advertising and public relation expenses amounted to €0.5 million and €0.4 million.

- *Depreciation, Amortization and Impairment*. Depreciation, amortization and impairment expenses decreased by 8.7% from €81.6 million in 2022 to €74.5 million in 2023. As a percentage of Business Unit EBITDA, this expense category decreased from 53.8% in 2022 to 44.0% in 2023.

EBIT. EBIT for our Slots Spain Business Unit increased by €24.6 million from €70.1 million in 2022 to €94.7 million in 2023.

EBITDA. EBITDA for our Slots Spain Business Unit increased by 11.5% from €151.7 million in 2022 to €169.2 million in 2023, primarily due to better performance of our slots because of our slot machine replacement program and improved PoS mix. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenue) increased to 42.8% in 2023 compared to 41.8% in 2022.

Online Gaming & Betting

	For the year ended December 31,		
(in € millions, except percentages)	**2022**	**2023**	**Change**
	(audited)	*(audited)*	
Operating Revenues	**233.6**	**378.8**	**145.2**
Variable rent and other	(19.8)	(53.3)	(33.5)
Net Operating Revenues	**213.9**	**325.5**	**111.6**
Consumption	(1.3)	(2.7)	(1.4)
Personnel expenses	(20.0)	(26.2)	(6.2)
Gaming taxes	(40.4)	(73.8)	(33.4)
External supplies and services	(110.2)	(168.2)	(58.0)
Depreciation, amortization and impairment(1)	(24.6)	(35.2)	(10.6)
EBIT	**17.4**	**19.4**	**2.0**
EBITDA(2)	**42.0**	**54.6**	**12.6**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Online Gaming & Betting Business Unit comprise the total amount of sports betting products sold and total amount collected on the betting machines and through the betting operations, net of prizes paid to customers. Operating revenues from our Online Gaming & Betting Business Unit increased by 62.2% from €233.6 million in 2022 to €378.8 million in 2023.

Net Operating Revenues. Net operating revenues from our Online Gaming & Betting Business Unit represent operating revenues after variable rent and other payments. Net operating revenues increased by 52.2% to €325.5 million in 2023 as compared to €213.9 million in 2022. Revenues for our Online Gaming & Betting Business Unit were positively impacted during 2023 by the overall strong performance of our online gaming business in Spain and the contribution of our acquisition in July 2022 of the Italian online gaming operator E-Play24. The contribution of E-Play24 to our net operating revenues was €72.7 million in 2022 and €162.5 million in 2023. Accordingly, excluding E-Play24, our net operating revenues would have increased by 15.4% to €163.0 million in 2023 as compared to €141.2 million in 2022.

Costs and Expenses. Costs and expenses from our Online Gaming & Betting Business Unit principally include personnel expenditures, depreciation, amortization and impairment expenses, taxes on gaming and other operating expenses.

Costs and expenses for the Online Gaming & Betting Business Unit increased by 55.8% from €196.4 million in 2022 to €306.1 million in 2023. The key changes in the components of operating expenses are as follows:

- *Consumption*. Consumption expense for our Online Gaming & Betting Business Unit primarily relate to ordinary course costs such as spare parts for machines in connection with our betting terminals in retail outlets and betting shops. Consumption expense increased to €2.7 million in 2023 from €1.3 million in 2022.

- *Personnel Expenses*. Personnel expenses are primarily comprised of the wages and salaries and employee benefits of our sports betting and online staff. Personnel expenses increased by 31.0% from €20.0 million in 2022 to €26.2

million in 2023. As a percentage of Business Unit EBITDA, personnel expenses slightly increased to 48.0% in 2023 from 47.6% in 2022.

- *Gaming Taxes*. Gaming taxes increased by 82.7% to €73.8 million in 2023 from €40.4 million in 2022.

- *External Supplies and Services*. External expenses increased by 52.6% to €168.2 million in 2023 from €110.2 million in 2022, primarily due to the full-year impact of the acquisition of E-Play24 (completed in July 2022) and other minor acquisitions completed in 2023. Further, for the years ended December 31, 2022 and 2023, respectively, rent and lease costs for certain facilities amounted to €0.6 million and €1.6 million, professional expenses amounted to €52.6 million and €99.7 million, and publicity, advertising and public relation expenses amounted to €20.4 million and €22.9 million.

- *Depreciation, Amortization and Impairment Expenses*. Depreciation, amortization and impairment expenses increased from €24.6 million in 2022 to €35.2 million in 2023. This increase was primarily due to amortization of installation rights for the purchase of new companies including the acquisition of E-Play24 and GanaBet (renamed *Sportium*).

EBIT. EBIT from our Online Gaming & Betting Business Unit increased from €17.4 million in 2022 to €19.4 million in 2023.

EBITDA. EBITDA for our Online Gaming & Betting Business Unit increased by 30.0% to €54.6 million in 2023 from €42.0 million in 2022. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenues) decreased to 16.8% in 2023 compared to 19.6% in 2022, primarily driven by new acquisitions with lower margins.

Slots Italy

	For the year ended December 31,		
(in € millions, except percentages)	**2022**	**2023**	**Change**
	(audited)	*(audited)*	
Operating Revenues	**369.2**	**446.0**	**76.8**
Variable rent and other	(70.1)	(83.7)	(13.6)
Net Operating Revenues	**299.1**	**362.3**	**63.2**
Consumption	(7.4)	(7.0)	0.4
Personnel expenses	(15.2)	(17.2)	(2.0)
Gaming taxes	(234.7)	(287.3)	(52.6)
External supplies and services	(22.4)	(23.5)	(1.1)
Depreciation, amortization and impairment[1]	(6.4)	(16.1)	(9.7)
EBIT	**13.1**	**11.2**	**(1.9)**
EBITDA[2]	**19.5**	**27.4**	**7.9**

(1) Depreciation, amortization and impairment includes write-offs and change in trade provisions for the relevant period.

(2) Represents EBIT plus depreciation, amortization and impairment for the periods presented.

Operating Revenues. Operating revenues from our Slots Italy Business Unit principally represent revenues collected from our slot machines after prize payouts. Our Slots Italy Business Unit is both an operator as well as a concessionaire business, where we operate the slots but also hold the license for the activity. Accordingly, our Operating revenues from our Slots Italy Business Unit also include the fee charged by us as concessionaire where we also undertake certain administrative functions in relation to taxes etc. Operating revenues increased by 20.8% amounting to €76.8 million from €369.2 million in 2022 to €446.0 million in 2023, mainly due to the acquisition of Modena Giochi in April 2023, which added operating revenues of €85.5 million, 3,712 AWP machines to our operations and net operating revenues of €56.4 million for the year ended December 31, 2023.

Net Operating Revenues. Net operating revenues from our Slots Italy Business Unit represent operating revenues after variable rent and other payments made to site owners. Net operating revenues increased by 21.1% from €299.1 million in 2022 to €362.3 million in 2023.

Costs and Expenses. Costs and expenses for our Slots Italy Business Unit principally include taxes on gaming activities, personnel expenditures, depreciation, amortization and impairment expenses and external supplies and services expenses.

Overall costs and expenses for our Slots Italy Business Unit increased by 22.8% to €351.1 million in 2023 as compared to €286.0 million in 2022. The key changes in the components of operating expenses are as follows:

- *Consumption*. Consumption costs are primarily comprised of payments made to co-managers of the VLT machines who carry out certain commercial activities. This expense category decreased by 5.0% from €7.4 million in the year ended December 31, 2022 to €7.0 million in the year ended December 31, 2023. This decrease was primarily due to the partial termination of such agreements with intermediaries. As a percentage of Business Unit EBITDA, this expense category decreased to 25.5% in 2023 from 37.9% in 2022.

- *Personnel Expenses*. Personnel expenses include wages and salaries for commercial, collection and technical support employees. This expense category increased by 13.1% to €17.2 million in 2023 from €15.2 million in 2022. As a percentage of Business Unit EBITDA, this expense category decreased to 62.8% in 2023 from 77.9% in 2022.

- *Gaming Taxes*. Gaming taxes, which in Italy are incurred at a variable rate based on machine revenues, increased by 22.4% from €234.7 million in 2022 to €287.3 million in 2023. As a percentage of Business Unit net operating revenues, gaming taxes slightly increased to 79.3% in 2023 from 78.5% in 2022.

- *External Supplies and Services*. This expense category increased by 5.0% from €22.4 million in 2022 to €23.5 million in 2023. As a percentage of Business Unit EBITDA, this expense category decreased to 85.8% in 2023 from 114.9% in 2022. Further, for the years ended December 31, 2022 and 2023, respectively, rent and lease costs for certain facilities amounted to €12.1 million and €10.5 million, professional expenses amounted to €1.6 million and €1.9 million, and publicity, advertising and public relation expenses amounted to €1.3 million and €0.8 million.

- *Depreciation, Amortization and Impairment*. Depreciation, amortization and impairment expenses increased from €6.4 million in 2022 to €16.1 million in 2023. As a percentage of Business Unit EBITDA, this expense category increased from 32.8% in 2022 to 58.8% in 2023.

EBIT. EBIT for our Slots Italy Business Unit decreased by €1.9 million from €13.1 million in 2022 to €11.2 million in 2023.

EBITDA. EBITDA for our Slots Italy Business Unit increased by 40.5% from €19.5 million in 2022 to €27.4 million in 2023, primarily due to increased operations as a result of the acquisition of Modena Giochi in April 2023. EBITDA Margin (EBITDA as a percentage of Business Unit net operating revenue) increased to 7.6% in 2023 compared to 6.5% in 2022. The increase was primarily due to efficiency programs.

Liquidity and Capital Resources

Overview

Historical Cash Flows. The following is a brief description of certain line items that are included in our consolidated statement of cash flows:

Purchase and development of intangibles. We capitalize those development costs which qualify for recognition as an asset pursuant to IAS 38 which, in any case, represent a minority portion of the total expenditures in research and development linked to our B2B operations under our Slots Spain Business Unit. The total cash outflows associated with these expenditures are included in our statement of cash flows as "*Purchase and development of intangibles*." Under IFRS, this line item also includes the amounts we pay to owners of the premises where we have our slot machines for exclusivity rights.

Interest received on loans granted & cash revenues from other financial assets. We have granted loans to the owners of hotels in the Dominican Republic where we have (or previously had) Casinos and Gaming Halls. Payments of interest received with respect to these loans are recorded in "Interest received on loans granted & cash revenues from other financial assets" in our consolidated statement of cash flows.

Purchase of other financial assets. Variations in the amount of securities we own and variations in deposits and warranties primarily relating to deposits with Casino site owners are recorded as "*Purchase of other financial assets*." This line item also includes deposits with the Italian slots regulator, the ADM. See "*Regulation—Italy*."

Net foreign exchange differences. This line item shows the effects of differences between initial and period-end exchange rates on balances of cash and cash equivalents in currencies other than the euro.

Consolidated Statement of Cash Flows

Year ended December 31, 2024 compared to the year ended December 31, 2023

(in € millions)	Year ended December 31, 2023	Year ended December 31, 2024
	(audited)	*(audited)*
Cash flows from operating activities		
Profit before tax, as per the consolidated profit and loss accounts	139.1	111.0
Adjustments for non-cash revenues and expenses:		
Depreciation, amortization and impairment	315.9	360.2
Allowances for doubtful accounts and inventories	2.6	5.7
Other	2.3	(1.4)
Financial items included in profit before tax:		
Financial results	174.8	215.1
Loss/(Profit) on investment in associates	(4.9)	(7.1)
Foreign exchange results	(1.6)	9.7
Results on sale of non-current assets	4.3	4.8
Adjusted profit before tax from operations before changes in net operating assets	**632.5**	**698.0**
Variations in:		
Receivables	(10.1)	(12.4)
Inventories	5.7	1.4
Suppliers and other accounts payables	4.6	4.0
Accruals, net	2.5	(4.7)
Cash generated from operations	635.2	686.3
Income taxes paid	(90.8)	(78.9)
Net cash flows provided by operating activities	**544.4**	**607.4**
Cash flows from (used in) investing activities		
Purchase and development of property, plant and equipment	(64.2)	(109.2)
Purchase and development of intangibles	(102.5)	(82.3)
Business combinations payments and acquisition of participating companies	(59.1)	(95.0)
Proceeds from other financial assets	7.2	4.2
Purchase of other financial assets	(8.3)	(11.1)
Interest received on loans granted and cash revenues from other financial assets	2.8	7.2
Net cash flows used in investing activities	**(224.1)**	**(286.2)**
Cash flows from (used in) financing activities		
Proceeds/(Payment) from financial loans	(61.2)	(11.9)
Issuance of bonds	693.5	652.5
Repayment of bonds	(650.0)	(433.8)
Deferred gaming taxes, payables	(2.1)	0.0
Capital lease payments	(0.4)	(0.8)
Lease principal payments	(67.7)	(79.2)
Interest paid on financial debt	(142.9)	(188.4)
Dividends, share premium refund and other	(52.7)	(253.4)
Net cash flows from (used in) financing activities	**(283.5)**	**(315.0)**
Net variation in cash and cash equivalents	36.8	6.2
Net foreign exchange differences	1.0	(1.3)
Cash and cash equivalents as of January 1	213.4	251.2
Cash and cash equivalents as of December 31	**251.2**	**256.1**

Cash Flows from Operating Activities. Our net cash flow from operating activities was €607.4 million in the year ended December 31, 2024 and €544.4 million in the year ended December 31, 2023. The difference in our net cash flow from operating activities in the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to the improvement in EBITDA and the lower amount of income taxes paid in 2024, partially offset by the decrease in working capital further to the payments made under the long-term incentive plan in the first quarter of 2024 and some payments made to suppliers in January 2024 instead of December 2023, which positively impacted the working capital evolution of the year ended December 31, 2023.

Cash Flows used in Investing Activities. Our net cash flow used in investing activities was negative €286.2 million in the year ended December 31, 2024 and negative €224.1 million in the year ended December 31, 2023. The difference in our net cash flow used in investing activities in the year ended December 31, 2024 as compared to the year ended December 31, 2023 was due to an increase in both capital expenditures (€24.8 million) and M&A investments (€ 35.9 million).

Cash Flows from (used in) Financing Activities. Our net cash flow used in financing activities was negative €315.0 million in the year ended December 31, 2024 and net cash flow used in financing activities was negative €283.5 million in the year ended December 31, 2023. The difference in our net cash flow used in financing activities in the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to the increase in payments on financial debt further to the increase in the coupons arising from higher EURIBOR rates.

Year ended December 31, 2023 compared to the year ended December 31, 2022

	Year ended December 31,	
(in € millions)	**2022**	**2023**
	(audited)	*(audited)*
Cash flows from operating activities		
Profit before tax, as per the consolidated profit and loss accounts	109.2	139.1
Adjustments for non-cash revenues and expenses:		
Depreciation, amortization and impairment	297.8	315.9
Allowances for doubtful accounts and inventories	4.8	2.6
Other	(1.2)	2.3
Financial items included in profit before tax:		
Financial results	140.0	174.8
Loss/(Profit) on investment in associates	(2.1)	(4.9)
Foreign exchange results	(2.2)	(1.6)
Results on sale of non-current assets	5.0	4.3
Adjusted profit before tax from operations before changes in net operating assets	**551.3**	**632.5**
Variations in:		
Receivables	(9.6)	(10.1)
Inventories	(1.4)	5.7
Suppliers and other accounts payables	7.8	4.6
Accruals, net	0.9	2.5
Cash generated from operations	549.0	635.2
Income taxes paid	(35.3)	(90.8)
Net cash flows provided by operating activities	**513.7**	**544.4**
Cash flows from (used in) investing activities		
Purchase and development of property, plant and equipment	(73.0)	(64.2)
Purchase and development of intangibles	(71.5)	(102.5)
Acquisition of participating companies, net of cash acquired	(65.7)	(59.1)
Proceeds from other financial assets	0.0	7.2
Purchase of other financial assets	(10.7)	(8.3)
Interest received on loans granted and cash revenues from other financial assets	1.6	2.8
Net cash flows used in investing activities	**(219.3)**	**(224.1)**
Cash flows from (used in) financing activities		
Proceeds/(Payment) from financial loans	(160.5)	(61.2)
Issuance of bonds	416.9	693.5
Repayment of bonds	(403.0)	(650.0)
Deferred gaming taxes, payables	(5.0)	(2.1)
Capital lease payments	(0.4)	(0.4)
Lease principal payments	(63.4)	(67.7)
Interest paid on financial debt	(122.5)	(142.9)
Dividends, share premium refund and other	(23.8)	(52.7)
Net cash flows from (used in) financing activities	**(361.7)**	**(283.5)**
Net variation in cash and cash equivalents	(67.3)	36.8
Net foreign exchange differences	0.4	1.0
Cash and cash equivalents as of January 1	280.2	213.4
Cash and cash equivalents as of December 31	**213.3**	**251.2**

Cash Flows from Operating Activities. Our net cash flow from operating activities was €544.4 million in 2023 and €513.7 million in 2022. The difference in our net cash flow from operating activities in 2023 compared to 2022 was primarily due to the improvement in EBITDA and positive working capital attributable to inventories, which was partially offset by the increase in income tax paid on increased operating revenues as operations resumed to normal after the COVID-19 pandemic.

Cash Flows used in Investing Activities. Our net cash flow used in investing activities was broadly stable in 2022 and

2023, being €224.1 million in 2023 and €219.3 million in 2022.

Cash Flows from (used in) Financing Activities. Our net cash outflow for financing activities was €283.5 million in 2023 compared to a net cash outflow of €361.7 million in 2022. The difference in our net cash outflow for financing activities in 2023 compared to 2022 was primarily due to the partial repayment of the Revolving Credit Facility and higher interest expense in connection with the 10.375% 2027 Notes, which have been partially redeemed in February 2024.

Working Capital Requirements

The operation of our various businesses, in the aggregate, is not working capital intensive. Our working capital requirements largely arise in our B2B business (which is now part of our Slots Spain Business Unit). We have historically funded our operating cash flow requirements through funds generated from our operations, from borrowings under bank facilities and debt securities and through funds from other finance sources. Although our Casinos, Slots Spain, Online Gaming & Betting and Slots Italy Business Units do have certain limited working capital requirements, particularly for cash, we believe that these Business Units are cash generative and fund a substantial portion of the working capital needs of the B2B business (which is now part of our Slots Spain Business Unit).

We anticipate that our working capital requirements in the foreseeable future will generally be stable. However, these requirements can fluctuate for a variety of factors, including level of activity and our operations, acquisitions, changes in regulation and general economic environment.

Year ended December 31, 2024 compared to the year ended December 31, 2023

The following table, which is derived from our consolidated statement of cash flows, sets forth movements in our working capital for the periods indicated.

	Year ended December 31,	
(in € millions)	**2023**	**2024**
	(audited)	*(audited)*
Variations in:		
Trade and other receivables[(1)]	(10.1)	(12.4)
Inventories	5.7	1.4
Payables	4.6	4.0
Accruals, net	2.5	(4.7)
Total	**2.7**	(11.7)

(1) Represents trade receivables, impairment losses, receivables from public administrations (which mainly correspond to payments on account of income tax, VAT and other tax receivables) and other accounts receivables (mainly corresponding to prepayments to owners of hospitality establishments for the portion of the earnings obtained from the slot machines located in their premises that they are entitled to receive).

Our results of operations can be impacted by the level of allowances for doubtful accounts. Movements in these allowances are recorded in "Change in trade provisions" in our profit and loss account. Changes in trade provisions changed from €2.6 million in the year ended December 31, 2023 to €5.7 million in the year ended December 31, 2024.

The total variation in working capital was positive €2.7 million in the year ended December 31, 2023 and negative €11.7 million in the year ended December 31, 2024. The difference in working capital was primarily attributable to the deferred payment of the acquisition of Apuesta Total and to the increase in accounts payable resulting from the improvement in EBITDA and the lower amount of income taxes accrued in 2023 and payable in 2024, partially offset by the decrease in working capital further to the payments made under the long-term incentive plan in the first quarter of 2024 and some payments made to suppliers in January 2024 instead of December 2023, which positively impacted the working capital evolution of the year ended December 31, 2023. For the years ended December 31, 2023 and 2024, the income taxes paid amounted to €90.8 million and €78.9 million, respectively.

Year ended December 31, 2023 compared to the year ended December 31, 2022

The following table, which is derived from our consolidated statement of cash flows, sets forth movements in our working capital for the periods indicated.

(in € millions)	Year ended December 31, 2022	2023
	(audited)	*(audited)*
Variations in:		
Trade and other receivables[(1)]	(9.6)	(10.1)
Inventories	(1.4)	5.7
Payables	7.8	4.6
Accruals, net	0.9	2.5
Total	**(2.3)**	**2.7**

(1) Represents trade receivables, impairment losses, receivables from public administrations (which mainly correspond to payments on account of income tax, VAT and other tax receivables) and other accounts receivables (mainly corresponding to prepayments to owners of hospitality establishments for the portion of the earnings obtained from the slot machines located in their premises that they are entitled to receive).

Our results of operations can be impacted by the level of allowances for doubtful accounts. Movements in these allowances are recorded in "Change in trade provisions" in our profit and loss account. Changes in trade provisions changed from €4.8 million in 2022 to €2.6 million in 2023.

The total variation in working capital changed to positive €2.7 million in 2023 from negative €2.3 million in 2022. The change in working capital was primarily attributable to certain payments being made to suppliers in January 2024 instead of December 2023 due to bank holidays at the end of December 2023.

Capital Expenditures

The Group's investments are broadly categorized under three items: "*Purchase and development of property, plant and equipment,*" "*Purchase and development of intangibles*" and "*Acquisition of investments in other companies.*" We define capital expenditures to include the first two items as set forth below:

(in € millions)	Year ended December 31, 2022	2023	2024
	(audited)	*(audited)*	*(audited)*
Purchase and development of property, plant and equipment	(73.0)	(64.2)	(109.2)
Purchase and development of intangibles	(71.5)	(102.5)	(82.3)
Total Capital Expenditures	**(144.5)**	**(166.7)**	**(191.5)**

Our capital expenditures primarily consist of investments to maintain the quality of our facilities, to expand our capacity in our Slots Spain and Casinos Business Units and to fund research and development expenditures made to support our B2B operations. Our gaming licenses are also included in intangible assets as they are capitalized. The amounts paid for those licenses are recorded as capital expenditures.

The following table sets forth our capital expenditures (excluding M&A activities) by Business Unit.

(in € millions)	Year ended December 31, 2022	2023	2024
	(audited)	*(audited)*	*(audited)*
Capital expenditures by Business Unit			
Casinos	(63.2)	(79.3)	(82.1)
Slots Spain	(64.1)	(67.3)	(79.8)
Online Gaming & Betting	(12.9)	(10.9)	(18.2)
Slots Italy	(4.1)	(7.7)	(10.3)
Structure	(0.2)	(1.5)	(1.0)
Total Capital Expenditures	**(144.5)**	**(166.7)**	**(191.5)**

Our total capital expenditures for 2024 were €191.5 million. Our major capital expenditures in 2024 included:

- €152.3 million of maintenance expenditures (including the amounts paid in acquisition of tangible fixed assets and intangible assets and excluding the acquisitions of companies for €94.5 million); and

- €39.2 million on the other expansion of our business.

Our total capital expenditures for 2023 were €166.7 million. Our major capital expenditures in 2023 included:

- €121.6 million of maintenance expenditures; and

- €45.1 million on the other expansion of our business.

Our total capital expenditures for 2022 were €144.5 million. Our major capital expenditures in 2022 included:

- €113.4 million of maintenance expenditures; and

- €31.1 million on the other expansion of our business.

Our investments in acquired companies are included under "*Acquisition of investments in other companies*." For the years ended December 31, 2022, 2023 and 2024, our investments in companies amounted to €65.7 million, €59.1 million and €94.5 million, respectively.

Contractual Obligations

We have numerous contractual commitments providing for payments pursuant to, among other things, leases for casinos, production plants, warehouses and office facilities, equipment leases, automobile leases and payments to site owners and sub-operators in our slots businesses. We also have, and will have, payment obligations pursuant to our outstanding borrowings, including the financial obligations arising from the Notes.

Our consolidated contractual obligations as of December 31, 2024 were as follows:

(in € millions)	Principal Amount Outstanding	Balance as of December 31, 2022	2023	2024
Description				
Loans secured by mortgage	—	—	—	—
Other loans	51.5	46.3	53.3	42.7
RCF credit lines(1)	—	68	—	—
Finance lease arrangements	1.3	1.0	1.0	1.7
Credit and discount lines(2)	6.3	9.3	6.2	6.7
Total	**59.1**	**124.6**	**60.5**	**51.1**

(1) The undrawn amounts of the Revolving Credit Facility amounted to €207.0 million as of December 31, 2022 and €275.0 million as of December 31, 2023 and 2024.

(2) The undrawn amounts of other credit facilities and discount lines amounted to €15.4 million, €19.0 million and €17.5 million as of December 31, 2022, 2023 and 2024, respectively.

Off Balance Sheet Arrangements

We generally do not utilize off balance sheet arrangements, other than performance bonds established by local regulations in the countries in which we operate for obligations for gaming taxes and prizes and other obligations. As of December 31, 2023 and December 31, 2024, the total guarantees and sureties for these performance bonds amounted to €150.4 million and €164.1 million, respectively. Such performance bonds are sureties and are required to be paid in the event that there is a default or other action in respect of the underlying agreement. No cash is pledged in respect of such performance bonds. In addition, we have granted security over material operating bank accounts of the Company and Cirsa Finance (although no amount has been pledged as of the date of this annual report). See note 22 to our Special Purpose Consolidated Financial Statements.

Liquidity

Intra Group Funding for the Group

The liquidity needs of the Group are met through a combination of internally generated cash flow, dividends, intercompany loans, capital contributions, intra-Group payment obligations and payments under management services agreements and other arrangements.

Our subsidiaries may be restricted from providing funds to us and our other subsidiaries under some circumstances. Certain subsidiaries are subject to corporate law and contractual restrictions, including restrictions under debt instruments, that limit their ability to pay dividends or make other payments.

A significant portion of the Group's revenues and EBITDA is generated by its Latin American businesses. If we were unable to repatriate some or all of our profits from our Latin American businesses, we would not be able to use the cash flow from these businesses to fund the liquidity needs of the other members of the Group.

External Sources of Liquidity

Our principal external sources of liquidity during the periods under review have been the issuance of debt securities, borrowings under long-term and short-term credit facilities, gaming tax deferrals, local lines of credit and overdraft facilities, as well as finance leases. In addition, we expect that as in the past, certain of our partners in joint ventures and companies in which we hold a minority interest will provide funding for these joint ventures and companies. Our principal external sources of liquidity have been debt securities, the Revolving Credit Facility and the other sources of liquidity such as local lines of debt for the Group as summarized in "*Description of Certain Indebtedness*." We used the proceeds from the issuance of the €615 million aggregate principal amount of the 4.500% 2027 Notes in September 2021 to redeem in full certain U.S. dollar denominated senior secured notes due 2023 issued under a previous indenture, to redeem a portion of certain euro denominated senior secured notes due 2023 issued under a previous indenture and to repay and cancel a second revolving credit facility which originally matured in December 2021 but was repaid in September 2021. The proceeds from the issuance of the €425 million aggregate principal amount of 10.375% 2027 Notes in November 2022 were used to redeem a portion of certain senior secured notes due 2023. The proceeds from the issuance of the €375 million aggregate principal amount of the 2028 Fixed Rate Notes and the €325 million aggregate principal amount of the 2028 Floating Rate Notes in July 2023 were used to redeem in full the entire outstanding amount of the remaining senior secured notes due 2023 and to redeem the entire outstanding amount of certain senior secured floating rate notes due 2025. The proceeds from the issuance of the €450 million aggregate principal amount of the 2029 Notes and the €200 million aggregate principal amount of the 2028 Floating Rate Notes in February 2024 were used to redeem the entire outstanding amount of certain senior secured notes due 2025 and to redeem a portion of the Existing PIK Notes as well as a portion of the 10.375% 2027 Notes.

We continue to monitor and limit our exposure to short-term borrowings in Spain and Italy given the restrictions on liquidity that the Spanish banking and Italian systems have been experiencing, particularly after the COVID-19 pandemic. We also seek to limit our exposure to cross-border risk in our financings. In furtherance of these objectives, we are seeking to improve our debt maturity profile. We also have been exploring opportunities to obtain local financings in certain jurisdictions in which we operate, in addition to our bank facilities in Colombia, Panama and Italy.

We have substantial debt and debt service obligations. As at December 31, 2024, we had total indebtedness of €2,894.1 million. Our level of debt has increased during the last five years, particularly due to the COVID-19 pandemic. In addition, we may incur substantial additional debt in the future.

We will continue to need significant cash resources to, among other things:

- meet our debt service requirements under the Notes and our other indebtedness;
- fund our working capital requirements;
- make capital investments to comply with our existing contractual obligations and the terms of our licenses, to acquire new slot machines and to maintain and to expand our slots business in Spain and adjacent markets, our slots business in Italy, our casino operations in Latin America and our bingo hall business in Mexico;
- make other investments in the gaming business, including joint ventures and minority investments, and acquiring majority control of existing joint ventures and investments;
- fund our research and development activities;
- fund deferred lease payments; and
- gaming taxes.

We believe that our cash flow from operations and available cash and our other available external financing sources will be adequate to meet our future liquidity needs for the foreseeable future, although we cannot assure you that this will be the case.

If we are required to borrow additional amounts, our ability to do so could be restricted by the terms of the Indenture and the terms of our bank indebtedness.

As part of our ongoing efforts to manage our debt profile, we may from time to time repay, prepay or repurchase our existing indebtedness prior to its scheduled maturity. Our future operating performance and our ability to service or refinance our indebtedness are subject to future economic conditions, financial, business and other factors, many of which are beyond our control.

Effects of Inflation

Our performance is affected by inflation to a limited extent. In recent years, the impact of inflation on our operations in Spain has not been material. However, our international operations, particularly those in some countries in Latin America, are subject to relatively high inflation rates.

Effects of Related Party Transactions

We have engaged in a number and variety of transactions with Blackstone and our management, and certain other companies associated with Blackstone and our management. See "*Certain Relationships and Related Party Transactions*."

Dividends

During the years ended December 31, 2022, 2023 and 2024, we paid in aggregate approximately €249.5 million in dividends or share premium payback to our shareholders.

Employee Benefit Plans

We maintain employee benefit plans for certain employees in our Casinos and Gaming Halls. Additionally, we have approved an incentive plan designed to retain strategic senior managers and optimize their results (the "*Plan de Incentivo Dinerario Plurianual 2024-2028*" or "*Multiyear Incentive Plan 2024-2028*"). We do not have any material pension commitments or other similar obligations.

Critical Accounting Policies

For a discussion of our critical accounting policies and changes in our accounting policies, we refer to note 2 to our Special Purpose Consolidated Financial Statements.

RISK FACTORS

You should carefully consider the risk factors described below and all other information contained in this annual report. These risks and uncertainties are not the only ones we face. We also face additional risks and uncertainties that are not currently known to us or that we currently consider immaterial. The occurrence of the risks described below or such additional risks could have a material adverse impact on our business, financial condition and results of operations. This annual report contains "forward-looking" statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences are discussed below and elsewhere in this annual report. See "Forward-Looking Statements."

Risks Related to Our Business

Our business may be negatively impacted by the economic volatility and political conditions in Spain and other markets in which we operate, heightened inflation, trade wars, unemployment and other geopolitical and macroeconomic factors beyond our control.

The geopolitical and macroeconomic conditions of the countries where we operate are beyond our control and may have a material adverse effect on our business, financial condition and results of operations.

Our results of operations are highly dependent on our operations in Spain. For the years ended December 31, 2023 and 2024, our operations in Spain accounted for 42.1% and 40.6%, respectively, of our consolidated net operating revenues and 48.9% and 48.7%, respectively, of our consolidated EBITDA. The gross domestic product of Spain declined by 10.8% in 2020 as a result of the COVID-19 pandemic. Such a downturn and decline in the Spanish economy had not been seen since the global financial crisis in 2009, and has negatively impacted our operations in Spain, with financial performance only starting to recover to pre-pandemic levels in 2024. During this period, the aggregate number of visitors to our Casinos and Gaming Halls in Spain as well as their average visit length and amount wagered decreased compared to the pre-pandemic period. While the Spanish economy has been experiencing a modest recovery in recent years, and returned to positive real GDP growth (5.8%, 2.5% and 3.1% for 2022, 2023 and 2024, respectively), risks remain around a full recovery given ongoing concerns about the political uncertainty, unemployment and the availability and cost of credit. For example, the unemployment rate, while improving in relative terms in recent years, was reported to be 12.2% and 11.4% in December 2023 and December 2024, respectively.

The results of our operations are also dependent on the economic and political conditions of other markets in which we operate, including Panama, Colombia, Mexico and other Latin American countries. Some of these markets have experienced economic declines recently, and during various periods in the past decade. See "*—There are risks associated with our operations in Latin America and Morocco, including political and economic instability, fluctuations in foreign exchange rate as well as natural disasters due to varying weather conditions*." Our Latin American operations accounted for 30.3% and 32.4% of our consolidated net operating revenues, and 40.9% and 40.7% of our consolidated EBITDA for the years ended December 31, 2023 and 2024, respectively. In the last three years, the COVID-19 pandemic has also adversely affected the Latin American countries in which we operate, with financial performance only starting to recover to pre-pandemic levels in 2024.

Further, we operate in Italy, which accounted for 25.3% and 24.8% of our consolidated net operating revenues and 7.2% and 7.6% of our consolidated EBITDA for the years ended December 31, 2023 and 2024, respectively. Similar to the other geographies where we operate, Italy recorded negative GDP growth in 2020 due to the COVID-19 pandemic. Following the outbreak of the COVID-19 pandemic, the Italian economy contracted sharply in 2020, entering a new recession as Italy was one of the most heavily impacted countries by the COVID-19 pandemic. Italian GDP growth returned to positive 4.7%, 0.7% and 0.5% for the years 2022, 2023 and 2024, respectively. However, economic growth remains volatile. Continuing economic stagnation or renewed deterioration of the Italian economy could result in reduced capacity for demand and investments in the gaming sector.

Additionally, mismatches between the supply and demand of goods and services in global markets following the COVID-19 pandemic and consequent supply chain disruptions, as well as the impact of the Russia-Ukraine conflict on the energy market, have contributed to a rise in global inflation in 2022 and 2023. As monetary policy has tightened in response to inflation in markets across the world, economic growth may be negatively impacted. Higher interest rates may push the EU economy into a recession over the short - to medium - term and the risk of prolonged inflation is still present despite the interest rate cuts by the European Central Bank (which decreased interest rates in respect of the main refinancing operations to 2.65% on March 6, 2025) and the U.S. Federal Reserve (which lowered interest rates by 25 basis points on December 18, 2024) in response to lower inflationary pressures. As a result, any new significant economic downturn or change in political conditions could have a material adverse effect on our business, financial condition and results of operations.

Economic contraction, heightened inflation, economic and political uncertainty and the perception by our customers of weak or weakening economic conditions may cause a decline in demand for entertainment in the forms of the gaming services that we offer. In addition, changes in discretionary consumer spending or consumer preferences could be driven by factors such as an unstable labor market or perceived or actual disposable consumer income and wealth.

In addition, there are several potential sources of economic uncertainty which could adversely affect the economy in particular. For example, natural disasters, such as the torrential rains in Valencia in 2024, may have a negative impact on our gaming activities, as they may cause material damage to our retail outlets in the region, resulting in a potential loss of profit for the period that our operations remain closed pending repairs as well as economic disruption in the form of potentially reduced spending capacity of our customers in the region. Additionally, the military invasion of Ukraine by the Russian Federation on February 24, 2022, has resulted in certain sanctions being imposed by the United States, the European Union, the United Kingdom and other jurisdictions (including the freezing of the assets related to the Russian government and individuals as well as exclusion of certain Russian financial institutions from the SWIFT messaging system), all of which are expected to negatively impact the global economy and financial markets. Further, the attacks in Israel by Hamas on October 7, 2023 and the ensuing conflict in the Gaza Strip as well as the ongoing conflict in Lebanon has created an unstable geopolitical environment in the Middle East.

The Group has no direct exposure to Ukraine, Russia, the Middle East, including Israel, the Gaza Strip or Lebanon, as none of our assets are located in these markets.

We cannot predict the impact of Russian actions in Ukraine or of the conflict between Israel and Hamas, which controls the Gaza Strip, and Israel and Hezbollah, which operates from Lebanon, and any heightened military conflict or geopolitical instability that may follow, including heightened operating risks and production disruptions in Russia, Europe and the Middle East, additional sanctions, heightened inflation or counter-sanctions, market volatility, cyber disruptions or attacks, higher energy costs, higher manufacturing costs, disruptions in raw materials supplies, increased raw material costs and higher supply chain costs. Any of these or a combination of these factors could adversely impact our business, results of operations, financial condition and prospects.

Finally, our business operations may also be affected by the escalating geopolitical tensions which have surfaced in the new global geopolitical landscape following the recent change in the U.S. presidency. The U.S. government has recently imposed, or is currently considering imposing, tariffs on certain trade partners and goods. For example, on February 1, 2025, the President of the United States announced tariffs of up to 25% on goods entering the U.S. from, *inter alia*, Mexico and Canada, which have since been made subject to certain exemptions, such as the exclusion of goods covered under the United States-Mexico-Canada Agreement on trade. Furthermore, on April 2, 2025, the U.S. government imposed a baseline tariff on imports of at least 10% and up to 50% on a majority of its trading partners and across almost all goods. As of April 11, 2025, the U.S. administration has paused certain of the announced tariffs against these trading partners (except for China) for 90 days, however, successive tariff increases from both China and the U.S. have led to the U.S. imposing tariffs of 145% (excluding tech products) on the majority of imports from China and China imposing tariffs of 125% on the majority of imports from the United States. Tariffs, trade wars and other changes in U.S. trade policy have triggered and could in the future trigger retaliatory actions by affected countries, and certain foreign governments have instituted or are considering imposing retaliatory measures on certain U.S. exports. This situation is rapidly developing and there is uncertainty as to further actions that may be taken by the U.S. government with respect to U.S. trade policy and how other countries will respond. Even though Cirsa does not have a direct exposure to the United States or China, it operates in both Latin America (including Mexico) and Europe, and trade wars and changes in tariffs or other international trade policies may disrupt global supply chains, elevate costs and contribute to higher inflation and interest rates, and, therefore, may have an impact on the countries in which we operate and, consequently, on our business.

There are risks associated with our operations in Latin America and Morocco, including political and economic instability, fluctuations in foreign exchange rate as well as natural disasters due to varying weather conditions.

For the years ended December 31, 2023 and 2024, our operations in Latin American countries and Morocco accounted for 32.6% and 34.7%, respectively, of our consolidated net operating revenues and 44.0% and 43.9%, respectively, of our consolidated EBITDA. In most of these countries, we have a long-standing presence, having operated in the Dominican Republic since 1990, Panama since 1996, and other Latin American countries since 2005-2007. Over the past ten years, we have expanded our operations into Latin America (including Puerto Rico in 2024) and we may continue to expand selectively into new geographies where the gaming industry is generally less developed than in Spain.

On an aggregate basis, a significant portion of our international presence is in Panama, Colombia, Morocco, Mexico, Costa Rica, Dominican Republic, Puerto Rico and Peru. In these markets, we are often exposed to substantial political and economic risks because the governments, economies and currencies of many of these countries may tend to be more volatile than the countries of the European Union. For example, the rise in global inflation between 2021 and 2024 has particularly impacted Colombia, Peru, Mexico and the Dominican Republic, where inflation for the year ended December 31, 2024 stood at 5.2%, 2.1%, 4.2% and 3.4%, respectively, compared to the year ended December 31, 2023. New inflationary pressures in these countries, particularly taking into account their economic reliance on the United States market, may appear following the imposition of tariffs by the United States (see "—*Our business may be negatively impacted by the economic volatility and political conditions in Spain and other markets in which we operate, heightened inflation, trade wars, unemployment and other geopolitical and macroeconomic factors beyond our control*"). In turn, such inflationary pressures may have an impact on the value of the different Latin American currencies in which we operate. However, any inflationary costs are not passed on to our customers. Recent developments in global commodities markets (in particular with respect to oil) and slowing Chinese demand for goods from the region has also significantly impacted the local economies in Latin America. These regions have historically shown a lower GGR per capita compared to European countries. Any new significant economic downturn, a prolonged inflationary environment or political unrest in any of these countries may materially affect the expected increase in GGR per capita in these countries, with material adverse effects on our business, financial condition and results of operations.

Additionally, we record our financial results in euro and are consequently subject to foreign exchange rate risks in Latin America and Morocco. Our operations in Latin America and Morocco are conducted in local currencies which amounted to 34.7% of the net operating revenues of the Group for the year ended December 31, 2024.

Because our financial statements are denominated in euro and we do not have any exchange rate hedging strategies in place, exchange rate movements between the euro and the other relevant currencies have in the past adversely impacted, and may continue to adversely impact, our results of operations. For example, a decline in the U.S. dollar, which is a *de facto* functional currency for certain of our Latin American operations, such as Panama, and which depreciated against the euro in 2020, 2021 and 2023, but which strengthened against the euro in 2022, could adversely impact our results of operations. Our results of operations and financial position have also been adversely affected by the depreciation of the Colombian and Mexican peso against the euro at different times in recent years, as well as in earlier historical periods. For example, in 2022, 2023 and 2024, (i) the Colombian peso depreciated 13.8%, 3.2% and appreciated 4.1% against the euro, respectively, and (ii) the Mexican peso appreciated 10.4%, 9.3% and depreciated 4.9% against the euro, respectively. We expect that our financial condition and results of operations will continue to be impacted by the effect of currency fluctuations in the future, particularly as we generally do not engage in, or have immediate plans to enter into, any currency hedging transactions. Moreover, these currency fluctuations may make period-to-period comparisons of our results from operations difficult to evaluate.

The following sensitivity analysis illustrates the impact on the Group's profit before tax for the year ended December 31, 2024, for potential appreciations or depreciations of the euro against certain currencies of variation up to 5% and 10%:

	Year ended December 31, 2024			
(In € thousand)	**10%**	**5%**	**(5)%**	**(10)%**
Costa Rica Colon vs EUR	(351)	(184)	203	430
Moroccan Dirham vs EUR	(1,260)	(660)	729	1,540
U.S. Dollar vs EUR	(3,507)	(1,837)	2,030	4,286
Colombian Peso vs EUR	(2,079)	(1,089)	1,204	2,541
Dominican Peso vs EUR	(1,230)	(644)	712	1,503
Mexican Peso vs EUR	387	202	(224)	(472)
Peruvian sol vs EUR	(865)	(453)	501	1,058

As reflected above, as of December 31, 2024, our future results of operation are most sensitive to depreciations in the U.S. Dollar, followed by the Colombian Peso, the Moroccan Dirham, and the Dominican Peso.

Our revenues and expenses, which are reported in euro, will be impacted by fluctuations in local currencies. The impact of currency translation differences on our consolidated statement of changes in equity is subject to a high degree of fluctuation. In particular, while the impact for the years ended December 31, 2024 and 2023 was positive (amounting to €2.7 and €31.3 million, respectively), for the year ended December 31, 2022 the impact was of negative, amounting to €50.9 million, of which €96.1 million and €9.7 million were due to the fluctuations of the Colombian pesos and Peruvian sol, respectively. This was partially compensated by a positive impact of €42.4 million due to the fluctuation of the U.S. Dollar. The impact that the different currency translation differences have on our consolidated statement of changes in equity varies significantly, and the effect of each such currency translation difference may or may not be compensated by currency translation differences of other currencies. For example, out of the total €2.7 million impact for the year ended December 31, 2024, the U.S. dollar had a positive contribution of €67.9 million, while the Mexican and Colombian Pesos contributed negatively with an impact of €10.4 and €78.6 million, respectively. Additionally, the average exchange rate of the U.S. dollar against the euro during the year ended December 31, 2024, increased by 0.2% compared to the year ended December 31, 2023, resulting in a positive impact on our results of operations, while the impact for the year ended December 31 2023 was negative due to a decrease in the average exchange rate of the U.S. dollar against the euro of 3.1% compared to the year ended December 2022. The exchange rates we use in our financial statements are set by the respective central banks of each country. A continuous and/or substantial depreciation of local currencies against the euro, which in the long term depends on the level of inflation insisting in a specific country, may have an adverse impact on our operations and results. We can provide no assurances that the local currencies that we have exposure to will not fluctuate against the euro.

Currencies in Latin America may be particularly sensitive to the U.S. market following the recent increase in tariffs. Given that the U.S. is the primary export market for many Latin American countries, any changes in U.S. trade policies may have a significant impact on the economic stability of these regions. The increased tariffs may lead to higher costs for exported goods, which may, in turn, affect the exchange rates and increase inflation in Latin American countries.

In addition, our operations in Latin America expose us to risks linked to local weather conditions, such as hurricanes or tropical storms. These weather events could cause damage to our property and technology and could cause disruptions to our operations. For example, hurricane "Otis," which affected Mexico in October 2023, led to the closure for two months of two of our Casinos in Acapulco.

The premises where we operate our Casinos and Gaming Halls may become unavailable due to relocations, closures or termination of our lease agreements, and we may be unable to extend or renew our operating licenses.

For the years ended December 31, 2024, 2023, and 2022, our Casinos Business Unit represented 45.0%, 46.8%, and 49.7%, of our net operating revenues as well as 58.0%, 62.1% and 63.3% of our consolidated EBITDA, respectively. As of December 31, 2024, 2023 and 2022, we operated 447, 433 and 430 Casinos and Gaming Halls, respectively, in eight countries. For the years ended December 31, 2024, 2023 and 2022, 96.9%, 96.8% and 96.7%, respectively, of the premises where we operated our Casinos and Gaming Halls were leased from third parties, accounting for €214.7 million, €216.6 million and €210.4 million of the total financial liabilities of the Casinos Business Unit for the respective periods. Further, 64.2% of such leases in respect of our Casinos Business Unit will expire in five years from December 31, 2024. The total cost of leases of the Group for the years ended December 31, 2024 and 2023 amounted to €79.2 million and €67.7 million, respectively, of which the cost attributable to our Casinos Business Unit for the same periods amounted to €58.3 million and €64.2 million, respectively, representing 6.0% and 6.9%, respectively, of the net operating revenues from our Casinos Business Unit for such periods. We face risks in relation to properties that we lease, as well as the related licenses required by law, in order to operate our Casinos and Gaming Halls. The majority of our lease agreements provide for option rights to extend the duration of the lease for a certain period of time. However, upon expiration of any of our lease agreements, we may not be able to extend or renew such agreements at favorable terms or at all and, therefore, we may become unable to continue our operations in the relevant premises. For example, we operate Casinos in Medellin, Colombia, under lease agreements where we previously received requests by landlords to vacate premises, which lead to lawsuits from and/or settlement agreements with the relevant landlords. Such potential closures or relocations of premises could have an adverse effect on our business, financial condition and results of operations.

We benefit from the long-term nature of our licenses, all of which are administratively renewed other than our licenses in Italy (which expired in December 2024 and have been extended until December 2026) and Panama (where 26 of our 42 licenses expire in April and October 2038). In these countries, in order to obtain or renew gaming licenses companies must participate in public tenders. Therefore, the renewal of such licenses is not automatic, and significant expenses are incurred for obtaining or renewing a license. See "*—Legal and Regulatory Risks—The gaming industry is subject to extensive regulation and licensing requirements and our business may be adversely affected by our inability to comply with these requirements, regulatory changes and increases in the taxation of gaming, which could result in litigation*" and "*Regulation*."

We may not be able to manage growth in our business through investments and acquisitions due to unforeseen integration obstacles or costs.

We have made in the past, and intend to continue to make in the future, selective investments and acquisitions in the gaming industry in Spain, Latin America and adjacent markets as a part of our business plan and may expand our product offering into new geographies. For example, in the years ended December 31, 2022, 2023 and 2024, we invested an aggregate amount of €219.8 million in mergers, acquisitions and other investments.

The success of any future acquisition will depend upon our ability to identify suitable targets, conduct appropriate due diligence, negotiate transactions on fair and favorable terms, obtain required authorizations and, ultimately, complete such acquisitions and successfully integrate them into our Group. Our assessments of acquisition targets may prove to be incorrect and in particular our expectations with respect to growth, financial margins, cash flows and cost as well as revenue synergies. Our acquisitions may subject us to more expansive or new regulatory frameworks, new customer segments with different gaming and spending habits than we have catered to and/or new competitive dynamics which could hinder our growth and frustrate the realization of our acquisition objectives. Furthermore, we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or other parties. Debt incurrence to consummate acquisitions may also increase our leverage, and if the acquisition is of a considerable size, such increase in leverage may be material and we may not be able to obtain additional debt on favorable terms. Any due diligence with respect to identifying targets may require further investment than we expected. Inorganic growth can also strain internal resources, including our financial and accounting control systems, as it requires management to identify and execute on appropriate investments and subsequently train and manage increased numbers of employees. Although the Company has not determined any specific target for growth derived from M&A activity, we believe we will maintain a constant level of M&A growth in line with the Company's future growth, assuming (i) we are able to identify M&A opportunities that satisfy our M&A criteria, (ii) the increase in M&A activity does not compromise our financial leverage and (iii) financing costs remain stable. Any such investments will be made in compliance with the limitations and restrictions in our existing financing agreements.

Additionally, we may face difficulties in the integration of an acquired company or business unit into our Group. The process of integrating acquisitions may be disruptive to our operations, as a result of, among other things, unforeseen legal, regulatory, contractual (including, for instance, representations and warranties, indemnities, put and call options) and other issues, difficulties in realizing operating synergies, difficulties in integrating diverse business cultures which may be incompatible, problems in integrating IT or other systems between the businesses or a failure to maintain the quality of services that we have historically provided. Moreover, the integration of acquired businesses may be more difficult or take longer than anticipated resulting in higher administrative and management costs than anticipated. As we continue to grow, any further acquisitions could cause a significant increase in our costs. Any of the abovementioned problems could lead to a diversion of management focus and resources from other strategic opportunities or material operational matters or lead to difficulties in managing a larger company.

Lastly, we may be unable to recoup our investment or achieve positive financial results within the expected timeframe or at all. For example, GanaBet (renamed *Sportium*), which we acquired in 2023 in Mexico and which is our only material business with a negative cash flow for the year ended December 31, 2023, is still in a ramp-up process and, thus, generates negative EBITDA as of the date of this annual report. During the years ended December 31, 2024, 2023 and 2022, respectively, we injected into GanaBet 62.8 million Mexican pesos ($3.7 million), 63.0 million Mexican pesos ($3.7 million) and 79.0 million Mexican pesos ($4.3 million) by way of equity contributions in order to offset the losses which amounted to approximately €6.4 million, €4.2 million and €6.6 million for the same periods. Further, we may experience cost overruns, delays and operational difficulties with respect to existing and future projects and acquisitions, which could have an adverse effect on our business and results of operations. We may not successfully overcome problems encountered in connection with potential acquisitions, completed acquisitions or other expansion efforts, and such problems could have a material adverse effect on our results of operations.

Changes in consumer preferences towards online gaming and the operational and technological difficulties in connection with our online operations could harm our business.

Our business is dependent on the appeal of our gaming offerings to our customers. Our gaming offerings compete with various other forms of gaming venues and opportunities. For example, while historically online gaming has been supplemented to land-based gaming, the rapid expansion of online gaming may render the products of our other units obsolete or require significant capital expenditures to meet customer demand.

Changes in consumer preferences and our inability to adapt could result in reduced demand for our offerings, eroding our competitive position and financial performance. For the years ended December 31, 2024, 2023 and 2022, our Online Gaming & Betting Business Unit accounted for 19.5%, 16.2% and 12.6% of our consolidated net operating revenues and 12.2%, 8.5% and 7.6% of our consolidated EBITDA. During the years ended December 31, 2022, 2023 and 2024, our Capital Expenditures in our online operations amounted to €12.9 million, €10.9 million and €18.2 million, respectively.

The rise in online gaming activities is increasingly exposing us to risks related to the dissemination of our advertisements through the internet in jurisdictions which may have conflicting laws and regulations (or interpretations of such laws and regulations) with regard to the legality or appropriate regulatory compliance of our online activities. Accordingly, we may be subject to the application of existing or potential laws and regulations, and fees or levies in jurisdictions in which our advertisements can be accessed through the internet, although we may not operate in such countries. Any such laws, regulations, fees or levies may have an adverse effect on our business, financial condition and results of operations.

We only operate in regulated online markets, such as Spain, Italy, Colombia, Panama, Mexico, Peru and Portugal, with online licenses pending in the Dominican Republic and Puerto Rico. These markets additionally have a well-established regulatory regime for land-based operations with stringent legal frameworks. However, there are other countries outside our operations which may not have equivalent governing laws, particularly for online gaming. Consequently, there is uncertainty as to the legality of online gaming in a number of countries where our advertisements might be disseminated or our services might be accessible through the internet, without our consent. In the United States, for instance, the offering of gaming products and services online is illegal in most states. Through *Sportium*, E-Play24 and Apuesta Total, we have systems and controls in place seeking to ensure that we offer gaming products through the internet to residents in the countries where we operate only and that we exclude access to our system from certain jurisdictions (such as the United States). The systems and controls include monitoring and analyzing information provided by potential customers' registered addresses methods and of customers' payment, specific registration procedures (for example, access to our online betting system is permitted only to customers who have completed a registration process and can provide a valid residence address and fiscal code of the relevant country), as well as a geo locator filtering technology that identifies the location of users logging onto our website. In addition, we do not currently accept bets or wagers from customers that we determine are located in the United States.

Despite the adoption of these measures, our procedures may not be effective. Although no breach of our systems has been reported in the past ten years, there is always the possibility of technical malfunction, human error, or customers knowingly deceiving geo-locators via VPNs. Further, a court or other governmental authority in any jurisdiction could take the position that our systems and controls are inadequate, either currently or as the result of technological developments affecting the internet, or that our current or past business practices in relation to such jurisdiction violated applicable law. If any such actions were brought against us, whether successful or not, we may incur considerable costs and suffer reputational damage that could hurt our brand. Additionally, this may divert management's time and resources away from day-to-day operations. This may have an adverse effect on our business, financial condition and results of operations.

Moreover, the Company is subject to certain regulatory obligations in respect of online gaming. For example, in Spain, players with certain intensive patterns based on volume of games played and losses per day, week and month as well as minors or disabled players must be disallowed from gaming activities. Additionally, in Italy and Colombia, when opening a gaming account, players are able to set daily, weekly or monthly limits that prevent them from continuing to play once such limit has been reached. However, any such online gaming restrictions imposed on the Company may be circumvented through criminal activities (such as the use of false identification). While we maintain internal controls to verify customers' age, location and identity, we cannot assure that these processes will not be abused by the use of fraudulent information to gain access to our online gaming sites. For more information on the regulation affecting fraudulent information, see "*Regulation.*"

Our information technology systems and network, slot machines and online gaming operations are subject to technical problems, damage and interruption and may be vulnerable to hacker intrusion, distributed denial of service attack, malicious viruses, fraudulent activities and other cybercrime attacks.

The betting and games offered at our points of sale as well as our slot machines, systems and online offerings depend, to a great extent, on the reliability and security of our information technology systems, software, hardware and network, which are subject to damage and interruption caused by human error, problems relating to the telecommunications network, software failure, natural disasters, sabotage, fraudulent manipulation, viruses and similar events.

Although we maintain the types and amounts of insurance policies that are customary for businesses in our industry in the countries where we operate to cover these risks (including policies covering cyber risks up to certain amounts) and monitor our software and hardware, any interruption in our systems, network or slot machines or attempt to defraud us or our customers could have a negative effect on the quality of services offered, on consumer demand and, therefore, on volume of sales, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, if third parties breach our security systems and defraud our customers, or if our hardware or software experience any technical anomalies, the public may lose confidence in our gaming products or we could become subject to legal claims by our customers or to investigation by gaming authorities.

Furthermore, although the Company has not been subject to any material cybercrime attack during the historical period under review in this annual report, as with all gaming companies, we may be vulnerable to such attacks that could adversely affect our business. Examples include breaches of security and systems intrusion conducted for the purpose of stealing personal information of our customers as well as distributed denial of service attacks (attacks designed to cause a network to be unavailable to its intended users) and other forms of cybercrime, such as attempts by computer hackers to gain access to our systems and databases for the purposes of manipulating results, which may cause systems failure, business disruption and may have a materially adverse effect on our financial condition. While we employ prevention measures, such attacks are by their nature technologically sophisticated and may be difficult or impossible to detect and defend. If our prevention measures should fail or be circumvented, our reputation may be harmed and deter current or potential customers from using our services, which in turn could have a material adverse effect on our financial condition.

Finally, games and slot machines may be replaced if they do not perform according to expectations or may be shut down by regulators. The occurrence of anomalies in, or fraudulent manipulation of, our games, slot machines, systems, or online games and systems may give rise to claims for lost prizes, revenues and related litigation by our customers and may subject us to investigation or other action by gaming regulatory authorities, including suspension or revocation of our gaming licenses, or other disciplinary action that could have a material adverse effect on our business, financial condition and results of operations.

Our success is dependent on maintaining and enhancing our brands. 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.

Our success is dependent in part on the strength of our brand. We believe that we have a long established, trusted, and widely recognized brand in the markets where we operate and that our brand represents a competitive advantage in the development of our activities. We also believe that, as the gaming industry becomes increasingly competitive, our success will be dependent on maintaining and enhancing our brand strength. There is no assurance that any of our marketing initiatives will be successful. If we are unable to maintain and enhance the strength of our brand, our ability to retain and grow our customer base may be impaired, which may adversely impact our business.

Further, in order to attract customers, we are dependent upon our ability to provide secure gaming products and maintain the integrity of our employees as well as of third parties interacting with customers on our behalf, and any event damaging our reputation could adversely affect our business, financial condition and results of operations. For example, in Italy, we have agreements with certain bars, restaurants and tobacconists where we have installed PVRs (*Punto Vendita Ricarica*), which are retail points of sale used by our online gaming customers to top-up their accounts (but not used for any gaming activity). Any misconduct by the personnel of any of these bars, restaurants and tobacconists or other third parties while operating with our customers on our behalf might lead to legal actions against us as well as harm our reputation, with negative effects on our business.

The real and perceived integrity and security of a gaming operation is critical to attracting gaming customers. We strive to set exacting standards of personal integrity for our employees and security for the gaming systems and devices that we provide to our customers, and our reputation in this regard is an important factor in our business dealings with customers and governmental authorities. For this reason, an allegation or a finding of improper conduct on our part, or on the part of one or more of our employees, or an actual or alleged system security defect or failure, could materially adversely affect our business, and financial condition.

Additionally, to the extent we get associated with, in the press or otherwise, criminal or civil allegations or charges made against persons we have conducted business with in the past, our reputation in that jurisdiction and globally may be adversely affected, despite the fact that we do not bear responsibility or liability for the alleged behavior or actions.

Furthermore, harm to our brand could arise from real or perceived failure to comply with legal and regulatory requirements and difficulties in meeting contractual obligations or standards of quality and service. Any negative publicity relating to incidents of this nature could affect the availability of and terms under which we obtain financing, thereby affecting our business, financial condition and results of operations.

The gaming industry is also exposed to negative publicity generated by a variety of sources, including citizens’ groups, non-governmental organizations, media sources, local authorities, and other groups and institutions. In recent years, public attention has been drawn to findings or allegations of underground betting and gaming, participation or alleged participation in gaming activities by minors, the concentration of slot machines in sensitive areas (such as schools, churches and hospitals), as well as risks related to addiction to gaming, data protection and payment security in connection with online gaming. For example, in 2022 the Spanish Ministry for Consumption launched a campaign aimed at reducing the number of people who took part in gaming activities. In Italy, regions and municipalities also launched advertising campaigns against gambling. In Mexico, a new initiative by Mexico’s Green Ecologist Party (*Partido Verde Ecologista de México*), which was presented in March 2024 and has not been approved by the Mexican Congress as of the date of this annual report, sought to amend the

Federal Telecommunications and Broadcasting Law in order to establish that advertising to children shall not promote, suggest, or encourage participation in gambling activities relating to betting or casino games. In Spain and Italy, since 2020 and 2012, respectively, advertising of online gaming activities has been subject to certain requirements and limitations (see "*Regulation—Spain—General—Online Gaming*" and "*Regulation—Italy—Laws Affecting Gaming Advertisements*"). In addition, publicity regarding social issues related to the gaming industry, even if not directly connected to us and our businesses or brand, could adversely impact our business, financial condition, results of operations and prospects. If the perception develops that the gaming industry is failing to address such concerns adequately, the resulting political pressure may result in the gaming industry becoming subject to increased regulation or taxation. For example, the Mexican government has prohibited the granting of new licenses to operate slot machines, playing cards, dice and roulettes. Future increases in regulation or taxation could adversely impact our reputation, business, financial condition and results of operations.

Some investors or financing providers may have ESG-related concerns regarding investing in offerings of, or granting financing to, gaming operators and any change in our ESG risk ratings may limit the diversity of our financing sources.

As of the date of this annual report, we have an environmental, social and governance ("*ESG*") risk rating of 12 out of 100 (the "*Rating*") issued by Morningstar Sustainalytics (the "*Rating Provider*"), which positions us as being at "low risk" of experiencing material financial impacts from ESG factors. This Rating considers factors such as the environment in which a company subject to review operates (including the ESG issues a gaming company would face, such as the potential gaming addiction of customers and money-laundering activities) and actions taken by the respective company to counteract this ESG exposure. For example, our risk exposure relating to potential gaming addictions would be "medium" but, as a result of the measures taken by the Company, this risk has been reduced to "low" by Morningstar Sustainalytics. The Rating Provider is not subject to any regulatory or other governmental oversight in respect of its determination of ESG risk ratings or the underlying methodologies it uses to make such determinations. The Rating is published on the Rating Provider's website, but neither the Rating, nor any other information on the Rating Provider's website, is incorporated by reference into this annual report. In its preparation of the Rating, the Rating Provider has relied on the reliability, accuracy and completeness of the information provided to it by the Group, but there can be no guarantee that such information is reliable, accurate or complete.

Notwithstanding the foregoing, any non-accredited ratings organizations, rating agencies and stakeholders may disagree with the Rating Provider and with any other ESG rating provider appointed by us, from time to time, and may not deem our ESG policies as being sufficiently transparent or consistent with their performance standards or goals. If this view was shared in the broader ESG community, our reputation could be damaged, and, in certain cases, could effectively limit our access to capital markets and result in the scrutiny of our commitment to ESG principles and standards.

The Rating and any other ESG risk rating obtained by us from time to time may not reflect the potential impact of all ESG-related risks and information relevant to our Group, or additional risk factors discussed herein, or other factors that may affect the value of our Group, but rather reflect only the views and methodologies of the relevant ESG rating provider(s) at the time the rating is issued. Most ESG rating providers use different ratings methodologies to produce their ESG risk ratings and their valuations may be based on only publicly available information and in other cases may be based on information supplied by the relevant companies. As such, the quality of information in respect of each company included in our rankings may not be comparable and there may therefore be limitations on the utility of these rankings on a relative basis. Each ESG rating provider's rating should be evaluated independently of any other ESG rating provider's rating. There is no guarantee that the methodology used by any particular ESG rating provider (including those applied by the Rating Provider for the purpose of the Rating) will conform to the expectations or requirements of any investor or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. ESG risk ratings do not comment as to market price or suitability for investors. ESG rating providers (including the Rating Provider) may revise or replace entirely the methodology applied to derive ESG risk ratings. Any ESG risk rating obtained by our Group provides no guarantee as to the actual environmental and/or social impacts of our Group.

No assurance can be given that the Rating and any other ESG risk rating will remain constant for any given period of time or that an ESG risk rating will not be increased or withdrawn entirely by the ESG rating provider if, in its judgment, circumstances in the future so warrant. Furthermore, the Rating was updated on May 23, 2024 and may be subject to change. Any negative change, or an indication of a possible negative change, in the Rating or in any other ESG risk ratings obtained by us or failure to meet any relevant regulatory ESG standards which may be applicable to us from time to time, could impair or preclude us from accessing certain financial markets and products, thereby adversely affecting our liquidity. For example, we are obliged to comply with several European directives and regulations. Among these are Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (the "*EU Corporate Sustainability Reporting Directive*" or "*CSRD*"), and Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023 as regards sustainability reporting standards, pursuant to which we are currently developing a corporate social responsibility strategic framework in line with CSRD requirements. Further, any negative change, or an indication of a possible negative change, in our ESG risk ratings, or heightened disclosure requirements by the regulators concerning our operations or ESG-related matters, may adversely affect our reputation and/or be reflective of fundamental weaknesses and/or risks in the sustainability of our business, financial condition, results of operations, and prospects, and investors may also be required or choose to sell their holdings in our Group. For example, under the EU Corporate Sustainability Due Diligence Directive ("*CSDDD*") approved by the Council of the European Union on May 24, 2024, companies will be required to demonstrate that they have taken all appropriate measures to effectively identify, inter alia, human rights, sustainability, work force management and governance risks and prevent, cease, mitigate, address or remediate actual and potential adverse impacts of their value chains. As a result, we may be required to incur additional operational costs in order to ensure compliance with such new regulations and any failure to adapt to regulatory changes may lead to penalties and reputational harm. See "*Business—Environment, Social and Corporate Governance ("ESG")—Corporate Governance and Regulatory Compliance*." This could have a material adverse effect on our business, financial condition and results of operations.

Although gaming activities are not legally excluded when issuing any green or social bond and, to the Company's knowledge, they do not imply automatic exclusion from ESG ratings, the impact of ESG-related risks and practices, including with respect to various environmental, social and governance matters in our business may limit or restrict our ability to access financing from banks and institutional investors. In fact, some investors and financial institutions may have ESG-related concerns regarding investing in notes of, or granting financing to, gaming sector companies, and may not be able to invest in equity or debt securities or provide financing at all or be forced in the future to exit their position in the same securities or financings due to internal ESG-related policies excluding companies operating in the gaming industry from the pool of possible investments.

Moreover, such ESG-related risks and practices have been and will continue to be independently assessed by non-accredited ratings organizations, various stakeholders in the ESG community and ratings agencies such as Standard & Poor's and Moody's.

We may fail to detect corruption, money laundering or fraudulent activities of our customers or third parties or fail to comply with anti-corruption legislation, anti-money laundering laws or sanctions laws.

We are subject to applicable anti-corruption, anti-money laundering and sanctions laws. We are exposed to the risk of money laundering and fraudulent activities by our customers and third parties, including collusion between online customers and the use of sophisticated computer programs that are capable of playing poker and other skill games automatically in our online gaming platform. In connection with our online betting activities, we have implemented internal control systems that monitor unusual transaction volumes or unusual transaction patterns that exceed certain amounts of money wagered in a given period (e.g., €1,000 monthly by a single customer), and screen the personal details of the customer, in order to minimize opportunities for money laundering and fraud, but may not always be successful in protecting ourselves and our customers from such activities. For example, when customers register on one of our websites, we verify the authenticity of their personal ID through a software (such as Veridas or Jumio). See "*Business—Environment, Social and Corporate Governance ("ESG")—Responsible Gaming*." Additionally, when customers withdraw funds, we verify the method of payments used by checking the identity of the holder of the bank account or card into which the customer's deposits or balance refunds are made and matching the identity of the holder of the bank account to the person that registered for the gaming account. However, customers belonging to vulnerable groups or aiming at defrauding us could attempt to circumvent these identification systems by creating profiles and using payment methods with fraudulent information. As of the date of this annual report, we have not received any fines from the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offenses in Spain (*Servicio Ejecutivo de la Comisión de Prevención del Blanqueo de Capitales e Infracciones Monetarias* or SEPBLAC) or any other anti-money laundering authority in the countries where we operate. However, there can be no assurance that the procedures and controls that we have in place will be sufficient to monitor money laundering and fraud activities. In addition, we could be targeted by third parties, including criminal organizations, for fraudulent activities, such as attempts to compromise our payment processing systems or using our betting services to engage in money laundering.

Our distribution network partners (i.e., bars where we install our slot machines as well as Gaming Halls owned by third parties where *Sportium* operates its betting machines (also commercially known as "electronic casinos")) are required to abide by applicable laws, including, in the case of Gaming Halls, by identifying customers at the entrance of such venues via their identity cards and, in the case of bars, by checking their identity cards to ensure that customers are not under age. Furthermore, and with respect to prize payments of more than €2,000, certain applicable laws require the identification of customers for anti-money laundering purposes pursuant to the obligation to apply customer due diligence measures for single transactions amounting to €2,000 or more (see "*Regulation—Spain—Traditional Gaming*").

On February 15, 2019, the ADM published certain guidelines to prevent money laundering activities specifically in relation to concession operators (protocol No. 0027571/R.U.). The ADM guidelines introduced additional procedures and monitoring systems for VLTs concerning the tickets issued to customers following each game. As a consequence, VLTs' tickets now contain data such as the amount paid by the customer (coin in), the amount a customer has bet, gross and net win, the number of plays, the nominal value of the ticket (the amount due to the customer) and other data, all of which are key to identify unusual factors from an anti-money laundering perspective. Additionally, certain other due diligence measures have been implemented in Italy, such as the requirement of inserting a health card to access the VLT machines from January 1, 2020. Although our employees are trained in order to control and prevent money laundering issues, we may fail to detect non-compliance with applicable anti-money laundering laws or with our policies by our distribution network partners. As of the date of this annual report, the Company is in compliance with such due diligence measures.

To the extent we are unsuccessful in protecting ourselves or our customers from fraudulent activities, we may be subject to criminal sanctions and administrative fines, which could have a material adverse effect on our business, financial condition and results of operations. Failure to comply with such provisions could result in the imposition of criminal sanctions on our directors and/or administrative and civil fines on us, penalties, revocation of concessions and licenses and operational bans, and therefore have a material adverse effect on our financial condition and results of operations.

Furthermore, illegal gaming steals market share from the regulated industry and adversely affects our business. A significant threat for the entire gaming industry arises from unregulated activities such as illegal slot machines and, more generally, all forms of gambling that circumvent public regulation, including offshore gambling. The loss of market share to the unregulated market could have an adverse effect on our business, financial condition and results of operations.

We have implemented policies and procedures designed to prevent and detect violations of anti-corruption, anti-money laundering and sanctions laws. It is possible that allegations of corrupt or fraudulent conduct may arise in the future, irrespective of these policies, given that we frequently conduct business with governmental or quasi-governmental entities and work in countries and regions that have a reputation for heightened corruption, money laundering or sanctions risk. Any investigation, enforcement action and/or judgment under the FCPA, Bribery Act or other anti-corruption laws, economic sanctions laws and anti-money laundering laws and regulations may carry high financial and reputational costs and could result in severe criminal or civil sanctions and penalties, including fines, loss of authorizations needed to conduct aspects of our local and international businesses. A violation of the laws and regulations set out above could have a material adverse effect on our business, financial condition and results of operations.

In addition, changes in existing regulations in relation to such laws could impair our profitability and restrict our ability to expand our business. If we fail to comply with any new anti-corruption, anti-money laundering and sanctions laws, we could be subject to financial penalties and/or prohibited from operating in certain jurisdictions, which could have a material adverse effect on our business, financial condition and results of operations.

Certain countries where we operate have been subject to significant security issues, terrorist attacks and other acts of violence in the past several years, and if such issues continue or worsen, our operations could be materially adversely affected.

Certain countries where we operate have been subject to significant security issues in the past several years, and if such issues continue or worsen, our operations and proposed expansion plans in such countries could be materially adversely affected. For example, in the past several years, Mexico has experienced increased criminal violence, primarily due to the activities of organized crime. High crime rates and violence resulting from organized crime are particularly acute in several areas of Mexico in which we operate. An illegal Casino operator in Monterrey, Mexico, was the subject of organized crime related arson in 2011. This event negatively affected our operations in Mexico through reduced attendance at our Casinos, as well as through the temporary closure of certain other Casinos for a few weeks because of widespread government inspections. In response to the surge in criminal activity, the Mexican government has implemented various security measures and strengthened its military and police forces. As of the date of this annual report, according to the *Indice de Paz Mexico 2024,* four out of our 30 Casinos operate in the highest risk areas.

In addition, with respect to our operations in Panama, in October 2023 we had to comply with certain restrictions due to the period of social unrest in the country (which are no longer applicable).

Terrorist attacks and other acts of violence may also negatively affect our business and results of operations. In 2015, we acquired a Casino in the resort town of Agadir, Morocco. There is a terrorism threat in Morocco and there have been terrorist attacks in other parts of Morocco (and in neighboring countries such as Algeria) in the past, which may have an impact on tourism and hence reduce the attendance of visitors in our Casino in Agadir.

There can be no assurance that there will not be terrorist attacks or armed conflicts that may directly impact us, our customers or partners in the future. Any of these occurrences or any increase in violence in the countries where we operate could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Risks Related to the Gaming Industry

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. Any failure of our risk management processes may adversely affect our results of operations.

In the years ended December 31, 2024, 2023 and 2022, our net operating revenues for each Business Unit in which we operate have steadily increased at constant perimeter and exchange rates and we did not register any material unexpected impact on our consolidated results due to seasonality or uncertainty of individual events. While our operations are highly diversified and our consolidated results have not historically been affected by individual events or seasonality, we cannot guarantee this will always be the case.

On an individual Business Unit basis, our Online Gaming & Betting Business Unit (which represented 19.5% of the net operating revenues of the Group for the year ended December 31, 2024) may be impacted by the scheduling of certain major international sporting events that are held regularly but infrequently (i.e., multi-year) intervals, such as world championships in various sports and the Olympics. In addition, our sports betting business, which accounted for 57%, 52% and 60% of the revenues we generated from our Online Gaming & Betting Business Unit for the years ended December 31, 2024, 2023 and 2022, respectively, and 11.1%, 8.6% and 7.5%, respectively, of our net operating revenues of the Group for such periods, is intrinsically exposed to volatility due to the uncertainty of individual events or betting outcomes as well as the seasonal nature of the events associated with sports betting. Excluding the effect of such events, consolidated net operating revenues from sports betting usually decrease by approximately 30% during the summer months (because of the interruption of the professional football season in Spain and abroad, and because some customers are on vacation). Such impact on our consolidated net operating revenues is not usually counterbalanced by, for instance, an increased number of customers in Casinos and Gaming Halls over the same period. Accordingly, seasonality in sport activities could adversely affect our business, financial condition and results of operations. *Sportium*, E-Play24 and Apuesta Total allow our customers to wager on different games (including poker and blackjack tables), slot games, sport events (including football, basketball, tennis, greyhound racing and horse racing), and live casino games.

For our online table games, we use algorithms that replicate the mathematical advantage of each game, so that the expected outcomes are achieved over a statistically significant number of bets, typically exceeding 1,000,000. See “*Business––Operations and Activities––Our Business Units––Online Gaming & Betting Business Unit*.” In *Sportium*, E-Play24 and Apuesta Total our odds as bookmaker are set with the aim of providing an average return to us over a large number of events and therefore, over the long term, to maintain payout percentage fairly constant. Notwithstanding this, there is an inherently high level of variation in payout percentage between events. Although *Sportium* and E-Play24 have systems and controls in place managed by the Company’s internal “trading” teams that seek to reduce the risk of daily losses occurring due to high payout, there can be no assurance that these will be effective in reducing our exposure to this risk. There can also be no assurances that errors of judgment or other mistakes will not be made in relation to the compilation of odds or that the systems that *Sportium*, E-Play24 and Apuesta Total have in place to limit risk will be consistently successful. Additionally, the cancellation or curtailment of significant sporting events, for example, due to adverse weather conditions, terrorist attacks, other acts of war or hostility, outbreak of infectious diseases, betting scandals or the failure of certain sporting teams to qualify for sporting events, or the boycott of some countries or blocks of countries at the participation of these events may result in the return of the wagered amounts without any gains for the Company, which could have a material adverse effect on our business, financial condition and results of operations.

Consequently, revenues in the online gaming sector may vary substantially within the year as well as from year to year due to such seasonality.

In our Casinos Business Unit, each table has specific betting limits, both maximum and minimum, to ensure that only bets within a manageable range are accepted. These limits restrict individuals from placing bets below the minimum or above the maximum for the table. The maximum limits can be set with respect to all the bets placed by the same player in a game (such as bets on multiple numbers on the roulette) or per event (such as bets on individual numbers on the roulette).

Table game limits are based on the game volume of each Casino, so that the risk associated with any individual table is balanced against the overall expected revenue and the odds generated by our diverse product mix. However, some of our products (such as blackjack tables and roulette games) involve betting, where winnings are paid on the basis of the stake placed and the odds quoted, rather than derived from a pool of stake money received from all customers. Such products give rise to either a liability to make a certain payment to a customer, or the retention by us of the stake placed by such customer. Due to significant winnings or losses that may arise from each event, event by event and day by day, the earnings in our Casino Business Unit can be volatile and we cannot guarantee that our short-term results will not be affected by winnings on high bets, which may cause payout ratios to exceed 100%, with material adverse effects on our financial condition and results of operations. As a result, in the short term, there is less certainty of generating a positive result, and we may experience, and have from time to time experienced, significant losses with respect to individual events or betting outcomes. Any significant losses due to a high payout could have a material adverse effect on our cash flow and therefore an adverse effect on our business, financial condition and results of operations.

We operate in a highly competitive business environment and, as a result, our market share and business position may be adversely affected by factors beyond our control.

Each of our Business Units faces intense competition from a number of industry participants across the markets where we operate. New players may appear in any of our Business Units, or existing competitors may improve or expand through investments, acquisitions or mergers, increasing the competitive pressure which, in turn, may reduce our profitability. In particular, we may face challenges in growing and expanding in certain geographies and segments, especially in the countries where the competitive environment is more complex.

Casinos Business Unit. In the years ended December 31, 2023 and 2024, we generated 62.1% and 58.0%, respectively, of our EBITDA from our Casinos Business Unit. Although Casino owners have had limited direct competition from other Casinos due to the relatively limited number of licensed Casinos in Spain and Latin American markets and adjacent geographic areas, we may face competition from other forms of gaming, such as Gaming Halls (also referred to as “electronic casinos”), lotteries and online gaming. In Spain and other markets, the number of Casino licenses issued may increase and, as a result, there may be an increase in direct competition between Casinos (see “*Regulation*” for additional information on the limits to the number of and conditions to grant Casino licenses in the countries where we operate). The principal competitive factors in the industry include the quality and location of the facility, the nature and quality of the amenities offered and the implementation of successful marketing programs.

Our Gaming Halls also form part of our Casinos Business Unit. The Gaming Halls business in Spain is in the process of consolidation in which the biggest market players are currently acquiring other smaller competitors. As a result, the competitive pressure in this business, may increase and our profitability may decrease. Our results of operations and profitability in the Casinos without tables and Gaming Halls business may also be affected by unlicensed operators. For example, in Mexico, we compete with operators carrying out illegal gaming activities.

Slots Spain Business Unit. In the years ended December 31, 2023 and 2024, we generated 26.9% and 27.3%, respectively, of our EBITDA from our Slots Spain Business Unit. Due to the fragmentation of the slot machine segment in Spain, we compete with several regional slot machine operators, which are generally much smaller than us. However, there are a few larger competitors in the market. As the market continues to consolidate, we may face increasing competition from these companies to acquire new or existing slot machine sites, which could adversely impact our strategy for optimizing our slot machine operations in Spain and reduce future profit margins. Increasing our penetration in bars, restaurants and other third-party locations may also prove challenging due to the competitive process which involves several increasing bids by different competitors offering to place slot machines in such third-party locations.

Further, our preferred method of expansion in the slots business has been by acquiring existing slot machine operators. However, when there is a strong relationship between such slot machine operators and site owners, it is often preferable or necessary for us to acquire the slot machine operators and simultaneously enter into a participation contract with them (which currently covers approximately 19% of the slot machines we operate in Spain) under which such slot machine operators continue to maintain a commercial relationship with site owners in exchange for a percentage of revenues in order to avoid potentially losing such commercial relationship with the site owner. For the year ended December 31, 2024, we paid €20.3 million to operators under these contracts. Such participation contracts do not have fixed terms and are renewed at the discretion of the parties. In such cases, we may not be successful in expanding our slot business to the extent desired and our competitors may continue to maintain their commercial relationships.

Our B2B operations fall under the Slots Spain Business Unit. In manufacturing slot machines in Spain, there is a high level of competition between a small number of manufacturers. We believe that the Spanish slot machine market is separate from the international market due to consumer preferences and Spanish regulations which impose, among other matters, specific design requirements which make these slot machines specific to the Spanish market and not suitable for international markets. Competition may increase in the future due to new market entrants.

From time to time, one or more of our new games may prove unsuccessful, which may erode our market share and decrease our profitability. Although we have been successful in introducing popular new games in the past, we cannot assure that we will continue to produce popular new games in the future.

Slots Italy Business Unit. In the years ended December 31, 2023 and 2024, we generated 4.3% and 4.2%, respectively, of our EBITDA from our Slots Italy Business Unit. In Italy, the number of active amusement with prizes ("*AWP*") and video lottery terminals ("*VLT*") slot machines is limited by gaming laws and regulations. For example, the total number of active AWPs in Italy is approximately 230,000 units, all of which have been allocated. However, the number of slot machines which a single company may operate is not limited (besides potential anti-trust issues). In this country, we compete with several slot and VLT operators, some of which have substantially larger Italian operations. The competitive environment is becoming increasingly fierce as larger operators continue to acquire smaller ones, further expanding their market share. In addition, our profitability in Italy is limited by higher taxes (as well as stricter legal restrictions and costs of licenses) compared to other jurisdictions where we currently operate.

Online Gaming & Betting Business Unit. In the years ended December 31, 2023 and 2024, we generated 8.5% and 12.2%, respectively, of our EBITDA from our Online Gaming & Betting Business Unit. The retail sports betting market in Spain comprises a few players that operate across multiple regions. We believe that *Sportium* is the largest operator. Certain competitors combine the B2C business with B2B operations, providing their proprietary platform and related services to smaller local operators.

The online betting and gaming market in Spain is comprised of several participants (more than 77 licensees), including multiple international players. Given the low penetration of online gaming in certain of the markets in which we operate, new players may decide to enter the business, which may erode our market share and decrease our profitability. Additionally, one or more of our games or technologies may prove unsuccessful, leading to customers switching their preference to our competitors.

Furthermore, we face regulatory challenges in connection with advertising our gaming activities. For instance, in Spain, pursuant to RD 958/2020, advertising gaming activities are subject to special restrictions, limitations and prohibitions. In this regard, further to the Spanish Supreme Court decision on the provisions of RD 958/2020, some of the main restrictions, limitations and prohibitions affecting our business due to RD 958/2020 are: (i) a sponsorship limitation with reference to sport-related activities and events; and (ii) a restriction on the advertising of gaming activities to minors through the media, the internet and social networks. We also face strict regulations in advertising our gaming activities in Italy where any form of direct or indirect advertising and sponsorship related to off-line and online gaming and betting is prohibited. Any breach of the applicable legislation (i.e. Article 9 of Law Decree No. 87 of July 12, 2018) is subject to an administrative fine equal to 20% of the value of the sponsorship or advertising contract and, in any case, not lower than €50,000 per violation (see "*Regulation—Italy—Laws Affecting Gaming Advertisements*"). Further regulatory development of RD 958/2020 or similar legislation in the countries in which we operate could lead to additional limitations on advertising and create further challenges for our marketing strategies.

Competition may further intensify as new operators enter the markets in which we operate and take advantage of the liberalization of the relevant regulatory frameworks, utilizing their expertise, market data and/or unique products even from abroad, and potentially negatively impacting the success of our products, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Any continued liberalization of the gaming market where we operate and/or increase in the number of foreign operators, that are not prescribed to comply with all the requirements of the national, regional and local regulatory frameworks, could have a material adverse effect on the Group's business, financial condition and results of operations.

Our failure to keep up with technological developments in the online gaming market could negatively impact our business, financial condition and results of operations.

For the years ended December 31, 2024, 2023 and 2022, our Online Gaming & Betting Business Unit accounted for 19.5%, 16.2% and 12.6% of our consolidated net operating revenues. We believe this Business Unit will grow at a faster pace relative to our other gaming activities in the next few years. In this respect, we have recently strengthened our online gaming and betting business. For example, in 2024, we acquired Apuesta Total, which we believe is the #1 online operator in Peru. Due to the rapid growth and the nature of the business, the market for online gaming products and services is characterized by rapid technological developments, frequent new product and service offerings and evolving industry standards. The constant development of these products and services and their evolution requires us to use technologies effectively, enhance our current products and services and continue to improve the performance, features and reliability of our technology and information systems. In addition, the widespread adoption of new internet technologies or standards could require substantial expenditure to replace, upgrade, modify or adapt our technology and systems, which could negatively impact our business, financial condition and results of operations.

There can be no assurance that the technology we are currently using through *Sportium*, E-Play24 and Apuesta Total will be successful, or that it will not be rendered obsolete by new technologies and more advanced systems introduced in the industry. In addition, any new technology we use may contain design flaws or other defects and require modifications and/or result in a loss of confidence in our products and services by our customers. Moreover, although we employ several different providers, we depend on third-party technology providers for the development and maintenance of our systems. Although there is no significant market concentration with respect to such providers, any failure to maintain relationships with such providers may negatively impact our business, financial condition and results of operations.

The slot machines we design are subject to life cycles. If we are unable to introduce new slot machine models, or to innovate their design and games, or to modify existing games or slot machines to retain or attract customers, or if we introduce unpopular games, our business, financial condition and results of operations could be adversely affected.

During the years ended December 31, 2024 and 2023, we sold 22,167 slot machines and gaming kits for €80.1 million (of which €38.8 million correspond to sales made to companies within our Group) and 17,596 slot machines and gaming kits for €57.5 million (of which €27.5 million correspond to sales made to companies within our Group), respectively, to our Casinos and Slots Spain Business Units, other Casinos and Gaming Halls and bars in the Spanish market. We design a wide variety of AWP or Type B slot machines. In particular, we design all aspects of our slot machine models, from the rules and graphics of the game to computer software and hardware. Most of the core components of our slot machines are also designed in-house while we outsource their manufacturing. We rely on approximately 196 suppliers, 100 of which are regular suppliers and 45 of which can be considered critical suppliers, for the components used to assemble our slot machines, and we have not encountered any significant production problems with any of these suppliers. We believe that the relevant components of our slot machines could be obtained from alternative suppliers, although at a potentially higher cost and with a lower probability of timely delivery, which may adversely affect our business and results of operations.

Our assembly processes consist of component sub assembly, final product assembly, customization and final testing. We believe that the design of slot machines is critical in attracting players. In order to maintain player interest, games must be attractive, visually stimulating, interesting and varied.

In order to attract customers and compete with slot machines introduced by competitors, we introduce new games and themes that require our slot machines to be replaced sooner than their mechanical life would require. We also offer gaming kits to convert slot machine cabinets from an old game to a new game, which may prolong the acquisition of a new slot machine but extends the commercial life of such machines. Following their introduction, games installed in our slot machines inevitably peak and then decline in popularity. Therefore, given their short commercial life, constant innovation is critical in the design of slot machines. For instance, most operators of AWP (or Type B) slot machines in Spain replace their slots due to commercial obsolescence every two to four years depending on customers' preference. In addition, because of a possible novelty effect whereby customers are initially more attracted to new slot machines, initial results from these machines may be higher than expected, but may not be sustained throughout the life of the machine.

Failure to introduce new games or slot machines, to modify existing games or slot machine models, to retain or attract customers as well as the introduction of new games and slot machines that prove to be unpopular could have a material adverse effect on our business, financial condition and results of operations.

Moreover, existing technology (such as online gaming), as well as proposed or as yet undeveloped technologies may become more popular in the future and render our slot machines less profitable or even obsolete. We cannot assure that the technology we currently possess and the technology we may develop in the future will allow us to continue to innovate and compete effectively.

Legal and Regulatory Risks

The gaming industry is subject to extensive regulation and licensing requirements and our business may be adversely affected by our inability to comply with these requirements, regulatory changes and increases in the taxation of gaming, which could result in litigation.

For the years ended December 31, 2024, 2023, and 2022, we spent €7.5 million, €3.7 million and €2.4 million, respectively, to extend, renew or obtain our gaming licenses.

Our operations, including our online businesses, are subject to significant regulation and oversight and require licenses with limited duration from relevant authorities such as gaming regulators and/or government bodies. These regulations, which materially affect the way in which we conduct our business, as well as our revenues and profitability, govern, among other things, permitted games, mandatory payouts and wagered amounts for select products (e.g., slots, Casinos and Gaming Halls) and taxation (as the players in the gaming industry are not only subject to the relevant corporate income tax (CIT) but also to specific gaming taxes). For example, laws and regulations applicable to slot machines in certain of the countries in which we operate (e.g., Spain and Italy), except in Latin America, establish mandatory payouts ranging between 65% and 83% of the amounts wagered by players whereas, no minimum payouts apply to traditional or online gaming tables in the countries where we operate. Further to limiting the scope of our permitted activities, these regulations may limit the number of slot machines, Casinos or Gaming Halls we may operate and some of them may restrict the future number of gaming facilities that may be operated in the same city or location.

With regards to slot machines, certain Spanish autonomous communities (excluding Andalusia, Madrid, Extremadura, Castilla y León, Asturias, Balearic Island, La Rioja and Navarra) have passed legislations which establish that, following their entry into force, no additional licenses for Type B or AWP slot machines may be issued. As a result, in order for the Company to operate new slot machines in such regions, the Company will be required to acquire a pre-existing license.

Particularly, in terms of restrictions for Gaming Halls (*salones de juego*), in some autonomous communities: (i) there is a maximum limit on the number of Gaming Halls (*salones de juego*) permitted to operate and such limit has been reached or exceeded (i.e., Catalonia, Balearic Islands, Basque Country, Asturias and Canary Islands); (ii) there is no limit on the number of Gaming Halls (*salones de juego*) but there may be restrictions on the distances between Gaming Halls (i.e., Andalusia, Aragon, Navarra and Castilla León) and (iii) the granting of new licenses has been temporarily suspended (i.e., Valencia, Castilla La Mancha, La Rioja and Murcia).

In Italy, there is a limited number of active AWPs, which can be operated in the country pursuant to applicable gaming laws and regulations; however, there is no specific limit on the number of slot machines that a single company can operate. In this regard, the 2016 Italian Stability Law directed the Italian Treasury to issue a decree aimed at beginning a process of technological improvement and modernization of existing slot machines, which has yet to be completed. Such regulation reduced the number of authorizations for AWPs from 407,323 to 263,322 by April 30, 2018, all of which have been allocated (reducing the number of slot machines operated by the Company from 14,809 to 9,640). The legislation provided, among other things, that, starting on January 1, 2017, only slot machines that allow remote monitoring (*gioco pubblico da ambiente remoto*) will be authorized, which resulted in a reduction by approximately 34.9% in the number of slot machines in operation as of December 31, 2018 as compared to July 31, 2015 (see "*Regulation—Italy—General conditions to carry out gaming and betting activities in Italy—AWP Slot Machines*"). In relation to VLTs, in 2024, there were approximately 53.600 units operating in Italy and there is no legal cap on the number of VLTs that can be granted by the ADM under the current legislation in force. However, the ADM and the Italian Minister of Economy and Finance have drafted a regulatory proposal reducing the number of AWPs and VLTs in operation to 200,000 and 45,000, respectively, which may impact our future growth in Italy, as this is the first time that a limit on VLTs has been established. As of the date of this annual report, this proposal does not state the deadline for the reduction and/or whether it will be proportional to the number of slots in operation for each operator, will be discussed with the Conference of Italian Regions. Based on the output of such discussion, the Italian government will draft the legislative decree for the reorganization of the land-based gaming sector pursuant to Law no. 111 of August 9, 2023. As of the date of this annual report, we cannot foresee when this legislative decree will be issued, but we do expect it to be issued in the first half of 2025. Our Italian land-based and online gaming concessions and licenses were extended from December 31, 2024 until December 31, 2026, and September 17, 2025, respectively. Upon first acquiring these concessions, the Company was allowed to operate VLT and AWP machines through a payment of €40.3 million (which, when considering the amount of slot machines operated by the Company in Italy as of the date of this annual report would have amounted to, approximately, €39.7 million, for a nine-year period). Our Italian land-based gaming concessions have historically been extended by the Italian government further to their expiry subject to payment of an extension fee, which for the extension granted: (i) from COVID to July 1, 2023 were extended for free due to COVID measures, (ii) from July 1, 2023 (or January 1, 2023 in case of bingo licenses) until December 31, 2024, amounted to €8.4 million for VLT and AWP licenses, collectively, and €621,000 for bingo licenses; and (iii) from January 1, 2025 to December 31, 2026 for land-based gaming concessions, will amount to €11.4 million for VLT and AWP licenses, collectively for these two years, and €648,000 for our two bingo licenses (for these two years) to be paid in three installments (May, July and October) per year. This means a payment of €108,000 for each bingo license, €60 for each AWP license and €2,000 for each VLT license, in each case to be paid for each year of extension (in relevant installments).

In addition to other locations, VLT machines can also be installed in Gaming Halls, which, in accordance with the Italian regulatory framework, are not subject to licensing term or renewal.

As to online gaming concessions, on December 17, 2024, the Italian government issued a new tender offer for a nine-year period to be awarded against a payment of €7 million for each concession. Although we are only applying for one online gaming license, each group of companies can apply for up to a maximum of five of such online gaming licenses. Pending the award of the new online gaming concessions by the Italian Government, we have obtained the extension of our current online gaming concessions until September 17, 2025 upon a payment of €19,444.44 made on February 15, 2025 and an additional payment of €8,310.5 to be made before July 15, 2025. Further, an additional three-month extension is contemplated upon payment of a fee which is still to be determined by the ADM. Although our Italian gaming concessions have historically been extended by the Italian government subject to payment of an extension fee, we cannot guarantee that our Italian subsidiaries will be able to successfully and timely renew their land-based gaming concessions after December 31, 2026 and online gaming concessions after September 17, 2025. We face uncertainty of being awarded new concessions if a new public tender process is initiated. Failure to renew our Italian concessions could have a material adverse effect on our business, financial condition and results of operations.

Similarly, Panama's Decree Law No. 2 of 1998 limits the number of Type A Casino licenses that an entity is permitted to hold and operate within a specific geographical area or "designated area" (as such term is defined in Panama's Decree Law No. 2 of 1998). As of December 31, 2024, we owned a total of 40 Type A Casino licenses in Panama (although only 34 of these licenses are being operated), of which, 23 Type A Casino licenses are operated within the designated area. Each license is granted for a 20-year term and require a one-off payment for the amount stated and do not require additional periodic payments during their term of validity. Pertaining to such limitation, the operation of our Type A Casino licenses in Panama in the designated area was challenged by a competitor and is currently subject to an ongoing judicial proceeding. See "*Business—Litigation—Challenge over the number of Type A licenses we hold in Panama*." Obtaining or renewing licenses in Panama requires the filing of an application with the JCJ including technical, corporate and financial information of the applicant. The JCJ then reviews the application which, if complying with the requirements established by Decree Law No. 2 of 1998, will be submitted to the approval committee and, if approved, signed by the Minister of Economy and Finance and the General Comptroller of Panama. Further, we are required to obtain permissions and licenses to operate our online gaming business. Each of the 42 total licenses we own in Panama have a term of 20 years. Of these 42 licenses, 26 licenses will expire in 2038, the license for the Majestic Casino will expire in 2043 and the remaining will expire in 20 years from its effective date. As of the date of this annual report, the cost to renew online, Type A Casino and Casino licenses is $50,000, $500,000 and $1,000,000, respectively. Considering these amounts, for the year ended December 31, 2024, we paid $500,000 per Type A Casino license ($1,500,000 for three Type A Casino licenses in total) and $1,000,000 per Casino license (corresponding to the license of the Casino in Chorrera of Alma de Panama Oeste, S.A.), and therefore, the total cost for the renewal of licenses owned by the Company in Panama, as of December 31, 2024 amounted to approximately $2.5 million. Although the license for the Majestic Casino was extended in 2023, the payment for such extension ($1,000,000) has been made in the first months of 2025. For the year ended December 31, 2024, the net operating revenues and EBITDA of Panama amounted to 9.7% and 13.0% of the Group's net operating revenues and EBITDA, respectively. See "*Regulation—Panama*."

Finally, in Colombia only Casinos are regulated. Generally, Colombia does not impose limitations on the opening of new Casinos, except the requirement of minimum distances to certain types of establishments (e.g., educational or religious). However, in Medellin Casinos can only be operated in hotels or shopping centers. As a consequence of these restrictions, we vacated one of our Casino premises in July 2023 and we do not currently plan to open any new Casino.

Failure to maintain these licenses could negatively impact our financial condition and results of operations. See "*Business—Operations and Activities—Our Business Units*" for information regarding the expiration of licenses with respect to our different Business Units. We work with third-party advisors and service providers to establish the necessary systems, controls and procedures to ensure that we are, and will be, in compliance with applicable rules, laws and regulations and have technical systems and controls in place in such countries to ensure that we do not offer our gaming products and services into certain restricted jurisdictions. Failure to comply with such rules, laws and regulations could place us in breach of licenses or key contracts or result in proceedings and/or fines and penalties that may adversely affect our financial condition and results of operations. In addition, the fact that our activity is heavily regulated and therefore requires licenses, conveys a material limitation to our capacity to expand to new jurisdictions.

Gaming authorities, governments or other regulatory bodies set out requirements to be granted a license or a permit (including, for instance, sizeable performance bonds, which for the Group amounted to €164.1 million for the year ended December 31, 2024, or qualifications to be a game operator, a network manager, have corporate legal residency in the relevant jurisdiction and provide corporate disclosure) and may deny, revoke or suspend our licenses and impose fines or seize our assets if we are found to be in violation of any of these regulations. In Spain, gaming regulations generally demand the holder of a gaming authorization or license to deposit a performance bond (the type of bond and the amount is set in the relevant regulations) to guarantee compliance with the obligations set forth in the relevant authorization or license, payment of prizes and fees, liabilities resulting from sanctioning proceedings, etc. If the relevant amounts are not paid by the operator within the term set in the regulations, the authorities will be entitled to seize the bond.

In Italy, we were involved in protracted litigation since 2007 with respect to the conduct of our Italian slot network operations with the Italian Court of Public Auditors (*Corte dei Conti*) and the *Amministrazione Autonoma Monopoli di Stato* (the Italian gaming regulator, now replaced by *Agenzia delle Dogane e dei Monopoli*) (the "*ADM*"). See "*Business—Litigation—ADM determination*." Moreover, in the past, governments in Latin America have frequently intervened in the economies of their respective countries and have occasionally made significant changes in policy and regulations due to political changes and/or economic declines. Furthermore, in Mexico, on November 16, 2023, the Mexican government amended the regulatory framework applicable to the gaming industry by prohibiting betting activities through slot machines, playing cards, dice and roulettes. Pursuant to the amendments to the Mexican gaming regulations, gaming operators with gaming permits currently in force may continue operating during the term of their respective permits or up to 15 years (if the term of the permit exceeds 15 years) and will be eligible to renew their gaming permits beyond such period or to apply for new permits. However, the renewal or the new permits will allow installations of traditional bingo halls and sports betting corners only, excluding slot machines and gaming tables. On May 10, 2024, a District Court Judge in Mexico City issued a favorable ruling to our Mexican subsidiary ordering that these prohibitions should not be applied to it and reviving the previous regulatory regime. The Mexican Ministry of the Interior filed an appeal against this ruling before a Circuit Court of Appeals on Administrative Matters, which issued a final decision upholding the initial Court's decision. As a result, the new regulations that include the prohibitions referred to in this paragraph will not be applicable to our Mexican subsidiary, which will be able to continue operating under the prior regulatory regime until the term of its current licenses expires.

Despite the favorable decision by the Circuit Court of Appeals on Administrative Matters mentioned above, there may still be a risk of delays in the renewal of our gaming licenses, which could result in us operating our businesses without valid licenses and being subject to fines and penalties, including the temporary or final closure of our facilities.

Upon the expiration of a license, a regulator could decide that the new license will in the future be available to multiple licensees, even if the previous license was exclusively granted to us. Renewing a license can be costly and time consuming, and existing licenses may not be renewed upon its expiration on favorable terms or at all. For example, the 2018 Italian Stability Law mandated a review of Italy's 210 existing bingo concessions by the Italian gambling regulator, the ADM, throughout the year in order for such concessions to be then awarded through a public tender process. Such tender process did not take place and, pending the overall reorganization of the gaming regulation, the 2022 Italian budget law no. 197 of December 29, 2022 extended the bingo concessions, expiring on March 31, 2023, until December 31, 2024. Additionally, the ADM extended the VLT, AWP, and online gaming concessions to December 31, 2024. With respect to VLT, AWP and bingo concessions in Italy (which contributed 24.8% of our net operating revenues and 7.6% of our consolidated EBITDA for the year ended December 31, 2024), it is unclear whether a new tender will be launched after the current concessions expire. More broadly, a failure to renew or obtain material licenses could have an adverse effect on our business, financial condition and results of operations. Furthermore, our licenses are subject to revocation upon the occurrence of certain events, which are different for each license. Under certain circumstances, a license could be revoked if determined to be against the public interest or, for example in Panama, upon a change of control. For example, our license may be revoked if we fail to pay the applicable fees to the regulatory authority or, in certain cases, if we fail to communicate to the regulatory authority certain changes in our corporate structure. Under several of our licenses the transfer of the ownership of the license agreement is prohibited or restricted. In addition, under our licenses we are not entitled to compensation for our initial investment or loss of anticipated profits in case of early termination because of a breach of terms.

If we are not able to promptly renew our licenses and concessions, or if our licenses and concessions are revoked, or if we are not able to obtain new licenses and concessions once the current ones expire and a new tender is launched, we may not be able to operate our business in the relevant jurisdiction or we may be subject to sanctions and penalties, which could impact the revenues we generate from that business and may have a material adverse effect on our financial condition and results of operations.

In addition, the profitability of slot machines and the Italian slot machine sector has declined since 2012, after the Italian government executed several increases in taxation throughout the gaming sector, including a series of hikes of the gaming turnover tax (*Prelievo Erariale Unico*, "*PREU*"). Effective January 1, 2021, PREU increased to 8.6% of the collected bets (with a minimum payout of 83%) for VLTs, and to 24% of the collected bets (with a minimum payout of 65%) for AWPs. While we regularly work to reassess and renegotiate the terms of our slot machine and VLT service contracts with site operators to mitigate the impact of tax and regulatory changes on our operations, there can be no guarantee that we will be successful in fully offsetting the impact of such changes on our financial results. If we are unable to effectively mitigate the impact of such tax increases, our results of operations may be negatively impacted. Future increases in national or regional taxation of slot machines and Gaming Halls could also affect our profitability.With reference to access control measures for vulnerable groups in the upcoming regulations in Italy, there are specific provisions (confirming or enhancing the existing measures) regarding access control measures for vulnerable subjects in off-line and online gaming such as: limits on bets and winning (currently existing only with reference to slots and online gaming), mechanisms for self-exclusion from gaming and requirements for identification by valid ID for players that must be adults.

Moreover, the implementation and development of new measures in the current applicable law may pose substantial risks for us in the future. For example, there are regions in Spain where we operate that are either developing or may develop future regulations that are expected to require the installation and/or modification of access control systems at gaming locations (such as Gaming Halls). In addition, since the approval of the Royal Decree 958/2020 of November 3, 2020, most of the regions have passed or are expected to develop future regulations applicable within their territories in relation to the prohibition or limitation of physical publicity displayed in the locations where the gaming activities are carried out, the sponsorship of discounts for new players, the adaptation of Type B (i.e., recreational, low-stake, mass-market slot machines also known as AWPs, which we operate in our Slots Spain Business Unit) and Type C (i.e., Casino-type slot machines addressing Casino demand, which we operate in our Casinos Business Unit and are more profitable than AWP) slot machines to activity registry systems or the prohibition of financial assistance, money lending and installing ATMs within premises where gaming activities are carried out. Such measures are aimed at preventing players' disruptive behavior related to gaming. In addition, Spain's Royal Decree 176/2023 (enacted on March 14, 2023) has imposed more stringent obligations on online gaming and betting operators at a national level with respect to "responsible gaming," requiring them to apply different measures subject to the customers' gambling habits. Operators like us are required to take measures to cultivate a safer gaming environment, particularly for "participants with intensive gambling behaviors," "vulnerable participants or risk groups" and "young participants." Such measures include, among others, the prohibition on certain individuals from participating in games governed by this law, such as minors and disabled players, and the obligation to provide information and tools to help players control their gambling activity and prevent addiction. These measures complement the existing limits on the amounts that certain players can play online per day, week and month, which were established by annex II of Royal Decree 1614/2011, developing the Spanish Gaming Act. Any failure by us to implement these new measures may have an adverse impact on our Spanish operations. If such regulations introduce additional limitations on the amounts or timing in which our customers can make use of our services, our revenues and profitability may be affected. In addition, these measures will entail expenses that cannot be estimated with certainty as of the date of this annual report. See "*Regulation*."

The Group has a significant amount of intangible assets and goodwill which, in aggregate, amounted to €2,537 million as of December 31, 2024 representing 67.8% of the Group's total assets.

For the years ended December 31, 2023 and 2024, the sum of the Group's goodwill and other intangible assets amounted to €2,404 million and €2,537 million representing 67.4% and 67.8% of the Group's total assets, respectively. For the years ended December 31, 2022, 2023 and 2024 the amortizations of intangible assets amounted to €195.6 million (11.5% of the Group's net operating revenues), €167.7 million (8.4% of the Group's net operating revenues) and €163.5 million (7.6% of the Group's net operating revenues). For the years ended December 31, 2022 and 2024, we recognized no impairments, whereas during the year ended December 31, 2023, we recognized an impairment of €5.6 million (due to prudent estimates on future cash flows from our online gaming operations in Mexico and Panama). For the years ended December 31, 2022 and 2023 we recognized no impairment on goodwill, whereas for the year ended December 31, 2024 we recognized an impairment of €9.0 million. For the year ended December 31, 2022 we recognized no impairment on intangible assets, whereas for the years ended December 31, 2023 and 2024, we recognized an impairment on intangible assets of €5.1million and €0.9 million, respectively.

Goodwill and intangible assets are mainly recognized in the context of:

(i) installation rights, which are amortized on a straight-line basis over the duration of the contract (on average, four years), include (i) the amounts given in exchange for the exclusive rights to operate in the halls where slot machines are located and (ii) the value allocated to the business combinations carried out since 2018 and in particular, the acquisition of the Group by Blackstone (as the installation rights that emerged as a result of business combinations prior to the acquisition of the Group by Blackstone settled in the balance sheet at the time of Blackstone's acquisition). For the year ended December 31, 2024, the amortization of installation rights amounted to €169.0 million (including the purchase price allocation of business combinations). As of December 31, 2024, intangible assets in relation to installation rights amounted to €1,820.9 million;

(ii) research and development ("*R&D*") costs, which are amortized over three years on a degressive basis (50% in the first year). For the year ended December 31, 2024, the amortization of R&D costs amounted to €4.5 million. As of December 31, 2024, intangible assets in relation to R&D amounted to €93.4 million;

(iii) computer software costs, which are amortized over three years on a straight-line basis. For the year ended December 31, 2024, the amortization of computer software costs amounted to €8.0 million. As of December 31, 2024, intangible assets in relation to computer software amounted to €82.7 million; and

(iv) administrative concessions, which are amortized over the duration of the contract signed with the relevant administration. For the year ended December 31, 2024, the amortization of administrative concessions amounted to €12.7 million. As of December 31, 2024, intangible assets in relation to administrative concessions amounted to €88.4 million.

The parameters and information used to assess the recoverability of the Group's goodwill (including the estimate of expected cash flows and discount rates) are influenced by the macroeconomic and market situation, the regulatory framework and the subjectivity of certain forecasts of future events and, therefore, could experience changes that were not foreseeable when the Special Purpose Consolidated Financial Statements were prepared, which could require that goodwill and other intangible assets be written down in the future. For example, we write down installation rights pending amortization in halls that are either closed or where we decide not to operate the slot machines for profitability reasons and to no longer fully amortize installations rights as well as in case of lack of renewal of any agreement for the placement of slot machines with relevant bar owners after the established period. Unforeseeable adverse changes could require writing down goodwill and, potentially, other assets in the future and any such write-downs of goodwill and other intangible assets could adversely affect the Group's business, results of operations and cash flow.

Goodwill is not amortized but, in accordance with IAS 36, is subject to an assessment of its recoverability ("*Impairment Test*") with reference to the cash-generating units ("*CGUs*") or groups of CGUs to which it is allocated and monitored by management. Intangible assets are amortized based on their estimated useful economic and technical life and are subject to an Impairment Test when there are indications that they may be impaired.

As part of the Impairment Test conducted for the purpose of preparing the Special Purpose Consolidated Financial Statements (which is carried out on the basis of the estimated future cash flows for the period from 2025 to 2028 prepared in accordance with the budget process), a sensitivity analysis was performed to simulate the effects of changes of certain parameters. Assuming all other parameters are unchanged, a decrease of 1% in the compound annual growth rates of revenues would result in an adjustment of €1.6 million to the net value of the assets recorded by the Company as of December 31, 2024, while neither an increase of 1.5% in the discount rate nor a decrease in the long term growth rate would result in adjustments to the value of the Company's assets as of December 31, 2024.

As of the date of this annual report, there were no indicators that intangible assets, including the goodwill, may be impaired.

Risks Related to our Corporate Structure

The Group's significant leverage and debt service obligations could materially adversely affect its business.

The Group currently has a significant amount of outstanding debt and debt service requirements. As at December 31, 2024, the Group's total indebtedness was €2,894.1 million, which reflects the Notes and other borrowings.

The Group's significant leverage could have important consequences for its business and for holders of the Notes, including, but not limited to:

- making it difficult to satisfy its obligations with respect to its debts and liabilities;
- increasing vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of its cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, product research and development or other general corporate purposes, and reducing profits and the availability of cash flow to permit future dividend payments;
- limiting its flexibility in planning for, or reacting to, changes in its business and the competitive environment and the industry in which the Group operates;

- placing the Group at a disadvantage to its competitors, to the extent that they are not as highly leveraged;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting its ability to borrow additional funds and increasing the cost of any such borrowing.

Any of the foregoing or other consequences or events could have a material adverse effect on the Group's ability to satisfy its debt obligations. The Group's ability to make payments on and refinance its debt and to fund acquisitions, working capital, capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. The Group's ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative, regulatory factors and other factors that are beyond its control. Therefore, the Group may not be able to generate sufficient cash flow from operations or obtain enough capital to service its debt, or to fund its working capital needs, or capital expenditure. For a discussion of our cash flows and liquidity, see "*Operating and Financial Review and Prospects—Liquidity and Capital Resources—Overview*."

We are subject to restrictive covenants under our Revolving Credit Facility Agreement, the 2019 Indenture, the 2023 Indenture and the PIK Indenture, which may limit our ability to operate our business, finance our future operations and capital needs and to pursue business opportunities and activities.

Restrictive covenants under the Revolving Credit Facility Agreement, the 2019 Indenture, the 2023 Indenture and the PIK Indenture may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially adversely affect our financial condition and results of operations.

The Revolving Credit Facility Agreement, the 2019 Indenture, the 2023 Indenture and the PIK Indenture contain, negative covenants restricting, among other things, our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- in the case of the Notes, layer debt;
- pay dividends or redeem capital stock;
- make certain loans or investments;
- create or permit to exist certain liens;
- sell, lease or transfer certain assets;
- pay dividends or make other restricted payments;
- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions;
- enter into certain transactions with affiliates;
- merge or consolidate with other entities; and
- impair the security interests for the benefit of the holders of the Notes.

The restrictions contained in the Revolving Credit Facility Agreement, the 2019 Indenture the 2023 Indenture and the PIK Indenture could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Revolving Credit Facility Agreement, the 2019 Indenture, the 2023 Indenture or the PIK Indenture.

If there were an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay our obligations under the Notes in such an event.

In addition to the risk factors set out above, we are also subject to the following risks:

- 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.

- We are subject to taxation, including taxation specific to the gaming industry, which is complex, significantly onerous and often requires ush to make subjective determinations.

- We are subject to exchange of information requirements on reportable cross-border arrangements.

MANAGEMENT

There have been no changes to our management during 2024.

Moisés Medina Morales was appointed as Inspection and Risks Director in 2025. Before joining Cirsa, Mr. Moisés Medina was a police officer who held different positions within the police force at a national and international level. He holds a Law degree from Academia General Militar de Oficiales de la Guardia Civil and has completed a Master's degree in Security.

PRINCIPAL SHAREHOLDERS

The Company is indirectly controlled by Blackstone. As of the date of this annual report, Blackstone beneficially owned 96.9% of the equity of the Company, with 3.1% beneficially owned by certain members of the Group's management team.

Blackstone Inc. (NYSE: BX) is one of the world's leading investment firms. Blackstone's alternative asset management businesses include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis.

Through its different investment businesses, as of December 31, 2024, Blackstone had $1,127.2 billion in total assets under management. This is comprised of $352.2 billion in private equity funds, $315.4 billion in real estate funds, $84.2 billion in multi-asset investing and $375.5 billion in the credit and insurance business.

Blackstone has a strong track record in owning leading companies in the gaming sector both in online gaming and casinos, as evidenced by its investments in JOA (the French casino group) and the Cosmopolitan Hotel in Las Vegas, USA.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Transactions with Management

Remuneration of Key Executives

Certain members of the Company’s managing board and other selected executives have received certain short-term employee benefits, such as wages and salaries, in the amounts of €5.1 million, €5.8 million and €6.8 million, in 2022, 2023 and 2024, respectively, and certain other long-term benefits, such as bonuses and multi-year incentive plans, in the amounts of €3.4 million, €3.8 million and €5.3 million, in 2022, 2023 and 2024, respectively.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following is a summary chart of our material indebtedness as of December 31, 2024. For a description of all the applicable terms and conditions of such arrangements we refer to the offering memorandum of January 30, 2024 issued by the Company in relation to the offering of the €450,000,000 aggregate principal amount of 6.500% senior secured notes due 2029 and the €200,000,000 aggregate principal amount of floating rate senior secured notes dues 2028 and the actual agreements.

		Payments due by period[1]					
(in € millions)	**Total**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Between 4 and 5 years**	**After 5 years**
Contractual Obligations							
Notes	2,356.1	37.4	—	985.9	887.9	444.9	—
Bank borrowings	51.1	24.7	19.2	4.0	1.3	0.7	1.2
Finance lease liabilities	275.4	62.8	74.1	42.6	31.1	21.1	43.7
Other[2]	197.0	130.0	17.1	27.2	15.3	1.9	20.1
Common transactions[3]	14.6	—	—	—	—	—	—
Total contractual obligations	**2,894.1**	**254.8**	**110.4**	**1,059.7**	**935.6**	**468.5**	**65.1**

(1) In each case, excluding financial costs and expenses, which as of December 31, 2024 amounted to €210.4 million.
(2) Consisting mainly of deferred payments related to the acquisition of companies.
(3) These common transactions have undefined maturity dates.

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 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 by means other than a redemption, whether by tender offer, open market purchases and sales, negotiated transactions or otherwise.