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FASTSTÄLLELSEINTYG TILL ÅRSREDOVISNING

Intyg om att balansräkningen och resultaträkningen har fastställts
Certification that the balance sheet and income statement have been adopted

Undertecknad Antonio Hostench Feu styrelseordförande i Resort Paradise AB, org.nr 556663-6113, intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen har fastställts på årsstämma den 30 juni 2022. Årsstämman beslutade att godkänna styrelsens förslag till hur resultatet ska disponeras.
The undersigned Antonio Hostench Feu, chairman of Resort Paradise AB, reg. no. 556663-6113, hereby certifies that this copy of the annual report conforms to the original and that the income statement and balance sheet were adopted on 30 June 2022. The annual general meeting resolved to adopt the board's proposal regarding the allocation of the company's loss.

Stockholm den 30 juni 2022
Stockholm, 30 June 2022

Antonio Hostench Feu

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Årsredovisning

för

Resort Paradise AB

556663-6113

Räkenskapsåret

2021

Innehållsförteckning

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Styrelsen för Resort Paradise AB avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i euro, EUR. Om inte annat särskilt anges, redovisas alla belopp i hela euro (EUR). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Bolagets verksamhet är att äga och förvalta aktierna i det delägda dotterbolaget Les Loisies du Paradis S.A.R.L. Ltd.

Styrelsen har sitt säte i Spanien.

Bolaget ägs till 82% av Cirsa International Business Corporation, S.L.U med säte i Madrid, Spanien (äger 820 aktier) samt till 18% av Bradila Investments Limited, med säte i Limassol, Cypern (äger 180 aktier).

Väsentliga händelser under räkenskapsåret

Bolagets dotterbolag bedriver kasinoverksamhet i Marocco. Verksamheten i dotterbolaget står för hela omsättningen för den underkoncern där Resort Paradise AB är moderbolag.

Den globala pandemin som deklarerades av Världshälsoorganisationen (WHO) den 11 mars 2020 har resulterat i en aldrig tidigare skådad hälsokris som har påverkat den makroekonomiska miljön och affärsutvecklingen. För att hantera problemet har en mängd åtgärder antagits kring 2021 och 2020 för att bemöta den ekonomiska och sociala inverkan, inklusive bland annat restriktioner för hur befolkningen får röra sig.

Som ett resultat av effekterna av pandemin har intäkterna för år 2021 och 2020 minskat jämfört med 2019 på grund av det tillfälliga avbrottet i verksamheten i dess dotterbolags driftcenter i Marocko, på grund av riktlinjer som fastställts av lokala myndigheter. Vad gäller detta vill vi informera om att koncernledningen för koncernen som företaget tillhör gör sitt bästa för att minimera och mildra störningarna för verksamheten och kostnaderna. Detta inkluderar en nödplan för likviditetshantering för att garantera koncernens och koncernföretagens tillgång till likvida medel genom en detaljerad prioritering av alla betalningar och optimering av tillgängliga finansieringsresurser.

Flerårsöversikt (KEUR)	2021	2020	2019	2018	2017
Nettoomsättning	0	0	0	0	0
Resultat efter finansiella poster	-31	-5	1 595	2 747	2 980
Balansomslutning	76	105	1 630	2 796	3 024
Antal anställda	0	0	0	0	0
Soliditet, %	79	80	99	98	98

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

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Förändring av eget kapital (EUR)

	Aktie-kapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	11 061	76 279	-3 490	**83 850**
Disposition enligt beslut av årets årsstämma:		-3 490	3 490	**0**
Årets resultat			-23 267	**-23 267**
Belopp vid årets utgång	**11 061**	**72 789**	**-23 267**	**60 583**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (EUR):

balanserad vinst	72 789
årets förlust	-23 267
	49 522
disponeras så att	
i ny räkning överföres	49 522
	49 522

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Rörelsens kostnader			
Övriga externa kostnader		-31 948	-27 227
Summa rörelsens kostnader		**-31 948**	**-27 227**
Rörelseresultat		**-31 948**	**-27 227**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter		1 288	23 320
Räntekostnader och liknande resultatposter		-363	-746
Summa resultat från finansiella poster		**925**	**22 574**
Resultat efter finansiella poster		**-31 023**	**-4 653**
Resultat före skatt		**-31 023**	**-4 653**
Skatt på årets resultat		7 756	1 163
Årets resultat		**-23 267**	**-3 490**

Balansräkning

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	2	7 748	7 748
Summa anläggningstillgångar		**7 748**	**7 748**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		19 348	18 785
Aktuella skattefordringar		8 919	1 163
Övriga fordringar		24 881	24 587
		53 148	**44 535**
Kassa och bank		15 438	53 056
Summa omsättningstillgångar		**68 586**	**97 591**
SUMMA TILLGÅNGAR		**76 334**	**105 339**

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Balansräkning

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	3		
Bundet eget kapital			
Aktiekapital		11 061	11 061
		11 061	**11 061**
Fritt eget kapital			
Balanserad vinst eller förlust		72 789	76 279
Årets resultat		-23 267	-3 490
		49 522	**72 789**
Summa eget kapital		**60 583**	**83 850**
Kortfristiga skulder			
Leverantörsskulder		0	4 027
Övriga skulder		1 099	2 810
Upplupna kostnader och förutbetalda intäkter		14 652	14 652
Summa kortfristiga skulder		**15 751**	**21 489**
SUMMA EGET KAPITAL OCH SKULDER		**76 334**	**105 339**

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Valutatransaktioner
Företagets funktionella valuta och presentationsvaluta är euro. Transaktioner i utländsk valuta omräknas initialt till den aktuella kursen vid transaktionsdagen.

Monetära tillgångar och skulder i utländsk valuta omräknas till den balansdagskurs som gäller. Alla valutakursvinster eller -förluster till följd av omräkning samt de som uppkommer vid avräkning av balansposter redovisas i resultaträkningen.

Icke-monetära poster värderade till historiskt anskaffningsvärde omräknat till den växelkurs som gäller på transaktionsdagen. Icke-monetära poster värderade till verkligt värde omräknas till valutakursen då verkligt värde bestäms.

Valutakursdifferenser redovisas i resultatet, förutom när värdeförändringen på den icke-monetära posten redovisas i eget kapital, varvid motsvarande valutakursdifferenser också redovisas i eget kapital.

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Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Koncernförhållanden
Företaget är ett moderföretag, men med hänvisning till undantagsreglerna i Årsredovisningslagen 7 kap 2§ upprättas ingen koncernredovisning.

Nyckeltalsdefinitioner

<u>Soliditet</u>
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

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Not 2 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	7 748	7 748
Utgående ackumulerade anskaffningsvärden	**7 748**	**7 748**
Utgående redovisat värde	**7 748**	**7 748**

Not 3 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal A-Aktier	1 000	11,06
	1 000	

Not Väsentliga händelser efter räkenskapsårets slut

Den globala pandemin som deklarerades av Världshälsoorganisationen (WHO) den 11 mars 2020 har resulterat i en aldrig tidigare skådad hälsokris som har påverkat den makroekonomiska miljön och affärsutvecklingen. För att hantera problemet har en mängd åtgärder antagits kring 2021 och 2020 för att bemöta den ekonomiska och sociala inverkan, inklusive bland annat restriktioner för hur befolkningen får röra sig.

Som ett resultat av effekterna av pandemin har intäkterna för år 2021 och 2020 minskat jämfört med 2019 på grund av det tillfälliga avbrottet i verksamheten i dess dotterbolags driftcenter i Marocko, på grund av riktlinjer som fastställts av lokala myndigheter. Vad gäller detta vill vi informera om att koncernledningen för koncernen som företaget tillhör gör sitt bästa för att minimera och mildra störningarna för verksamheten och kostnaderna. Detta inkluderar en nödplan för likviditetshantering för att garantera koncernens och koncernföretagens tillgång till likvida medel genom en detaljerad prioritering av alla betalningar och optimering av tillgängliga finansieringsresurser.

I och med att larmtillståndet upphörde i maj månad har de marockanska myndigheterna tillåtit öppnandet av kasinon, aktiviteten startade igång igen och även om med en gradvis ökning med hänsyn till de olika restriktionerna bedömer ledningen att verksamheten gradvis kommer att återgå till det normala.

Från och med i slutet av februari exploderade krisen mellan Ryssland och Ukraina som nådde mycket höga nivåer, med den efterföljande invasionen i Ukraina av Ryssland, vilket ökade den internationella politiska och ekonomiska osäkerheten.

Vi bevakar situationen som ständigt förändras och trots att företaget inte verkar i krisområden, och vår verksamhet inte är direkt påverkad av konsekvenserna av konflikten, kan vi för närvarande inte uppskatta möjliga effekter på verksamheten härrörande från en möjlig, dramatisk och mycket allvarlig "eskalering" av fientligheterna.

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Stockholm 2022/06/20

Antonio Hostench Feu
Ordförande

Avraham Ahcad

Carlos Front Anglada

Vår revisionsberättelse har lämnats 2022/06/20

Ernst & Young AB

Magnus Johansson
Auktoriserad revisor

Building a better working world

Revisionsberättelse

Till bolagsstämman i Resort Paradise AB, org.nr 556663-6113

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Resort Paradise AB för räkenskapsåret 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Resort Paradise ABs finansiella ställning per den 31 December 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Resort Paradise AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning av Resort Paradise AB för räkenskapsåret 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman behandlar förlusten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Resort Paradise AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den 20 juni 2022

Ernst & Young AB

Magnus Johansson
Auktoriserad revisor

Ernst & Young AB

LHMC Topco S.à r.l.

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

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- Management report

Consolidated Financial Statements

- Consolidated statement of financial position at December 31, 2021
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- Consolidated statement of changes in equity for the year ended December 31, 2021
- Consolidated cash flow statement for the year ended December 31, 2021
- Notes to the consolidated financial statements for the year ended December 31, 2021

Appendix - Detail of subsidiaries at December 31, 2021

Independent auditor's report.

MANAGEMENT REPORT

1. FORWARD-LOOKING STATEMENTS

This consolidated management 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:

- the impact of public health outbreaks, epidemics or pandemics, such as the coronavirus, on our operations and the markets in which we are active;
- the impact of the effects of the economic downturn or political change in Spain and other markets in which we operate;
- risks associated with our other operations outside of Spain;
- we do not control certain of our businesses and are dependent on the actions of our counter-parties in our strategic partnerships, joint ventures and alliances;
- impact of individual events or betting outcomes and the failure to determine accurately the odds at which we will accept bets in relation to any particular event or any failure of our risk management processes;
- our inability to block access to our online services by players in certain jurisdictions;
- our ability to comply with the current gaming regulatory framework and to adapt to any regulatory changes and increases in the taxation of gaming;
- our ability to maintain our gaming licenses and comply with online gaming rules and regulations;
- our failure to keep up with technological developments in the online gaming market;
- our failure to comply with regulations regarding the use of personal data;
- risks associated with hacker intrusion, distributed denial of service attack, malicious viruses and other cybercrime attacks;
- our ability to manage growth in our business;

- our ability to provide secure gaming products and services and to maintain the integrity of our employees in order to attract customers;
- competition from other companies in our industry and our ability to retain our market share and business position;
- changes in consumer preferences in relation to our gaming offerings;
- our dependence on maintaining and enhancing our brand;
- risks associated with a failure to detect money laundering or fraudulent activities of our customers or third parties;
- risks associated with a disruption of operations at our manufacturing facilities;
- risks relating to taxes;
- risks relating to exchange of information requirements on reportable cross-border arrangements;
- risks associated with security issues in the countries in which we operate;
- risks associated with fluctuations in foreign currency exchange rates;
- risks associated with terrorist attacks and other acts of violence or war;
- risks associated with negative perceptions and negative publicity surrounding the industry in which we operate;
- risks associated with the Notes, the guarantees thereof, the collateral and our 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*."

2. GENERAL INFORMATION

LHMC TopCo S.à r.l. (hereinafter the "Parent Company" or "LHMC TopCo") has been incorporated on April 5, 2018 for an unlimited period of time. for the purpose of facilitating the acquisition of the Cirsa Group. On July 3, 2018 the Parent Company acquired via its indirect subsidiary Cirsa Enterprises, S.L.U 100% of the shares of Cirsa Gaming Corporation, S.A. Prior to the acquisition it had no material assets or liabilities, and had not engaged in any material activities, other than those in preparation for the acquisition and its financing. The Parent Company is a Luxembourgish holding company that owns indirectly the entire share capital of Cirsa Finance and the Cirsa Group. The Parent Company and its direct and indirect subsidiaries (together "we", "the Group" or "the Cirsa Group") consist of a set of companies operating in the gaming and leisure sector, carrying out the following activities:

- the design, manufacture and marketing of slot machines that are sold to both group companies and third parties, and the development of interactive gaming mechanisms and systems;

- operation of slot machines, bingo halls and casinos, in both Spain and abroad.

3. BUSINESS

a) Overview

We are one of the leading gaming companies in Spain and Italy, as well as in a number of countries in Latin America (with a focus on Panama, Colombia, Mexico, Peru, Costa Rica and the Dominican Republic), engaged in the operation of slot machines, casinos and bingo halls. We also manufacture slot machines for the Spanish market. As of December 31, 2021, we operated 82,519 gaming machines, 149 casinos, 80 bingo halls, 634 gaming tables, 2,628 betting locations and 248 arcades.

The following table shows a breakdown of our consolidated EBITDA for the year ended December 31, 2021, by country in which we operated:

EBITDA MIX BY COUNTRY

Country	For the year ended December 31, 2021
Spain	62.0%
Panama	13.4%
Colombia	12.4%
Mexico	5.2%
Italy	0.8%
Peru	0.8%
Other	5.4%
	100.0%

b) Our Strengths

We believe a number of key factors give us a strong competitive advantage, including:

- ***Reinforced market leadership in Spain and Latin America with a well-diversified business portfolio in terms of geographies and business segments***. We are a leader in Spanish slot machine operations and manufacturing, as well as bingo hall operations. We are also a leader in gaming operations in Panama, Colombia, Costa Rica and the Dominican Republic. We believe that this leadership position enables us to identify and manage trends in the private gaming industry in Spain and Latin America. The Spanish slot machine operator and bingo segments are highly fragmented, as are the Latin American gaming markets, and we are substantially larger than our competitors. We believe that our size allows us to benefit from economies of scale in many of our businesses. For example, in our slot machine operations, we

can spread the cost of providing coin collection services and rapid response to repair calls (minimizing machine downtime) over our 34,272 slot machines, as of December 31, 2021, which helps us to realize a lower operational cost per machine and to have a more developed internal control system as compared to our competitors. We also believe that due to our size and resources, we are well-positioned to acquire attractive gaming operations as consolidation opportunities arise in the markets in which we operate. We believe that we are larger in terms of size and have more resources compared to the majority of our competitors. From a business division perspective, we are a well-diversified gaming company with five distinct and complementary business units within the industry (Casinos, Slots, Bingo, B2B and On-line Gaming & Betting) and operations in eight countries outside of Spain. We believe that the diversity of our revenue streams helps improve the stability of our cash flow profile by reducing our dependence on any single geographic market, economy or business segment in the gaming industry. While we focus our international expansion in markets with growth potential, we favor countries with less volatile economic and regulatory environments, and, in particular, for the year ended December 31, 2021, 89.2% of our EBITDA was generated in countries which currently have an investment grade rating from S&P and Moody's. Within Spain, there are 17 different autonomous regions with separate legal jurisdictions as laid out in the Spanish constitution, reinforcing the geographical diversification of our business. Since 2010, our expansion in Latin America has concentrated in Colombia, Costa Rica, Peru, the Dominican Republic and Mexico and we have also made substantial investments in our Panama business.

- ***The multichannel and local gaming model ensures a resilient, wide and loyal customer base, detached from international travel***. By running a multichannel operating and local gaming business model, we have been able to create a resilient, wide, local and loyal customer base . We operate through three main channels: (i) our own points of sale ("*PoS*"), (ii) third party PoS and (iii) online gaming. Our own PoS are mainly casinos, bingos and arcades and we generally rent the facilities to third party landlords. Third party PoS correspond mainly to bars and in some cases gaming halls where we place our slot machines and sports betting terminals. In both our own PoS as well as third party PoS, we typically enter into long term contracts under which we pay rent or share a portion of the revenue of the operation. We also own the gaming license and fully run the operation. We have achieved significant online growth, primarily through online sports betting, casino and poker, which has helped us maintain a strong base of clients despite retail closures. Our multichannel business model provides resilience to our earnings, as was demonstrated during the COVID-19 pandemic, as our online business unit has performed very well. Unlike other gaming operators, our customer base is not dependent on tourism as our regular customer lives a few kilometers away from our PoS and visits us on a regular basis for leisure. Therefore, the recovery of

  our business post the COVID-19 pandemic is primarily driven by the opening hours and capacity allowed by local regulatory bodies rather than by the international travel restrictions imposed by the different governments.

- ***High barriers to entry in a highly regulated industry***. We believe that there are significant barriers to entry in our principal business divisions, including regulatory, financial and technological barriers, the need for operational expertise and the need for a proven track record in order to obtain the trust and confidence of regulators, customers, partners, site owners and gaming machine and other suppliers. For our casinos in Panama, casino licenses are granted in relation to a geographic area and for long periods. In our Slots Division, we typically enter into five-year agreements to place our slot machines in a given location, and many of these agreements have been consistently renewed for the past twenty years. Additionally, in our Slots Division and B2B Division, we believe a new competitor would need significant financial resources, operating expertise and a qualified workforce to build profitable operations. We believe that barriers to entry in our principal business divisions help protect our leading market position and profitability by limiting the number of new competitors in our core business segments.

- ***Significant increase of current positive free cash flow generation as activity levels recover whilst leaner cost structure remains***. The COVID-19 pandemic has helped us improve our cost and capital expenditure controls, as our primary financial focus has turned to free cash flow generation. We have implemented an action plan to reduce our base costs and

capital expenditures with a clear focus on fixed operating expenses. The main levers used to achieve this result have been (i) reduced personnel expenses due to increased productivity; (ii) fixed gaming cost reductions obtained through withdrawals of non-profitable slot machines and increasing revenue per machine to maintain the level of revenues; and (iii) a reduction in our operational leases as lease contracts have been renegotiated through agreements with our landlords. Free cash flow generation remains a key priority for our management team and they aim to ensure that capital expenditure plans allow for significant cash flow generation and that investments are approved based on a short payback period criteria. Our cost and capital expenditure reduction initiatives have transformed us into a leaner organization.

- ***Seasoned Management Team***. We are led by an experienced and professional management team with a track record of managing complex operations, developing new products inside and outside the gaming industry, delivering upon its commitments and managing through challenging business environments. The key members of the senior management team, including our managing directors, chief executive officer, general manager and legal director, along with our recent additions to the management team who have a very strong track record, have been in place since our core strategy was implemented in 2006. Besides their success in managing the business during the severe 2008 economic downturn in Spain and Italy and most recently during the COVID-19 pandemic, our management team has extensive experience in the Latin American gaming industry, and has developed expertise in addressing the challenges that may arise in those markets. The COVID-19 pandemic interrupted 54 consecutive quarters of year-on-year EBITDA growth, but we managed to maintain a strong cash position with only a slight increase of 4.2% in our net financial debt position as of December 31, 2021 compared to March 30, 2020. Our management team implemented a fixed cost reduction program resulting in the reduction of headcount and personnel expenses and reduction in total fixed cost base. A portion of the compensation of our senior management team in the past had been based on achieving financial targets and certain senior managers have reinvested a substantial portion of their transaction one-off compensation in connection with the Original Acquisition in the Group at a parent company level showing their commitment to the business.

c) Our Divisions

We have five business divisions: Slots, Casinos, Bingo, B2B and On-line Gaming & Betting.

- **Slots Division**

Our Slots Division owns and manages slot machines in bars, cafes, restaurants and arcades in Spain. We are also a network system operator for slot machines and VLTs in Italy.

The following table presents the number of slot machines and VLTs that we operated in our Slots Divisions in Spain and Italy, respectively, as of December 31, 2020 and 2021. Slot machines operated in other divisions are not presented in the following table.

	As of December 31,	
Slot Machines	**2020**	**2021**
Slot Machines, Spain	34,741	34,272
Slot Machines, Italy	7,165	7,060
VLTs, Italy	2,468	2,425
Total	**44,374**	**43,757**

- **Casinos Division**

As of December 31, 2021, we operated a total of 149 casinos, six casinos in Spain and 143 casinos internationally. Our casinos offer a variety of gaming options, from gaming tables to casino-style slot machines. Our casinos also generate revenues from restaurant and bar services, admission ticket sales and tips (which employees share with us pursuant to collective bargaining agreements).

The following table sets forth the number of casinos, slot machines and tables operated by our Casinos Division as of December 31, 2020 and 2021.

	As of December 31,					
	2020			2021		
Casino Operations by Country	**Casinos**	**Slots**	**Tables**	**Casinos**	**Slots**	**Tables**
Panama	33	7,803	19	33	7,884	20
Colombia	72	7,242	243	72	7,204	261
Peru	24	3,597	38	22	3,365	38
Costa Rica	8	855	25	8	861	22
Spain	6	516	52	6	525	57
Dominican Republic	6	853	82	6	841	75
Morocco	2	281	29	2	281	29
Total	**151**		**488**	**149**	**20,961**	**502**

- **Bingo Division**

Spain. We are the leader of the bingo market in Spain, with a total of 40 bingo halls as of December 31, 2021.

Our bingo halls generate revenues from the sale of bingo cards, operations of slot machines installed in its halls and from food and beverage sales.

Revenues from traditional bingo games in Spain have been declining in recent years. We believe that this is due to a variety of factors, including in particular, during 2020 and the first half of 2021 due to the COVID-19 pandemic. Further, in Spain, we have been introducing machines, such as electronic bingo games, slot machines, and electronic roulette games, into some of our bingo halls. We believe that the introduction of these machines in our bingo halls will partly offset the decline of traditional bingo revenues.

During the year ended December 31, 2021, our bingo halls in Spain received approximately 2.6 million visitors with an average wagered amount of approximately €84.3 per visit. In connection with efforts to reduce our cost base and enhance our portfolio, we have closed or sold underperforming halls in Spain from time to time, and may close or sell underperforming bingo halls in Spain in the future.

In 2020, we sold three bingo halls in Spain.

Mexico. We hold a license and the right to operate 34 bingo halls in Mexico, of which 28 were operating as of December 31, 2021. We acquired seven new bingo halls in Mexico during 2019. We also acquired one new bingo hall in Guadalajara during 2018, for total cash consideration of €16 million. We opened two new bingo halls in Manzanillo and Vallarta during 2017, and closed an underperforming bingo hall in 2016. We have made significant investments in our bingo halls in Mexico in order to remodel and expand our facilities, increase and optimize the slot machines portfolio in our halls and implement the "Casino Life" concept. The "Casino Life" concept offers our bingo hall customers a wide range of entertainment including cafes, bars, live music, sports betting, electronic bingo machines, slot machines and gaming tables. We have enhanced our offering in bingo halls by installing an aggregate number of 158 gaming tables and 8,077 casino-style slot machines made by Bally, International Game Technology, WMS Gaming Inc. and Aristocrat during 2018 and 2019.

Italy. Our Bingo Division holds minority interests in companies that owned and operated eleven bingo hall businesses in Italy as of December 31, 2021. We also operated one bingo hall which we fully own.

- **B2B Division**

Our B2B Division designs, manufactures and distributes slot machines and gaming kits for the Spanish and international markets, 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 divisions, principally the Slots Division.

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 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, 2021, the average selling price of one of our slot machines is approximately €3,907. 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. The cost of a kit is lower than the cost of a new slot machine, therefore, purchasing gaming kits allows our 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.

- **On-line Gaming & Betting**

Through *Sportium*, our On-line Gaming & Betting offers sport betting products through outlets and betting machines in Spain as well as some betting operations in Colombia and Panama. *Sportium* also includes our Spanish online gaming operations.

On October 14, 2019, we completed the acquisition of Ladbrokes B&G's 50% ownership interest in *Sportium* following which we hold 100% of *Sportium*. As of December 31, 2021, *Sportium* operated a sports betting business with a wide multichannel network of 2,384 points of sale in Spain in casinos, bingo halls, gambling halls, betting ventures and bars, complemented with an online presence as well as some betting operations in Colombia and Panama. *Sportium* is the only player present with leading positions in both the online and retail sports betting markets. *Sportium* began its international expansion in Panama in 2016 and further expanded in 2018 opening operations in Colombia.

During the COVID-19 pandemic in 2020, our On-line Gaming & Betting Division business remained strong. In April 2021, we expanded this division further by acquiring a 100% interest in Bet on Red Digital, S.A. (which owns the online portal Marca Apuestas and which had a GGR of €8.7 million during the year 2020). GGR represents gross revenue from gaming and also includes revenue from any offers and promotions made to customers, such as revenue from additional free bets offered to customers.

4. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

In the discussion and analysis below, where we discuss the results of operations, cash flows and working capital requirements for the year ended December 31, 2021 compared to the year ended December 31, 2020, we have derived the financial information for these periods from the Company's consolidated financial statements as of and for the year ended December 31, 2021.

You should read the following discussion together with the sections entitled "Forward-Looking Statements," "Selected Financial and Other Information," "Risk Factors" and "Presentation of Financial Information."

a) Overview

We believe we are one of the leading gaming companies in Spain, Italy, as well as in several countries in Latin America (with a focus on Panama, Colombia, Mexico, Costa Rica and Peru), engaged in the operation of slot machines, casinos and bingo halls. We also manufacture slot machines for the Spanish market. As of December 31, 2021, we operated 82,519 gaming machines, 141 casinos, 80 bingo halls, 634 gaming tables, 2,628 betting locations and 248 arcades.

b) Recent Developments

COVID-19

Effective March 30, 2020, we temporarily closed all our operations other than our online betting and online casino operations in accordance with the directives given by the countries in which we operate. The health and safety of our people and customers is critically important to us. Since the beginning of the outbreak of COVID-19, we have been following WHO and CDC guidance as a global organization as well as any particular guidance or directive given by the countries in which we operate.

Our revenues and operations have been impacted by the temporary closure and restrictions on opening hours and capacity of bars, casinos, arcades, bingo halls, 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 at December 31, 2021, the Group showed negative working capital amounting to €118.9 million, calculated as the different between total current assets of €415.3 million and, total current liabilities of €534.3 million. Therefore, maximizing liquidity has been one of the primary objectives of the Group 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 have fully drawn our Revolving Credit Facility as of March 13, 2020. Additionally, in July 2020, we executed two new financing lines: (1) the Second Revolving Credit Facility, which was maturing in December 2021, and (2) the Term Loan Facility maturing in September 2025. Separately, several other credit lines with financial institutions have also been renewed and increased, providing the Group with additional liquidity when necessary. The Second Revolving Credit Facility was subsequently repaid and cancelled in full on September 27, 2021, from the proceeds of the 2027 Senior Secured Notes.

- *Personnel expenses*: The Group made labor costs more flexible during 2020 through temporary labor force adjustment plans, mainly in Spain and Italy (in Spain, referred to as ERTE (*expediente de regulación temporal*

  de empleo) and in Italy, referred to as CIGO/CIGD/FIS (*trattamenti di integrazione salariale con causale COVID-19*)), that allowed businesses to suspend employment contracts or reduce staff hours due to and during force majeure circumstances, while applying for the state to pay a portion of employee wages. In the other markets where these types of plans do not exist, a combination of measures were implemented to reduce our costs and ensure that our employees are available for resuming operations as soon as local authorities permit. In this regard, with 95% of our gaming facilities open in the fourth quarter of 2021, employee expenses for the fourth quarter have decreased by 18% compared to the same period during 2019.

- *Fixed gaming taxes in Spain*: Spanish gaming associations, of which the Group is a significant member, negotiated a full or partial suspension and/or postponement in the payment of fixed taxes in most of the Spanish tax jurisdictions in which we operate. This provides the Group with additional liquidity to manage its operations during temporary restrictions and closures.

- *Operating leases*: We have renegotiated a majority of our lease arrangements in order to fully or partially suspend and/or postpone payments during the state of emergency in each of the countries in which the Group operates.
- *Other fixed expenses*: We have implemented a comprehensive cost reduction scheme by reviewing the terms and conditions with suppliers, cancelling contracts and/or implementing other cost reduction measures.

The strong COVID-19 vaccination momentum in our key markets has positively impacted the gaming market by enabling the economies to open up faster. We believe that operating hours and permitted capacity in all of our markets will continue to increase given the recovery in various economies as the vaccine rollout progresses in the different countries in which we operate. As of December 31, 2021, all of our casinos are operational, except two casinos in Morocco, which remain closed due to COVID-19 related restrictions. Since March 2021, the progressive release of COVID-19 related restrictions in Spain has resulted in increased operational capacity in all our operations in Spain, representing approximately 99% of operational capacity before the COVID-19 pandemic. In Italy, based on the gradual reopening of the economy since June 2021 with minimal operating restrictions, we have been able to resume 100% operational capacity in Italy by December 31, 2021.

Despite the recovery of the economy and our operations, we believe the adverse impact of COVID-19 on our businesses, operating results, cash flows and/or financial condition will continue to be driven by the severity and duration of the pandemic's long-term impact on the markets in which we are active and the global economy and the timing, scope and effectiveness of government responses to the pandemic, which are all beyond our knowledge and control. At this time we cannot reasonably estimate the long-term adverse impact COVID-19 will have on our businesses, operating results, cash flows and/or financial condition, but the adverse impact could be material. See "*Risk Factors—Risks Relating to the Gaming Industry and Our Business—Public health outbreaks, epidemics or pandemics, such as the coronavirus, could materially adversely impact our business, financial position, results of operations and cash flows*." In addition, further temporary shutdowns and closures may occur in the short term, and re-opening of our businesses may be subject to certain restrictions on capacity and number of customers.

c) Historical Results of Operations

Year ended December 31, 2021 compared to the year ended December 31, 2020

The following table sets forth, by business division, operating revenues and net operating revenues for the years ended December 31, 2021 and 2020:

(in € millions)	**For the year ended December 31,**		
	2020	**2021 (audited)**	**Change**
Operating Revenues:			
Slots	633.6	744.8	111.2
Casinos	179.7	325.7	146.0
Bingo	97.3	140.4	43.1
B2B	39.8	51.2	11.4
On-line Gaming &	110.6	130.0	19.4
Other[1]	(47.3)	(54.8)	(7.5)
Total	**1,013.6**	**1,337.3**	**323.6**

(in € millions)	**For the year ended December 31,**		
	2020	**2021 (audited)**	**Change**
Net Operating Revenues:			
Slots	466.2	530.3	64.1
Casinos	178.3	324.2	145.9
Bingo	94.5	136.1	41.6
B2B	39.8	51.2	11.4
On-line Gaming &	110.5	129.9	19.4
Other[1]	(46.9)	(54.4)	(7.5)
Total	**842.4**	**1,117.3**	**274.9**

(1) Other includes central corporate services and certain inter-segment consolidation adjustments.

Net Operating Revenues

Net operating revenues increased by €274.9 million, or 32.6%, to €1,117.3 million in 2021 from €842.4 million in 2020. The increase in net operating revenues was primarily due to the strong performance of all our divisions, in particular, our Casinos and Slots Divisions.

Financial Results

Financial results were negative €(200.1) million (an increase of 8.4%) in 2021 compared to negative €(184.5) million in 2020, primarily due to the impact of €9.8 million of premium paid for the redemption of the 2023 Dollar Notes in full and the partial redemption of the 2023 Fixed Rate Euro Notes, with €7.1 million written-off as capitalized issuance costs.

Foreign Exchange Results

Foreign exchange results were negative €(18.2) million in 2021 compared to €31.4 million in 2020. The difference was primarily due to the depreciation of the U.S. dollar against the euro.

Income Tax Expense

Income tax expense decreased to €12.2 million in 2021 from €64.9 million in 2020. The difference was primarily due to the lower capitalization of tax credits in all of the geographies in which we operate.

Net Profit

As a result of the foregoing, net profit, after minority interests, was negative €(187.6.9) million in 2021 compared to negative €(288.7) million in 2020.

5. 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."

a) Risks Relating to the Gaming Industry and Our Business

We have identified a number of risks which may have a significant adverse impact on business, financial position, results of operations and cash flow:

- Public health outbreaks, epidemics or pandemics, such as the coronavirus, could have a material adverse effect on our business, financial position, results of operations and cash flows.

- Our business may be negatively impacted by the economic volatility and political conditions in Spain and other markets in which we operate.

- There are risks associated with our operations outside of Spain.

- We do not control certain of our joint venture businesses.

- We may experience significant losses with respect to individual events or betting outcomes and the failure to determine accurately the odds at which we will accept bets in relation to any particular event or any failure of our risk management processes may adversely affect our results.

- The technological solutions we have in place to block access to our online services by players in certain jurisdictions may prove inadequate, which may harm our business and expose us to liability.

- The gaming industry is subject to extensive regulation (including applicable anti-corruption and economic sanctions laws) and licensing requirements and our business may be adversely affected by our inability to comply with these extensive regulation and licensing requirements, regulatory changes and increases in the taxation of gaming, which could result in litigation.

- Failure to maintain our online gaming licenses or comply with online gaming rules and regulations could adversely affect our business.

- Our failure to keep up with technological developments in the online gaming market could negatively impact our business, results of operations and financial condition.

- We may not be able to manage growth in our business.

- We are dependent upon our ability to provide secure gaming products and maintain the integrity of our employees in order to attract customers, and any event damaging our reputation could adversely affect our business.

- We are in a competitive business environment and, as a result, our market share and business position may be adversely affected by factors beyond our control.

- Changes in consumer preferences could also harm our business.

- Our success is dependent on maintaining and enhancing our brand.

- We may fail to detect money laundering or fraudulent activities of our customers or third parties.

- Our results of operations could be adversely affected by a disruption of operations at our manufacturing facilities.

- Certain countries in which we operate have been subject to significant security issues in the past several years, and if such issues continue or worsen, our operations could be materially adversely affected.

b) Risks Related to our 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 of December 31, 2021 the Group's total debt was €3,103.7 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 (including the development of the Group's renewables businesses), acquisitions, joint ventures, product research and development or other general corporate purposes;

- 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.*"

We are subject to restrictive covenants under our Revolving Credit Facility Agreement, the Term Loan Facility, Indentures 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 Term Loan Facility Agreement, the Indentures 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 Term Loan Facility Agreement, the Indentures and the PIK Indenture contain negative covenants restricting, among other things, our ability to:

- make certain loans or investments;

- incur indebtedness or issue guarantees;

- sell, lease, transfer or dispose of assets and subsidiary stock;

- merge or consolidate with other companies;

- transfer all or substantially all of our assets;

- pay dividends and make other restricted payments;

- create or incur liens;

- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions; and

- enter into transactions with affiliates.

The restrictions contained in the Revolving Credit Facility Agreement, the Term Loan Facility Agreement, the Indentures 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 Term Loan Facility Agreement, the Indentures 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.

- Our systems may be vulnerable to hacker intrusion, distributed denial of service attack, malicious viruses and other cybercrime attacks.

- We are subject to taxation which is complex and often requires us to make subjective determinations.

- We are subject to exchange of information requirements on reportable cross-border arrangements.

- Our results of operations are impacted by fluctuations in foreign currency exchange rates.

- Terrorist attacks and other acts of violence or war may affect our business and results of operations.

- Negative perceptions and negative publicity surrounding the gaming industry could damage our reputation or lead to increased regulation or taxation, which could adversely affect our business.

6. SUBSEQUENT EVENTS

No other subsequent events have occurred after the reporting date, other than those already mentioned in the sections above that may condition the information included in the 2021 consolidated financial statements of LHMC Topco Group.

Signatories to the management report of LHMC Topco S.à r.l.

Luxembourg, June 29, 2022

Mr. Romain Jay

Manager

Mr. John Sutherland

Manager

Consolidated Financial Statements

LHMC Topco S.à r.l.
Consolidated statement of financial position at December 31, 2021

ASSETS

(Thousands of euros)	Notes	31/12/2021	31/12/2020
Non-current assets		**2,846,708**	**2,973,835**
Goodwill	5	1,228,475	1,228,609
Other intangible assets	6	944,573	1,002,439
Property, plant and equipment	7	266,809	318,908
Right-of-use assets	19	236,774	255,590
Investments accounted for using the equity method	8	29,728	29,349
Financial assets	9	41,754	40,356
Deferred tax assets	18.4	98,595	98,584
Current assets		**416,119**	**399,086**
Inventories	11	19,357	18,361
Trade and other receivables	9	86,463	79,302
Other financial assets	9	14,923	8,588
Other current assets		14,685	9,222
Cash and cash equivalents	12	280,691	283,613
Total assets		**3,262,827**	**3,372,921**

LHMC Topco S.à r.l.
Consolidated statement of financial position at December 31, 2021

EQUITY AND LIABILITIES

(Thousands of euros)	Notes	31/12/2021	31/12/2020
Equity		**(338,205)**	**(165,611)**
Issued capital	13.1	28,737	28,711
Share premium	13.1	345,674	345,363
Retained earnings	13.2	(559,964)	(269,499)
Currency translation differences		(62,432)	(85,585)
Profit/(loss) for the year attributable to the Parent		(187,619)	(288,673)
Non-controlling interests	13.3	97,399	104,072
Non-current liabilities		**3,050,138**	**2,926,273**
Corporate bonds	14	2,478,676	2,324,518
Bank borrow ings	15	64,050	64,682
Other non-trade payables	16	32,153	36,033
Provisions	17	16,068	15,372
Finance lease liabilities	19	228,759	237,590
Deferred tax liabilities	18.4	230,432	248,078
Current liabilities		**550,894**	**612,259**
Corporate bonds	14	25,682	18,343
Bank borrow ings	15	226,897	289,418
Trade payables		35,042	23,420
Other non-trade payables	16	208,049	233,158
Finance lease liabilities	19	45,522	45,877
Current income tax payable	18.2	9,702	2,043
Total equity and liabilities		**3,262,827**	**3,372,921**

LHMC Topco S.à r.l.
Consolidated statement of comprehensive income for the year ended December 31, 2021

(Thousands of euros)	Notes	01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020
CONTINUING OPERATIONS			
Income from gaming activities		1,379,497	1,055,101
Other operating income		107,531	73,303
Bingo prizes		(149,709)	(114,769)
Total operating income		1,337,319	1,013,635
Variable rent		(220,016)	(171,265)
Total operating income net of variable rent	**3.1**	1,117,303	842,370
Cost of sales		(45,629)	(29,659)
Employee benefits expense	20.1	(208,867)	(202,250)
Utilities and external services	20.2	(212,406)	(179,781)
Gaming taxes and other similar taxes		(319,215)	(304,902)
Charge to depreciation and amortization and impairment of assets	6, 7 & 19	(301,472)	(311,639)
Impairment charges	6, 7 & 19	(4,196)	(14,834)
Change in operating provisions		(522)	(8,614)
Finance income		1,075	1,187
Finance costs		(186,941)	(169,499)
Finance lease expense		(14,210)	(16,163)
Change in financial provisions		58	(18)
Gains/(losses) on investments in associates	8	379	(3,538)
Exchange gains / (losses), net	20.3	(18,156)	31,395
Gains/(losses) on disposal/derecognition of non-current assets		(2,258)	(1,692)
Profit before tax		(195,057)	(367,637)
Income tax	18.2	12,235	64,860
Net profit/(loss) for the year		(182,822)	(302,777)
Profit/(loss) for the year/period attributable to non-controlling interests	13.3	4,797	(14,104)
Profit/(loss) for the year attributable to the Parent		**(187,619)**	**(288,673)**

LHMC Topco S.à r.l.
Consolidated statement of comprehensive income for the year ended December 31, 2021

(Thousands of euros)	Notes	01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020
Net profit/(loss) for the year		**(182,822)**	**(302,777)**
Exchange gains (losses)		21,587	(92,703)
Tax effect		-	-
Total other comprehensive income that will be reclassified to profit or loss in subsequent years		21,587	(92,703)
Total other comprehensive income that will not be reclassified to profit or loss in subsequent years		-	-
Total comprehensive income for the year/period, net of tax		**(161,235)**	**(395,480)**
Total comprehensive income attributable to:			
Parent Company		(164,466)	(377,117)
Non-controlling interests		3,231	(18,363)
Total comprehensive income for the year/period, net of tax		**(161,235)**	**(395,480)**

LHMC Topco S.à r.l.
Consolidated statement of changes in equity for the year ended December 31, 2021

(Thousands of euros)	Issued capital (Note 13.1)	Share premium	Retained earnings (Note 13.2)	Currency translation differences	Non-Controlling Interests Note(13.3)	Total
At December 31, 2019	**28,695**	**345,218**	**(264,765)**	**2,859**	**131,194**	**243,201**
Net profit/(loss)	-	-	(288,673)	-	(14,104)	-302,777
Other comprehensive income	-	-	-	(88,444)	(4,259)	-92,703
Total comprehensive income	**-**	**-**	**(288,673)**	**(88,444)**	**(18,363)**	**(395,480)**
Capital increase LHMC Topco S.à r.l.	16	145	-	-	-	161
Other movements:						
• Dividends paid to non-controlling interests	-	-	-	-	(5,306)	(5,306)
• Other movements	-	-	(4,734)	-	(3,453)	(8,187)
At December 31, 2020	**28,711**	**345,363**	**(558,172)**	**(85,585)**	**104,072**	**(165,611)**
Net profit/(loss)	-	-	(187,619)	-	4,797	(182,822)
Other comprehensive income	-	-	-	23,153	(1,566)	21,587
Total comprehensive income	**-**	**-**	**(187,619)**	**23,153**	**3,231**	**(161,235)**
Capital increase LHMC Topco S.à r.l.	26	311	-	-	-	337
Other movements:						
• Dividends paid to non-controlling interests	-	-	-	-	-9,032	(9,032)
• Other movements	-	-	-1,792	-	-872	(2,664)
At December 31, 2021	**28,737**	**345,674**	**(747,583)**	**(62,432)**	**97,399**	**(338,205)**

LHMC Topco S.à r.l.
Consolidated cash flow statement for the year ended December 31, 2021

(Thousands of euros)	Notes	01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020
Cash flows from operating activities			
Profit/(loss) for the year/period before tax		(195,057)	(367,637)
Adjustments to profit/(loss) due to:			
Change in operating provisions		522	8,615
Depreciation and amortization and impairment losses on non-current assets	6, 7 & 19	305,668	326,472
Gains/(loss) on disposals/derecognition of non-current assets		2,258	1,691
Finance (income) costs		199,639	188,028
Exchange gains / (losses), net	20.3	18,156	(31,395)
Other		7,600	4,374
Change in:			
Inventories		(485)	1,002
Trade and other receivables		(9,681)	11,570
Suppliers and other accounts payable		42,939	(39,781)
Other operating assets and liabilities, net		5,818	(4,776)
Income tax paid		(10,165)	(14,819)
Net cash from continuing operations		**367,212**	**83,344**
Cash flows from/(used in) investing activities			
Acquisition of property, plant, and equipment		(59,828)	(78,381)
Acquisition of intangible assets		(50,482)	(46,766)
Proceeds from disposal of property, plant and equipment		5,000	33,980
Acquisition of investments in other companies		(21,168)	(18,314)
Payments on financial investments		(9,117)	(310)
Interest received and income from financial investments		1,075	1,186
Net cash used in investing activities		**(134,520)**	**(108,605)**
Cash flows from/(used in) financing activities			
Proceeds from share capital increase and share premium increase		337	161
Cash inflows in bank accounts		1,759,050	1,184,216
Cash outflows in bank accounts		(1,823,040)	(925,656)
Bond issues		615,000	-
Cancelation of bonds		(530,293)	-
Lease liabilities principal payments	19	(50,957)	(48,743)
Interest paid		(125,793)	(131,144)
Deferred gaming taxes		(73,120)	80,207
Dividends paid and other payments		(5,966)	(4,077)
Net cash from/used in financing activities		**-234,782**	**154,964**
Net increase/(decrease) in cash and cash equivalents		**-2,090**	**129,703**
Net effect of exchange gains/(losses) on cash		(832)	(6,753)
Cash and cash equivalents at the beginning of the year/period		283,613	160,663
Cash and cash equivalents at December 31	**12**	**280,691**	**283,613**

1. GROUP INFORMATION

1.1 Group activity

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

- the design, manufacture and marketing of slot machines that are sold to both group companies and third parties, and the development of interactive gaming mechanisms and systems.

- Operation of slot machines, bingo halls and casinos, in both Spain and abroad.

- Marketing and operation of bets in own and third-party premises, as well as operation of on-line sports betting in both Spain and abroad.

The Company has been incorporated on April 5, 2018 for an unlimited period of time. On July 3, 2018 the Company acquired via its indirect subsidiary Cirsa Enterprises, S.L. 100% of the shares of Cirsa Gaming Corporation, S.A. from the former shareholders. Cirsa Enterprises, S.L. formerly LHMC Bidco, S.L. was incorporated on November 15, 2017.

Therefore, the new consolidated group was born on July 3, 2018 (except for the Parent Company having been incorporated on April 5, 2018) with the inclusion of the Cirsa Gaming Corporation, S.A. subgroup and the bond-issuing company, Cirsa Finance International S.à r.l., which was incorporated on May 22, 2018. These consolidated accounts will be filed with the company register in Luxembourg.

1.2 Going concern - COVID-19

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

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

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

- Reinforcement of liquidity position:

  At December 31, 2021 the Group shows negative working capital amounting to 134,775 thousand euros and, therefore, maximizing liquidity has been one of the primary objectives of the management team since the beginning of the pandemic. In order to meet this goal, a cash management plan was launched by the middle of the first quarter of 2020 to ensure maximum cash availability.

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

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

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

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

- Cost optimization:

  - Measures for reducing employee benefits expense by extending temporary reductions in working hours or workforce through furloughs (pursuant to prevailing regulations in each of the countries in which the Group operates) as activity could not continue as normal. As far as possible, extraordinary measures have been adopted in addition to those defined in each region to support companies experiencing operating restrictions. In this regard, with 95% of facilities open in the fourth quarter of 2021, employee benefits expense for the said quarter have decreased by 18% compared to the same period of 2019.

  - Other fixed expenses: a comprehensive cost reduction scheme has been implemented by reviewing the terms and conditions with suppliers, cancelling contracts and/or implementing other cost reduction measures, achieving a 15% decrease in Other expenses in 4Q 2021 compared to 4Q 2019 (Note 20.2).

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

1.3 Group structure

The Parent Company, has its registered office and domicile at 2-4 rue Eugène Ruppert in L-2453 Luxembourg. It is owned by funds managed by the Blackstone Group which are the ultimate shareholders.

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

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

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

1.4 Changes in the scope of consolidation

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

2021

- Acquisition of companies

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

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

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

- Winding-up of companies

In 2021, the following companies have been wound up:

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

- Changes in the ownership percentage

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

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

- Other changes in equity

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

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

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

2020

- Acquisition of companies

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

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

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

- Incorporation of companies

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

- Sale of companies resulting in loss of control

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

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

- Winding-up of companies

In 2020, the following companies have been wound up:

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

- Changes in the ownership percentage

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

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

Even if the percentage increased, the consolidated method has not changed since the full consolidation method was used in the prior year.

2. BASIS OF PRESENTATION AND ACCOUNTING STANDARDS

2.1 Basis of presentation

The Group prepares consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU) published by the International Accounting Standards Board (IASB) and further interpretations. These consolidated financial statements were authorized for issue by the Board of Managers on 29 June 2022.

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

2.2 Estimates and judgments

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

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

- Business combinations and goodwill

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

- Impairment of assets

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

- Recoverability of deferred tax assets

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

- Consolidation methods

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

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

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

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

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

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

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

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

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

Standard, interpretation or amendment	**Mandatory application: annual periods beginning on or after**
Amendments to: - IFRS 3 - *Business combinations* - IAS 16 - *Property, plant and equipment* - IAS 37 - Provisions, contingent liabilities and contingent assets. - Annual improvements 2018-2020	January 1, 2022
IAS 1 - Presentation of Financial Statements: Classification of current and non-current liabilities	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023

2.5 Consolidation methodology

Consolidation methodology is described in the following sections:

Consolidation methods

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

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

Harmonization

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

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

Elimination of internal transactions

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

Translation of financial statements in foreign currency

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

2.6 Business combinations

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

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

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

2.7 Intangible assets

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

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

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

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

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

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

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

2.8 Property, plant and equipment

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

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

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

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

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

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

2.9 Investments in associates

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

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

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

2.10 Financial assets

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

Loans and receivables

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

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

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

2.11 Derecognition of financial assets and liabilities

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

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

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

2.12 Inventories

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

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

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

2.13 Cash and cash equivalents

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

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

2.14 Impairment of assets

Non-financial assets

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

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

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

Financial assets

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

- Assets measured at amortized cost

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

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

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

2.15 Provisions

Provisions are recognized when:

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

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

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

2.16 Interest yield loans and credits

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

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

2.17 Translation of balances in foreign currency

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

2.18 Leases

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

Group as lessee

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

i) Right-of-use assets

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

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

ii) Lease liabilities

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

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

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

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

2.19 Income

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

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

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

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

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

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

2.20 Restructuring expenses

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

2.21 Income tax

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

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

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

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

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

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

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

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

2.22 Contingencies

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

2.23 Classification of current and non-current assets and liabilities

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

3. FINANCIAL INFORMATION BY OPERATING SEGMENT

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

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

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

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

3.1 Operating segments

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

Slots:

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

B2B:

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

Casinos:

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

Bingos:

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

Bets:

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

Other segments:

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

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

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

2021

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Structure, other and eliminations	Total
Assets by segment							
Allocated non-current assets	924,738	37,394	910,240	276,359	139,936	459,446	2,748,113
Unallocated non-current assets	-	-	-	-	-	98,595	98,595
Allocated current assets	164,334	43,370	83,257	29,501	24,248	71,409	416,119
Total Assets	**1,089,072**	**80,764**	**993,497**	**305,860**	**164,184**	**629,450**	**3,262,827**
Liabilities by segment							
Allocated liabilities	(894,626)	(51,921)	(364,786)	(175,449)	(67,131)	(1,354,935)	(2,908,848)
Unallocated liabilities	-	-	-	-	-	(692,184)	(692,184)
Total Liabilities	**(894,626)**	**(51,921)**	**(364,786)**	**(175,449)**	**(67,131)**	**(2,047,119)**	**(3,601,032)**
Operating income net of variable rent							
Sales to external customers	523,258	29,340	322,677	133,086	125,383	(16,441)	1,117,303
Intragroup revenue	7,061	21,826	1,551	3,032	4,501	(37,971)	-
Total operating income net of variable rent	**530,319**	**51,166**	**324,228**	**136,118**	**129,884**	**(54,412)**	**1,117,303**
Profit/(loss)							
EBITDA (*)	152,883	451	135,354	33,381	23,008	(13,891)	331,186
Finance income	2,287	162	2,513	792	2,086	(6,765)	1,075
Finance costs	(37,158)	(1,119)	(9,752)	(5,392)	(1,794)	(131,726)	(186,941)
Profit/(loss) before tax	4,470	(7,125)	(13,994)	(24,588)	5,247	(159,067)	(195,057)
Income tax	(6,260)	1,686	1,698	5,779	(159)	9,491	12,235
Profit/(loss) after tax	(1,789)	(5,439)	(12,296)	(18,809)	5,088	(112,832)	(146,077)
Non-monetary expenses							
Charge to depreciation and amortization and impairment of assets	(108,561)	(6,426)	(130,365)	(48,456)	(18,664)	6,804	(305,668)
Change in operating provisions	(2,057)	(111)	(233)	-	(408)	2,287	(522)
Other significant expenses							
Employee benefits expense	(64,734)	(17,791)	(59,625)	(33,871)	(20,245)	(12,601)	(208,867)
Utilities and external services	(58,684)	(6,155)	(73,464)	(39,327)	(69,006)	34,230	(212,406)
Gaming taxes	(226,241)	(156)	(52,193)	(23,602)	(17,073)	050	(319,215)
Other segment information							
Investment in non-current assets (cash flow)	60,369	2,649	32,336	8,009	6,742	205	110,310
Investments in associates (balance sheet)	21,737	-	-	7,991	-	-	29,728
Non-controlling interests (profit and loss)	5,825	-	377	(413)	(992)	-	4,797

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

2020

(Thousands of euros)	Slots	B2B	Casinos	Bingos	Bets	Eliminations and other	Total
Assets by segment							
Allocated non-current assets	926,862	35,059	940,465	274,216	135,819	562,810	2,875,251
Unallocated non-current assets	-	-	-	-	-	98,584	98,584
Allocated current assets	138,262	34,516	66,356	28,919	23,587	107,446	399,086
Total Assets	**1,065,144**	**69,575**	**1,006,821**	**303,135**	**159,406**	**768,840**	**3,372,921**
Liabilities by segment							
Allocated liabilities	(875,000)	(34,761)	(397,951)	(168,361)	(59,504)	(1,329,574)	(2,865,151)
Unallocated liabilities	-	-	-	-	-	(673,381)	(673,381)
Total Liabilities	**(875,000)**	**(34,761)**	**(397,951)**	**(168,361)**	**(59,504)**	**(2,002,955)**	**(3,538,532)**
Operating income net of variable rent							
Sales to external customers	458,623	18,162	177,055	92,374	106,616	(10,460)	842,370
Intragroup revenue	7,574	21,648	1,274	2,112	3,852	(36,460)	-
Total operating income net of variable rent	**466,197**	**39,810**	**178,329**	**94,486**	**110,468**	**(46,920)**	**842,370**
Profit/(loss)							
EBITDA (*)	85,727	(4,007)	34,157	5,569	18,716	(14,384)	125,778
Finance income	25,237	048	3,076	720	2,074	(29,968)	1,187
Finance costs	(38,237)	(511)	(8,007)	(4,289)	(482)	(134,136)	(185,662)
Profit/(loss) before tax	(52,684)	(12,149)	(140,953)	(54,015)	6,264	(114,100)	(367,637)
Income tax	7,830	2,902	30,074	16,801	(1,818)	9,071	64,860
Profit/(loss) after tax	(44,853)	(9,248)	(110,879)	(37,215)	4,446	(105,028)	(302,777)
Non-monetary expenses							
Charge to depreciation and amortization and impairment of assets	(118,200)	(7,122)	(144,124)	(50,872)	(13,480)	7,325	(326,473)
Change in operating provisions	(3,385)	(348)	147	(001)	(364)	(4,663)	(8,614)
Other significant expenses							
Employee benefits expense	(62,485)	(17,554)	(53,201)	(31,686)	(19,044)	(18,280)	(202,250)
Utilities and external services	(56,931)	(6,363)	(58,211)	(32,905)	(56,201)	30,830	(179,781)
Gaming taxes	(239,239)	(165)	(30,094)	(19,486)	(15,824)	(094)	(304,902)
Other segment information							
Investment in non-current assets (cash flow)	60,138	2,984	40,246	14,357	6,260	1,162	125,147
Investments in associates (balance sheet)	19,615	-	-	9,734	-	-	29,349
Non-controlling interests (profit and loss)	(944)	010	(12,280)	(890)	-	-	(14,104)

3.2 Information on geographical segments

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

2021

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in non-current assets
Spain	610,527	65,338	675,865	1,243,886	69,689
Latin America	344,064	277	344,341	1,450,312	36,892
Italy	162,712	-	162,712	129,510	3,729
Eliminations and other	-	(65,615)	(65,615)	439,119	-
	1,117,303	-	**1,117,303**	**3,262,827**	**110,310**

2020

(Thousands of euros)	Sales to external customers	Inter-segment sales	Total revenue by segment	Assets by segment	Investments in non-current assets
Spain	479,668	50,464	530,132	1,252,306	69,605
Latin America	186,840	308	187,148	1,525,722	49,996
Italy	175,862	-	175,862	124,278	5,546
Eliminations and other	-	(50,772)	(50,772)	470,615	-
	842,370	**0**	**842,370**	**3,372,921**	**125,147**

4. BUSINESS COMBINATIONS AND ACQUISITIONS OF SUBSIDIARIES

4.1 Acquisitions in 2021

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

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

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

4.2 Acquisitions in 2020

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

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

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

5. GOODWILL

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

2021

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

2020

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

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

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

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

6. OTHER INTANGIBLE ASSETS

6.1 Movements

2021

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

2020

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

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

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

6.2 Development costs and patents

They mainly correspond to:

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

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

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

6.3 Service concession arrangements

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

- Official contract to manage and operate slot machine halls in the Republic of Panama, mainly expiring in 2038, for an amount of 14,069 thousand euros (12,904 thousand euros at December 31, 2020). The net value of this concession at December 31, 2021 amounts to 11,253 thousand euros (11,054 thousand euros at December 31, 2020).

- Licenses of video terminals acquired by Cirsa Italia S.p.A. for an amount of 40,786 thousand euros (40,786 thousand euros at December 31, 2020). The net value of this concession at December 31, 2021 amounts to 97 thousand euros (4,177 thousand euros at December 31, 2020). These licenses expire in March 2022 and are expected to be extended until the new concessions are put out to tender.

6.4 Installation rights

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

6.5 Impairment losses

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

6.6 Other information

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

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Movements

2021

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

2020

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

The "Additions" column in 2021 mainly shows:

- The effect of the other business combinations (Note 4), which has amounted to an overall gross value of 5,893 thousand euros (172 thousand euros in the prior year) and accumulated depreciation of 3,334 thousand euros (95 thousand euros in the prior year).

- Investments in assets in Spain (33,528 thousand euros), Colombia (3,860 thousand euros), and Panama (7,945 thousand euros) mainly to renovate some already-installed halls, and additions of property, plant and equipment under construction amounting to 11,355 thousand euros as a result of the renovation and expansion of casinos, mainly in Latin American countries.

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

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

7.2 Work performed by the Group and capitalized

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

7.3 Assets used as guarantees

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

7.4 Assets subject to charges and limitations

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

7.5 Assets located outside of Spain

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

7.6 Investment commitments

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

8. INVESTMENTS IN ASSOCIATES

This caption includes the following investments:

2021

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

2020

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

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

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

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

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

9. FINANCIAL ASSETS

This caption consists of the following balances:

(Thousands of euros)	2021			2020		
	Non-current	Current	Total	Non-current	Current	Total
Loans and receivables						
Joint ventures and associates	697	1,833	2,530	317	1,388	1,705
Loans to third parties	23,937	-	23,937	23,441	-	23,441
Guarantees and deposits	10,260	10,535	20,795	9,097	7,796	16,893
Fixed income securities and deposits	-	4,307	4,307	-	341	341
Trade and other receivables	-	115,733	115,733	-	114,331	114,331
Other	7,320	1,093	8,413	7,920	1,378	9,298
	42,214	133,501	175,715	40,775	125,234	166,009
Impairment losses	(460)	(32,115)	(32,575)	(419)	(37,344)	(37,763)
	41,754	**101,386**	**143,140**	**40,356**	**87,890**	**128,246**

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

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

9.1 Loans and receivables

Balances with joint ventures and associates

This caption breaks down as follows:

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

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

The annual maturity of these assets is as follows:

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

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

Loans to third parties

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

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

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

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

Trade and other receivables

This caption consists of the following balances:

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

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

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

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

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

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

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

10. IMPAIRMENT TEST

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

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

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

Cash flow projection

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

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

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

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

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

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

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

10.1 On goodwill

Cash-generating units

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

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

Impairment test

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

Key assumptions

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

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

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

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

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

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

Test results

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

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

Sensitivity analysis

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

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

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

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

10.2 Other assets

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

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

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

11. INVENTORIES

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

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

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

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

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

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

12. CASH AND CASH EQUIVALENTS

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

(Thousands of euros)	2020	2020
Cash	46,448	37,357
Current accounts	193,656	209,231
Deposits under 3 months	1	1
Cash in hoppers	40,586	37,024
Balance at December 31	**280,691**	**283,613**

These assets are unrestricted and earn market interest rates.

13. EQUITY

13.1 Subscribed capital and share premium

As of December 31, 2019 the Company's share capital was set at EUR 28,695,123.40, represented by 286,951,234 shares (the "Shares") consisting of:

- Class A ordinary shares composed of 6,071,955 shares for a total amount of EUR 607,195.50;
- Class B ordinary shares composed of 907,299 shares for a total amount of EUR 90,729.90;
- Class C preference shares composed of 279,971,980 shares for a total amount of EUR 27,997,198.00.

All shares have a nominal value of EUR 0.10 per share and were fully paid.
As at December 31, 2019 the share premium amounted to EUR 345,217,811.90

On January 15, 2020, the shareholders decided to increase the share capital of the Company by an amount of EUR 16,135.60 through the issuance of the class C2 and C1 preference shares. At the same time the share premium has been increased by an amount of EUR 145,220.40.

As at December 31, 2020 the subscribed capital was fixed at EUR 28,711,259 represented by 287,112,590 shares plus a share premium in the amount of EUR 345,363,032.30. All shares have a nominal value of EUR 0.10 and were fully paid in.

On 27 July 2021, the shareholders decided to increase the share capital of the Company by an amount of EUR 25,960.00 through the issuance of:

- 4,316 shares split in four classes of shares class A1 to A4 shares, composed of 1,079 shares each and;
- 254,202 shares split in two classes of shares, class C1 and C2 shares, composed of 127,101 shares each,

with a nominal value of EUR 0.10 per share, fully paid up.

On 27 July 2021, through the increase of share capital an additional amount of EUR 310,865.60 has been contributed to the share premium account.

As at 31 December 2021, the subscribed capital is fixed at EUR 28,737,219.00 represented by 287,372,190 shares plus a share premium of EUR 345,673,897.90. The subscribed capital is represented by:

1,215,468.00	Class A1 shares
1,215,468.00	Class A2 shares
1,215,468.00	Class A3 shares
1,215,468.00	Class A4 shares
181,455.00	Class B1 shares
181,455.00	Class B2 shares
181,455.00	Class B3 shares
181,455.00	Class B4 shares
181,479.00	Class B5 shares
140,193,769.00	Class C1 shares
140,193,769.00	Class C2 shares

The class C preference shares have been classified as equity in accordance with IAS 32.11 for the following reasons:

- The distribution of a preferred dividend to the class C preference shareholders is subject to the decision of the general meeting of shareholders to make a dividend distribution, there is no automatism in case of profit;
- The preferred shares are not redeemable at the option of the preference shareholders.

13.2 Retained earnings

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

Legal reserve

In accordance with Article 710-23 of the Luxembourg Law, the Company must allocate a minimum of 5% of the net profit of the legal reserve, until such reserve reaches 10% of the share capital. Distribution of the legal reserve is restricted.

There is no legal reserve at December 31, 2020 and 2021.

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

13.3 Non-controlling interests

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

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

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

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

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

14. CORPORATE BONDS

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

Issue date	Initial nominal amount (M)	Currency	Maturity	Quoted price at 12.31.2021	Interest rate	Balance in statement of financial position	
						2021	2020
Jul-18	663	EUR	Dec-23	101.49%	6.25%	557,272	656,255
Jul-18	550	USD	Dec-23	-	7.88%	-	392,160
May-19	390	EUR	May-25	99.63%	4.75%	385,545	384,080
Aug-19	490	EUR	Sep-25	97.77%	3m Euribor + 3.625%	486,351	485,234
Oct-19	400	EUR	Oct-25	98.74%	7,25 Cash 8% PIK	461,611	425,132
Sep-21	615	EUR	Mar-27	98.25%	4.50%	613,579	-
						2,504,358	**2,342,861**

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

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

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

All corporate bonds have been issued by the group company Cirsa Finance International S.à r.l., except for the bonds issued in October 2019. All issued bonds are listed on the Luxembourg Euro MTF market.

In October 2019 the group company LHMC Finco 2 S.à r.l. has issued bonds in the total amount of EUR 400 million bearing cash interest at a rate of 7,25% and PIK interest at a rate of 8% per annum. Under the terms of the Indenture, interest on the bonds may be paid in PIK interest unless LHMC Finco 2 S.à r.l. is required to under such terms, or otherwise elects to, pay cash interest. LHMC Finco 2 S.à r.l. will pay PIK interest by either increasing the principal amount of the outstanding bonds or by issuing addition notes. The loan matures in 2025 and has a carrying value of EUR 445 million (2020: 410 million) net of transaction costs and including capitalized interest in the amount of EUR 50 million (2020: 16 million). LHMC Finco 2 S.à r.l. is the sole obligator of the bonds and the other group companies will not guarantee for these bonds.

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

The following companies act as guarantors of operations in bond issues (issued by Cirsa Finance International S.à r.l.):

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

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

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

Accrued interest payable at December 31, 2021 amounts to 25,682 thousand euros (18,343 at December 31, 2020). Interest accrued in 2021 on the corporate bonds amounts to 144,173 thousand euros (2020: 145,806 thousand euros).

15. BANK BORROWINGS

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

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

Average interest rates accrued by these borrowings are as follows:

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

The annual maturity date of these liabilities is as follows:

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

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

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

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

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

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

At December 31, 2021 the undrawn amount of credit and discount facilities is 18,666 and 0 thousand

euros, respectively. These figures amounted to 14,739 and 994 thousand euros, respectively, at prior year end.

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

16. OTHER NON-TRADE PAYABLES

The breakdown of this caption is the following:

	2021			2020		
(Thousands of euros)	Non-current	Current	Total	Non-current	Current	Total
Public administrations	-	71,968	71,968	10	113,295	113,305
Bills payable	154	1,207	1,361	617	3,415	4,032
Other payables	31,999	134,874	166,873	35,406	116,448	151,854
	32,153	**208,049**	**240,202**	**36,033**	**233,158**	**269,191**

The "Public administrations" caption includes:

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

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

The "Non-current sundry creditors2 caption mainly includes:

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

The "Current sundry creditors" caption mainly includes:

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

Republic mentioned above.

- Employee benefits payable amounting to 20,177 thousand euros (14,355 thousand euros in the prior year) (Note 20.1).

17. NON-CURRENT PROVISIONS

The breakdown of this caption is as follows:

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

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

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

The variation of the balance is as follows:

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

18. TAXES

18.1 Tax group

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

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

18.2 Accrued and payable income tax

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

(Thousands of euros)	2021	2020
Current	20,764	1,465
Deferred for (increase) decrease in tax credits related to tax loss carryforwards and deductions	33	(30,605)
Deferred for temporary differences	(33,047)	(36,509)
Other	15	789
Balance at December 31	**(12,235)**	**(64,860)**

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

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

18.3 Analysis of tax expense

(Thousands of euros)	2021	2020
Profit/(loss) before tax	(195,057)	(367,637)
Tax rate prevailing in Spain	25%	25%
Theoretical income tax expense	(48,764)	(91,909)
Adjustments – Effect of:		
Different tax rates prevailing in other countries	(725)	(1,963)
Impairment losses on assets and goodwill recognized solely for consolidation purposes	1,281	2,911
Utilization of tax credits and deductions for the year		5,106
Limitation on the deductibility of financial expenses in Spanish companies that will not be recovered	5,901	17,876
Unused tax loss carryforwards	36,165	8,510
Other non-deductible expenses and other	(6,093)	(5,391)
Balance at December 31	**(12,235)**	**(64,860)**

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

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

18.4 Deferred tax assets and liabilities

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

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

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

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

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

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

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

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

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

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

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

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

Finally, the Group has unused tax losses of LHMC Midco S.à r.l., LHMC Finco 2 S.à r.l. and LHMC Topco S.à r.l. in the total amount of 138,118 thousand euros (2020: 41,971 thousand euros).

18.5 Other information

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

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

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

19. LEASES

19.1 Group as lessee

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

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

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

2021

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

2020

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

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

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

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

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

The amounts recognized in the income statement are as follows:

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

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

20. INCOME AND EXPENSES

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

20.1 Employee benefits expense

(Thousands of euros)	2021	2020
Wages and salaries	163,490	150,202
Social Security	33,018	35,703
Termination benefits	5,844	10,440
Other	6,515	5,905
	208,867	**202,250**

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

20.2 Utilities and external services

(Thousands of euros)	2021	2020
Publicity, advertising, and public relations	37,833	27,648
Leases and royalties	37,145	20,010
Professional services	26,187	34,044
Utilities	24,756	21,566
Repairs and maintenance	23,871	16,546
Postal services, communications and telephone	15,964	12,069
Bank services et al.	13,450	6,155
Security services	8,400	7,198
Other services	7,269	19,630
Cleaning services	6,587	5,185
Travel expenses	6,403	3,255
Insurance premiums	3,509	5,407
Transportation	1,006	1,061
Development costs and patents (Note 6.2)	26	7
	212,406	**179,781**

20.3 Exchange gains (losses)

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

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

thousand euros), since they are considered as exchange gains/(losses) arising from monetary components of a net investment in a foreign business.

21. RELATED PARTIES

The parent company has granted interest free loans to companies related to the Blackstone Group in the total amount of 307 thousand euros.

The parent company together with the group companies LHMC Finco 2 S.à r.l. and LHMC Midco S.à r.l. have paid together 74 thousand euros of fees to companies related to the Blackstone Group for management and administration services. In addition, group companies have recorded other charges with the Blackstone Group in the amount of 571 thousand US dollars.

22. CONTINGENCIES

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

23. INFORMATION ON ENVIRONMENTAL ISSUES

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

24. AUDIT FEES

Fees and expenses paid for the audit services provided by the main auditors and other firms belonging to the auditor's international network amounted to 794 thousand euros in 2021 (2020: 953 thousand euros).

In addition, fees and expenses paid for other services provided by the main auditors or other related entities amounted to 482 thousand euros in 2021 (184 thousand euros in the year ended December 31, 2020).

25. OTHER RELATED PARTIES

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

(Thousands of euros)	2021	2020
Short-term employee benefits	4,455	4,212
Other long-term benefits	3,151	3,246
	7,606	**7,458**

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

26. OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

26.1 Credit risk

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

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

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

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

26.2 Interest rate risk

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

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

(Thousands of euros)	2021		2020	
	Fixed interest rate	Floating interest rate	Fixed interest rate	Floating interest rate
Bonds	2,018,006	486,352	1,860,312	482,549
Bank borrow ings	20,544	270,403	20545	333,555
Other payables	7,088	27,043	80208	18,603
Finance lease liabilities	274,281	-	283,467	-
	2,319,919	**783,798**	**2,244,532**	**834,707**

At December 31, 2021 financial liabilities at a fixed interest rate represented 75% of total liabilities (73% at 2020 year end). In this regard, the Group's sensitivity to fluctuations in interest rates is low: a variation of 100 basis points in floating rates would lead to a change in the result amounting to 7,838 thousand euros in 2021 and 8,347 thousand euros in 2020.

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

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

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

26.3 Foreign currency risk

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

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

The following study on sensitivity shows the foreign currency risk:

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

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

26.4 Liquidity risk

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

At December 31, 2021 the Group shows negative working capital amounting to 134,775 thousand euros (213,177 thousand euros negative at December 31, 2020). Nonetheless, Group Management considers that cash flow generated by the business and available credit lines will allow the Group to cover its current liabilities. Furthermore, it should be noted that the revolving credit facility (RCF) amounting to 200 million euros, even though it matures in the short term, can be renewed on a recurring basis at the Group's request for maximum periods of six months until its maturity (June 2023).

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

- Diversification of financing sources through the access to different banking and capital markets. In this regard, the Group has an additional borrowing capacity (see quantitative data in Note 15).

- Credit facilities committed for the sufficient amount and flexibility. Accordingly, the Group has available cash and cash equivalents amounting to approximately 240 million euros at December 31, 2021 (246 million euros at December 31, 2020), to meet unexpected payments.

- The length and repayment schedule for financing through debt is established based on the financed needs.

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

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

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

27. CAPITAL MANAGEMENT POLICY

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

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

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

28. SUBSEQUENT EVENTS

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

The undersigned, whose positions are indicated under their names, hereby CERTIFY the accuracy and integrity of the Consolidated Financial Statements of LHMC Topco S.à r.l. Group for year ended December 31, 2021.

Luxembourg, June 29, 2022

Mr. Romain Jay Manager	Mr. John Sutherland Manager

Appendix – Detail of subsidiaries as at December 31, 2021

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
LHMC Topco S.à r.l.	Holding	100.00%	100.00%	Parent company	Rue Eugene Rupert, 2 - 4	Luxembourg	Luxembourg
LHMC Finco 2 S.à r.l.	Holding/Financin	100.00%	100.00%	LHMC Topco S.à r.l.	Rue Eugene Rupert, 2 - 4	Luxembourg	Luxembourg
LHMC Midco S.à r.l.	Holding	100.00%	100.00%	LHMC Finco 2 S.à r.l.	Rue Eugene Rupert, 2 - 4	Luxembourg	Luxembourg
Administradores De Personal En Entretenimiento, SA de CV	Bingos	-	100.00%	Bincamex, S.A. de C.V.	Guillermo Gonzalez Camanera, 660 Piso 8	México D.F.	México
Ajar, S.A.	Bingos	75.00%	75.00%	Global Bingo Corporation, S.A.	Av. Muñoz Vargas, 18	Huelva	Huelva
Alfematic, S.A.	Operacional	50.00%	50.00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Amical Trading, S.L.	Operacional	76.76%	76.76%	Global Game Machine Corporation, S.A.	C/ Pi i Margall, 201	Terrassa	Barcelona
Ancon Entertainment, INC.	Casinos	50.00%	50.00%	Cirsa International Business Corporation, S.L.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
Apple Games 2000, S.L.	Operacional	49.50%	49.50%	Egartronic, S.A.	Sequia de Favara, 11	Picanya	Valencia
Apuestas Electrónicas, S.L.	Operacional	75.50%	75.50%	Comercial de Recreativos Salamanca, S.A.	C/ 19 y 21 , modulo 12 , nave 2 P.I. El Nevero	Badajoz	Badajoz
Automáticos Essan, S.A.	Operacional	-	100.00%	Recreativos Ergosa, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Automáticos Manchegos, S.L.	Operacional	51.00%	51.00%	Interservi, S.A.	Crta. Nacional 420, km 286	Alcazar de San Juan	Ciudad Real
Automaticos Maxorata, S.A.	Operacional	55.00%	55.00%	Comercial Jupama, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Azibi Horta, S.A.	Bingos	100.00%	100.00%	Talzen Inversions, S.L.	Pl. Ibiza, 21	Barcelona	Barcelona
Badamatic, S.A.	Operacional	51.00%	50.00%	Radiamon, S.L.	Crta. De Castellar, 298	Terrassa	Barcelona
Bar Juegos, S.L.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bamabing, S.A.	Bingos	100.00%	100.00%	Inversiones Zental, S.L.	C/ Calaf, 23	Igualada	Barcelona
Bama-Center, S.A.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Bamaplay, S.A.	Operacional	-	100.00%	Milky, S.L.	Paseo Maragall, 103 - 105	Barcelona	Barcelona
Bema - Euromatic, S.A.	Operacional	60.71%	60.71%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bet On Red Digital, S.A.	Apuestas	100.00%	-	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Bicondal, S.A.	Bingos	100.00%	100.00%	Inversiones Zental, S.L.	Avenida Paralelo, 91-93	Barcelona	Barcelona
Billares Valencia, S.L.	Operacional	100.00%	100.00%	Coinland,S.A.	C/ Convento Santa Clara, 11	Valencia	Valencia
Binale, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A. y Global Bingo Madrid, S.A.	General Ricardos, 176	Madrid	Madrid
Bincamex, S.A. de C.V.	Bingos	100.00%	100.00%	International Mex Business, S.L.	Cantú, 9 - 601, Colonia Nueva Anzures	México D.F.	México
Bincano, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.	Elcano, 30-32	Bilbao	Vizcaya
Bingo Santiven, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.	Ctra. N-340 Km. 1189	El Vendrell	Tarragona
Bingos Andaluces, S.A.	Bingos	100.00%	50.00%	Global Bingo Corporation, S.A.	Asunción, 3	Sevilla	Sevilla
Bingos Benidorm, S.A.	Bingos	100.00%	50.00%	Global Bingo Corporation, S.A.	Plaza Doctor Fleming, s/n	Benidorm	Alicante
Bingos de Madrid Reunidos, S.A.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Bingos Electronicos De Panamá, S.A.	Casinos	-	100.00%	Gaming & Services De Panamá, S.A.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Bis Line, S.L.	Operacional	87.60%	87.60%	Giga Game System Operation,S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Calpe Leisure, S.A.	Operacional	85.00%	85.00%	Eleval, Electronicos Valencia, S.A.	c/ German Bernacer, 22 P.I. Elche	Elche	Alicante
Candan, S.A.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	C/ De L'aire, 1	Terrassa	Barcelona
Casino Cirsa Valencia, S.A.	Casinos	100.00%	100.00%	Global Casino Technology Corporation, S.A.	Avda. de las Cortes Valencianas, 59	Valencia	Valencia
Casino Nueva Andalucía Marbella, S.A.	Casinos	100.00%	100.00%	Global Casino Technology Corporation, S.A.	Ctra. Cádiz-Málaga Km. 180	Marbella	Málaga
Casinos del Caribe, S.R.L.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Avda. George Washinton, 367 2º Piso Hotel Jaragua	Santo Domingo de Guzmán	R. Dominicana
Cat Games, S.L.	Operacional	60.00%	50.00%	Bis Line, S.L. y Tot Patrimoni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Brasil Participaçoes, LTDA.	Casinos	-	100.00%	Cirsa International Business Corporation, S.L.	Rua Gertrudes de Lima, nº 53 - Sala 42 Centro	Santo André	Brasil
Cirsa Finance International, S.A.R.L.U.	Estructura	100.00%	100.00%	Cirsa Enterprises, S.L.	Rue Eugene Rupert, 2 - 4	Luxemburgo	Luxemburgo
Cirsa Gaming Corporation, S.A.	Estructura	100.00%	100.00%	Cirsa Enterprises, S.L.	Ctra. Castellar, 298 - 302	Terrassa	Barcelona
Cirsa Interactive Corporation, S.L.	B2B	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsa International Business Corporation, S.L.	Casinos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	C/ Fermina Sevillano, 5 -7	Madrid	Madrid
Cirsa Italia Holding, S.P.A.	Operacional	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Via Ludovico Il Moro 6/C Palazzo Ferraris	Assago (Milan)	Italia
Cirsa Italia, S.P.A.	Operacional	100.00%	100.00%	Cirsa Italia Holding, S.P.A.	Via Ludovico Il Moro 6/C Palazzo Ferraris	Assago (Milan)	Italia
Cirsa Retail, S.R.L.	Bingos	100.00%	100.00%	Cirsa Italia Holding, S.P.A.	Via Ludovico Il Moro 6/C Palazzo Ferraris	Assago (Milan)	Italia
Cirsa Servicios Corporativos, S.L.	Estructura	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Slot Corporation, S.A.	Operacional	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Cirsa Tecnologias de la Información, S.L.	Estructura	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Cirsagest, S.P.A.	Operacional	100.00%	100.00%	Cirsa Italia Holding, S.P.A.	Via Ludovico Il Moro 6/C Palazzo Ferraris	Assago	Italia
Club Privado De Fumadores Nuestro Espacio	Bingos	100.00%	100.00%	Bingos de Madrid Reunidos, S.A.	C/ Bravo Murillo, 309	Madrid	Madrid
Coin Machines, S.A.	Operacional	100.00%	-	Cirsa Slot Corporation, S.A.	C/ Andalucía, 30	Palencia	Palencia
Coinland, S.A.	Operacional	100.00%	100.00%	Eleval, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Valencia	Valencia
Comdibal 2000, S. L.	B2B	100.00%	100.00%	Universal de desarrollos Electronicos, S.A.	Pl. Els Bellots, c/ del Aire, 1	Terrassa	Barcelona
Comercial de Desarrollos Electrónicos, S. A.	Operacional	100.00%	100.00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Comercial de Recreativos Salamanca, S.A.	Operacional	75.50%	75.50%	Tecnoappel, S.L.	C/ Cuarta, 17 P.I. El Montalvo	Carbajosa de la Sagrada	Salamanca
Comercial Jupama, S.A.	Operacional	50.00%	50.00%	Cirsa Slot Corporation, S.A.	c/ Suarez Naranjo, 45	Las Palmas	Gran Canaria
Cotecnic 2000, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Digital Gaming México, S.A.P.I.de C.V.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	Boulevard Luis Donaldo Colosio, SA-1	Hidalgo	México
Egartronic, S.A.	Operacional	75.50%	75.50%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Electrónicos Radisa, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Eleval, Electronicos Valencia, S.A.	Operacional	100.00%	100.00%	Giga Game System Operation,S.L.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
First Game, S.L.	Operacional	-	100.00%	Uniplay, S.A.	C/ Fermina Sevillano, 5 -7	Madrid	Madrid
Flamingo Euromatic-100, S.L.	Operacional	51.00%	51.00%	Orlando Play, S.A.	P.I. La Juaida, C/Sierra Telar, 40	Viator	Almería
Fomento Advenio 1, S.A. DE C.V.	Bingos	100.00%	100.00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	Guillermo González Camarena 600, Piso 7, Santa Fe	México D.F.	México
Galon Business, S.L.	Casinos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gaming & Services de Panamá, S.A.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Calle 50, PH. Torre Global, piso 40	Ciudad de Panamá	Panamá
Gaming & Services, S.A.C.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Av. Ricardo Palma, 341 Miraflores	Lima	Perú
Garbimatic, S.L.	Operacional	50.00%	50.00%	Alfematic, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Garrido Player, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Gema, S.R.L.	Bingos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Via Ludovico Il Moro 6/C Palazzo Ferraris	Assago (Milán)	Italia
Genper, S.A.	Operacional	100.00%	100.00%	Global Game Machine Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Giga Game System Operation, S.L.	Operacional	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Gimar Jocs, S.L.	Operacional	-	100.00%	Milky, S.L.	Paseo Maragall, 103	Barcelona	Barcelona
Gimenca,S.A.	Bingos	-	100.00%	Inversiones Zental, S.L.	Gran Via Corts Catalanes, 642	Barcelona	Barcelona
Global Bingo Corporation, S.A.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Global Bingo Madrid, S.A.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Bingo Stars, S.A.	Bingos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Global Casino Technology Corporation, S.A.	Casinos	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Global Game Machine Corporation, S.A.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
Global Real State, S.A.S.	Casinos	100.00%	100.00%	Winner Group, S.A.	Calle 90 No. 19C-32 P.4	Bogota	Colombia
Global TC Corp., S.A.	Casinos	-	100.00%	Gaming & Services de Panamá, S.A.	C/ Cuarta, Casa 39 - Urbanización Parque Lefevre	Panamá	Panamá
Goldenplay, S.L.	Operacional	51.00%	51.00%	Orlando Play, S.A.	German Bernacer, 22 P.I. Elche Parque Ind.	Elche	Alicante
Grael, S.L.	Operacional	100.00%	100.00%	Barna-Center, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gran Casino Costa Brava, S.L.	Casinos	90.00%	90.00%	Giga Game System Operation,S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Gran Casino de las Palmas, S.A.	Casinos	51.00%	51.00%	Global Casino Technology Corporation, S.A.	c/ Simón Bolivar, 3	Las Palmas	Gran Canaria
Grasplai, S.A.	Bingos	100.00%	100.00%	Telma Enea, S.L.	Av. Generalitat, 6	Sta. Coloma	Barcelona
Grevalofial, S.A.	Bingos	100.00%	100.00%	Talzen Inversions, S.L.	Avda. de la Constitució, 134	Castelldefels	Barcelona
Grupo Cirsa De Costa Rica, S.A.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Haes, S.A.	Bingos	100.00%	-	Global Bingo Corporation, S.A.	C/ Real, 87	San Sebastián de los Reyes	Madrid
Iber Matic Games, S.L.	Operacional	75.50%	75.50%	Cirsa Slot Corporation, S.A.	C/ Jaime Ferran, 2-4	Zaragoza	Zaragoza
Illa Valles Hosteleria, S.L.	Operacional	100.00%	100.00%	Barna-Center, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Instalaciones Recreativas Mallorca, S.A.	Bingos	-	100.00%	Talzen Inversions, S.L.	Mallorca, 209	Barcelona	Barcelona
Integración Inmobiliaria World de Mexico, S.A. De C.V.	Bingos	100.00%	100.00%	Promociones e Inversiones de Guerrero, S.A.P.I. De C.V.	c/ Guillermo Gonzalez Camarena 600 Piso 8	México D.F.	México
International Bingo Technology, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.	Pi i Margall, 201	Terrassa	Barcelona
International Mex Business, S.L.	Bingos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Ctra. Castellar, 298	Terrassa	Barcelona
Interplay, S.A.	Operacional	75.50%	75.50%	Egartronic, S.A.	C/ Francia, 26 y 27	Puerto Real	Cádiz
Interservi, S.A.	Operacional	51.00%	51.00%	Cirsa Slot Corporation, S.A.	Ctra. Nacional 420, km 289	Alcázar de San Juan	Ciudad Real
Inversiones Interactivas, S.A.	Casinos	70.00%	70.00%	Orbis Development, S.A.	C/ 57 y Avenida Obarrio	Ciudad de Panamá	Panamá
Inversiones Pacancas, S.A.	Casinos	70.00%	70.00%	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Pañanitas, S.A.	Casinos	70.00%	70.00%	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Vertiago, S.A.	Casinos	70.00%	70.00%	Cirsa International Business Corporation, S.L.	Calle 50 y 58 Este San Francisco	Ciudad de Panamá	Panamá
Inversiones Zental, S.L.	Bingos	100.00%	100.00%	Giga Game System Operation,S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Investment & Securities Iberica, S.A.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Ctra. Castellar, 298	Terrassa	Barcelona
Juegomatic, S.A.	Operacional	100.00%	100.00%	Global Game Machine Corporation, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Juegos De Azar Oliva Rodon, S.L.	Operacional	100.00%	100.00%	Barna-Center, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Juegos Del Oeste, S.L.	Operacional	75.50%	75.50%	Apuestas Electrónicas, S.L.	C/ 19 y 21 , modulo 12 , nave 2 P.I. El Nevero	Badajoz	Badajoz
La Barra Ancon, S.A.	Casinos	50.00%	50.00%	Ancon Entertainment, Inc.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Barra Panama, S.A.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Calle 50 y 73 Este San Francisco	Ciudad de Panamá	Panamá
La Cafeteria del Bingo, S.L.	Bingos	-	50.00%	Global Bingo Corporation, S.A.	Asunción, 3	Sevilla	Sevilla
La Selva Inversiones, S.A.C.	Casinos	100.00%	100.00%	Gaming And Services, S.A.C.	C/ Jr. Loreto, 228	Tambopata	Perú
Les Loisirs Du Paradis, S.A.R.L.	Casinos	82.00%	82.00%	Resort Paradise AB	Hotel Atlantic Palace Secteur balneaire et touristique	Agadir	Marruecos
L&G Bussines, S.L.	Operacional	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 338	Terrassa	Barcelona
Lightmoon International 21, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Lista Azul, S.A.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.	Gran Passeig de Ronda, 87	Lleida	LLeida
Macrojuegos, S.A.	Bingos	51.00%	51.00%	International Bingo Technology, S.A.	Dionisio Guardiola, 34	Albacete	Albacete

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Majestic 507 Corp, S.A.	Casinos	50.00%	50.00%	Gaming & Services de Panamá, S.A.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Maquilleiro, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Maqui-Ter, S.A.	Operacional	51.00%	51.00%	Eleval, Electronicos Valencia, S.A.	Miguel de Cervantes, 12.	Teruel	Teruel
Marchamatic Indalo, S.L.	Operacional	51.00%	51.00%	Orlando Play, S.A.	C/Sierra Telar, 40	Viator	Almeria
MCA Automatics, S.L.	Operacional	-	100.00%	Global Game Machine Corporation, S.A.	Crta. Castellar, 298	Terrassa	Barcelona
Merengue Bar Gran Casino Jaragua, GCJ, S.R.L.	Casinos	100.00%	100.00%	Casinos Del Caribe, S.R.L.	Avda. George Washinton, 367 2º Piso	Sto. Domingo de Guzmán	R. Dominicana
Milky, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Montri, S.A.	Operacional	75.50%	75.50%	Iber Matic Games, S.L.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
New Laomar, S.L.	Operacional	51.00%	51.00%	Orlando Play, S.A.	c/Sierra Telar, 40	Viator	Almeria
New York Game, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Nightfall Construccions, S.R.L.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
Oper Ibiza, S.L.	Operacional	51.00%	51.00%	Cirsa Slot Corporation, S.A.	C/ dels Llauradors, 45	Sant Antoni de Portmany	Baleares
Operadora de Entretenimiento Manzanillo, S.A. de C.V.	Bingos	60.00%	60.00%	Bincamex, S.A. de CV.	c/ Guillermo Gonzalez Camarena 600 Piso 8	México D.F.	México
Operadora Internacional de Recreativos, S.A.	Operacional	51.00%	51.00%	Cirsa Slot Corporation, S.A. Cirsa International Business Corporation, S.L.	c/ Cervantes, 14 1	Gijón	Asturias
Orbis Development, S.A.	Casinos	100.00%	100.00%		Swiss Tower, 16th floor, World Trade Center	Ciudad de Panamá	Panamá
Orlando Italia, S.R.I.	Operacional	51.00%	51.00%	Orlando Play, S.A.	Via Ludovico Il Moro 6/C Palazzo Ferraris	Assago	Italia
Orlando Play, S.A.	Operacional	51.00%	51.00%	Global Game Machine Corporation, S.A.	Sierra Telar, 40 P.I. La Juaida	Viator	Almeria
Palabingo, S.R.L.	Bingos	100.00%	100.00%	Cirsa Retail, S.R.L.	Via Ludovico Il Moro 6/C Palazzo Ferraris	Assago	Italia
Piscis 28 Castilla y León, S.L.	Operacional	100.00%	-	Cirsa Slot Corporation, S.A.	C/ Andalucia, 30	Palencia	Palencia
Playcat, S.A.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.	Cádiz, 1	Terrassa	Barcelona
Playspace, S.L.	Apuestas	100.00%	100.00%	Cirsa Interactive Corporation, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Princesa 31, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A. y Bingos de Madrid Reunidos, S.A.	Princesa, 31	Madrid	Madrid
Promociones e Inversiones de Guerrero, S.A.P.I. de C.V.	Bingos	100.00%	100.00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camarena, 600 P8 Col. Sfe	México D.F.	México
Promociones Sol Ibiza, S.A.	Operacional	51.00%	51.00%	Oper Ibiza, S.L.	C/ dels Llauradors, 45	Sant Antoni de Portmany	Baleares
Radiamon, S.L.	Operacional	51.00%	50.00%	Giga Game System Operation,S.L. y Tot Patrimoni, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recrea, S.L.	Operacional	80.00%	80.00%	Giga Game System Operation, S.L.	C/ C-k, P.I. Cami dels Frares	Lleida	LLeida
Recreativos Arranz, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Ergosa, S.L.	Operacional	-	100.00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Recreativos Hatuey, S.A.	Operacional	100.00%	100.00%	Bema - Euromatic, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Recreativos Manchegos, S.L.	Operacional	51.00%	51.00%	Interservi, S.A.	Ctra. Nacional 420, Km 286	Alcazar de San Juan	Ciudad Real
Recreativos Martos, S.L.	Operacional	-	100.00%	Global Game Machine Corporation, S.A.	Crta. De Castellar, 298	Terrassa	Barcelona
Recreativos Ociomar Levante, S.L.	Operacional	51.00%	51.00%	Orlando Play, S.A.	Ctra. De Castellar, 298	Terrassa	Barcelona
Recreativos Panaemi, S.L.	Operacional	51.00%	51.00%	Orlando Play, S.A.	c/ German Bernacer, 22 P.I. Elche	Murcia	Murcia
Recreativos Sortia, S.L.	Operacional	-	100.00%	Global Game Machine Corporation, S.A.	Ctra. de Castellar, 298	Terrassa	Barcelona
Recreativos Xativa, S.A.	Operacional	55.00%	55.00%	Eleval, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Red de Interconexión de Andalucía, S.L.	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.	Martillo, 26	Sevilla	Sevilla
Red de salones de Aragón, S.L.	B2B	100.00%	100.00%	Cirsa Interactive Corporation, S.L.	Ctra. De Castellar, 298	Terrassa	Barcelona
Redeye Games, S.L.	Operacional	-	100.00%	Uniplay, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Resort Paradise AB	Casinos	82.00%	82.00%	Cirsa International Business Corporation, S.L.	Box, 1432	Estocolmo	Suecia
Romgar, S.L.	Bingos	100.00%	100.00%	Telma Enea, S.L.	Cayetano del Toro, 23	Cádiz	Cádiz
S.A. Explotadora de Recreativos	Operacional	90.00%	90.00%	Cirsa Slot Corporation, S.A.	C/ del Aire, 1 Pol. Ind. Els Bellots	Terrassa	Barcelona
Sadeju, S.L.	Bingos	65.00%	65.00%	Telma Enea, S.L.	c/ Carlota Alexandre, 106	Torremolinos	Málaga
Sala Valencia, S.A.	Bingos	100.00%	50.00%	Global Bingo Corporation, S.A.	Cuenca, 20	Valencia	Valencia
Sala Versalles, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A. y Global Bingo Stars, S.A.	Bravo Murillo, 309	Madrid	Madrid
Sant Cugat Desarrollo de Tecnologias, S.L.	B2B	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Sena, nº 2	Sant Cugat del Valles	Barcelona
Saturno 5 Conexión, S.L.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
SCB Almirante Dominicana, S.R.L.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln , 403, La Julia	Santo Domingo	R. Dominicana
SCB Anil Dominicana, S.R.L.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Grand Victoria Dominicana, SRL	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Avda. Abraham Lincoln	Santo Domingo	R. Dominicana
SCB Hispaniola Dominicana, S.R.L.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Av. A. Lincoln /Correa y Cidron	Santo Domingo	R. Dominicana
SCB Malecon Dominicana, S.A.	Casinos	100.00%	100.00%	Cirsa International Business Corporation, S.L.	Av. George Washington,centro comercial Malecón	Santo Domingo	R. Dominicana
Sertebi, S.A.	Bingos	100.00%	100.00%	Inversiones Zental, S.L.	Avda. Sarria, 47	Barcelona	Barcelona
Servi D'Aro, S.A.	Bingos	100.00%	100.00%	Talzen Inversions, S.L.	Avda. Estrasburgo, 11	Castell - Platja D'Aro	Girona
Servicios Especializados Del Juego, S.A. De C.V.	Bingos	-	100.00%	Bincamex, S.A. de CV.	Guillermo Gonzalez Camarena 600, Piso 8, Santa Fe	México D.F.	México

List of subsidiaries

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
Servicios y Distribucion de Recreativos, S.A.	Operacional	-	100.00%	Global Game Machine Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Servi-Joc, S.A.	Operacional	85.00%	85.00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Sobima, S.A.	Bingos	100.00%	100.00%	International Bingo Technology, S. A.	Av. Los Vegas, 27	Málaga	Málaga
Social Games Online, S.L.	Apuestas	100.00%	100.00%	Cirsa Interactive Corporation, S.L.	Ctra. Castellar, 338	Terrassa	Barcelona
Societe Du Casino Le Mirage, S.A.	Casinos	51.00%	51.00%	Cirsa International Business Corporation, S.L.	Club Valtur STB, Parcelle nº 31	Agadir	Marruecos
Sodemar, S.L.	Bingos	100.00%	100.00%	Telma Enea, S.L.	Sacramento, 16 duplicado	Cádiz	Cádiz
Sportium Apostes Catalunya, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat Del Valles	Barcelona
Sportium Apuestas Andalucia, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	Av. Los Vegas, 27	Málaga	Málaga
Sportium Apuestas Aragon, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Jaime Ferrán, 5	Zaragoza	Zaragoza
Sportium Apuestas Asturias, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ B, Parcela 45B pol. Ind Asipo	Cayes - Llanera	Asturias
Sportium Apuestas Baleares, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Gremi des Sabaters, 21	Palma de Mallorca	Mallorca
Sportium Apuestas Canarias, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Garcia Morato, 1	Telde	Gran Canaria
Sportium Apuestas Castilla La Mancha, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Santa María Magdalena, 10 -12	Madrid	Madrid
Sportium Apuestas Ceuta, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Colombia, S.A.S.	Apuestas	50.01%	100.00%	Sportium Apuestas Deportivas, S.A.	Carrera 12 Nº 93 - 78 Oficina 501	Bogotá	Colombia
Sportium Apuestas Deportivas, S.A.	Apuestas	100.00%	100.00%	Cirsa Slot Corporation, S.A.	C/Santa Mª Magdalena, 10-12	Madrid	Madrid
Sportium Apuestas Digital, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Independencia, 11	Ceuta	Ceuta
Sportium Apuestas Galicia, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Don Pedro, s/n	El Grove - Isla de la Toja	Pontevedra
Sportium Apuestas Levante, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Sportium Apuestas Melilla, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	Avda. Candido Lobera, 5 Atico 3	Melilla	Melilla
Sportium Apuestas Navarra, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	Avda. Barañain, 27 1º A	Pamplona	Navarra
Sportium Apuestas Oeste, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Nevero Doce, Parcela 21	Badajoz	Badajoz
Sportium Apuestas Panama, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	Corregimiento de San Francisco, calle 50 y 73 Este	Panamá	Panamá
Sportium Global Investments, SGI, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Sportium Servicios de Gestión, S.L.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Sena, 2	Sant Cugat del Valles	Barcelona
Sportium Zona Norte, S.A.	Apuestas	100.00%	100.00%	Sportium Apuestas Deportivas, S.A.	C/ Las Balsas, 20 nave 49	Logroño	Logroño
Talluntxe, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.	Pseo. Miramar, s/n	Salou	Tarragona
Talzen Inversions, S.L.	Bingos	100.00%	100.00%	Inversiones Zental, S.L.	Ctra. de Castellar, 298	Terrassa	Barcelona
Tecnijoc, S.L.	Operacional	75.50%	75.50%	Egartronic, S.A.	Gremio de Jaboneros, 3B Pol.I. Son Castello	Palma de Mallorca	Mallorca
Tecnoappel, S.L.	Operacional	75.50%	75.50%	Cirsa Slot Corporation, S.A.	Pol Ind Campollano, calle B1	Albacete	Albacete
Tecnologia y Sistemas, S.A.	Operacional	100.00%	100.00%	Eleval, Electronicos Valencia, S.A.	C/ Guadalquivir, 84	Horno de Alcedo	Valencia
Tefle, S.A.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.	Tenor Fleta, 57	Zaragoza	Zaragoza
Telma Enea, S.L.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.	Sevilla, 10-14	Jerez de la Frontera	Cádiz
Teo Servicios Corporativos Slots, S.L.	Operacional	100.00%	100.00%	Giga Game System Operation,S.L.	C/ De L'aire, 1	Terrassa	Barcelona
Tres Rios Hotel la Carpintera, S.A.	Casinos	100.00%	100.00%	Grupo Cirsa De Costa Rica, S.A.	Oficentro Ejecutivo La Sabana, Torre 6, Piso 3	San José	Costa Rica
Unidesa Operations Services, S.I.	B2B	100.00%	100.00%	Universal de desarrollos Electronicos, S.A.	C/ Sena, 2	Sant Cugat del Valles	Barcelona
Uniplay, S.A.	Operacional	100.00%	100.00%	Cirsa Slot Corporation, S.A.	Fermina Sevillano, 5-7	Madrid	Madrid
Universal de Desarrollos Electrónicos, S. A.	B2B	100.00%	100.00%	Cirsa Gaming Corporation, S.A.	Ctra. Castellar, 298	Terrassa	Barcelona
Universal de Desarrollos Electrónicos, S. A. De C.V.	B2B	100.00%	100.00%	International Mex Business, S.L.	Guillermo Gonzalez Camanera, 660 Piso 9 Of. 5	México D.F.	México
Urban Leisure, S.L.	Operacional	75.00%	75.00%	Cirsa Slot Corporation, S.A.	Ctra. Rellinars, 345	Terrassa	Barcelona
Vemeda 90, S.A.	Bingos	100.00%	100.00%	International Bingo Technology, S.A.	Guipuzcoa, 70	Barcelona	Barcelona
Winner Group, S.A.	Casinos	50.01%	50.01%	Investments & Securities Iberica, S.A.	Calle 90, nº 19c-32, Oficina 401	Santa Fe de Bogotá DC	Colombia
Yumbo San Fernando, S.A.	Bingos	100.00%	100.00%	Global Bingo Corporation, S.A.	San Fernando, 48	Santander	Cantabria

List of associates

Company	Activity	Ownership Percentage 2021	Ownership Percentage 2020	Investment holder	Business address	City	Province/Country
AOG, S.r.l.	Bingos	50.00%	50.00%	Gema Srl. U.	Via Langhena, 1	San Vendemiano	Italia
Automáticos Quintana, S.L.	Operacional	50.00%	50.00%	Comercial Jupama, S.A.	C/ Parque de la libertad, 30	Santa Lucía de Tirajana	Gran Canaria
Audiovisual Fianzas, S.G.R.	Estructura	5.68%	5.68%	Varios	c/ Luis Buñuel, 2 2º	Madrid	Madrid
Bingo Amico, S.r.l.	Bingos	-	50.00%	Gema, S.r.l.U.	Via Langhena, 1	San Vendemiano	Italia
Binsavo, S. A.	Bingos	50.00%	50.00%	Global Bingo Corporation, S.A.	Ruiz Morote, 5	Ciudad Real	Ciudad Real
Casino la Toja, S.A.	Casinos	50.00%	50.00%	Global Casino Technology Corporation, S.A.	Isla de La Toja	El Grove	Pontevedra
Cludeen, S.L.	B2B	-	50.00%	Universal de Desarrollos Electrónicos, S.A.	C/ Enrique Mariñas, 36 planta 5 local 1B	A Coruña	A Coruña
Compañia Europea de Salones Recreativos, S.L.	B2B	20.00%	20.00%	Universal de Desarrollos Electronicos, S.A.	C/ Toledo, 137	Madrid	Madrid
Competiciones Deportivas, S.A.	Casinos	50.00%	50.00%	Gaming & Services de Panamá, S.A.	Calle 50 y 73 Este San Francisco	Panamá	Panamá
Felix Jimenez Morante, S.A.	Operacional	50.00%	50.00%	Cirsa Slot Corporation, S.A.	Avda. de los Trabajadores, 12 P.I. La Atalaya	Torrijos	Toledo
Majestic Food Services, S.A.	Casinos	50.00%	50.00%	Gaming & Services de Panamá, S.A.	Calle 50, Calle 73 Este	Ciudad de Panamá	Panamá
Montecarlo Andalucía, S.L.	Bingos	50.00%	50.00%	Global Bingo Corporation, S.A.	Av. Cruz del Campo, 49	Sevilla	Sevilla
Opa Services, S.r.l.	Bingos	30.00%	30.00%	A.O.G., S.r.l.	Torricella, 11	Roma	Italia
Recreativos Oropesa, S.L.	Operacional	50.00%	50.00%	Felix Jimenez Morante, S.A.	Avda. de los Trabajadores, 12 P.I. La Atalaya	Torrijos	Toledo
Serdisga 2000, S. L.	B2B	50.00%	50.00%	Universal de Desarrollos Electronicos, S.A.	Av. Finisterre, 283	A Coruña	A Coruña
Unión de Operadores Reunidos, S.A.	Operacional	50.00%	50.00%	Cirsa Slot Corporation, S.A.	C/ Severo Ochoa, 3	A Coruña	A Coruña

Appendix – Independent auditor's report

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Independent auditor's report

To the Shareholders of
LHMC Topco S.à r.l.
2-4 Rue Eugène Ruppert
2453 Luxembourg

Opinion

We have audited the consolidated financial statements of LHMC Topco S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union relating to the preparation and presentation of the consolidated financial statements, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

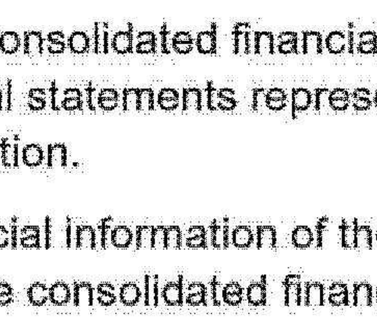
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As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Laurent Capolaghi

Luxembourg, 29 June 2022