MONTE-CARLO
SOCIÉTÉ DES BAINS DE MER

Board of Directors' Report

Ordinary General Meeting and Extraordinary General Meeting September 23, 2022

MONTE·CARLO
SOCIÉTÉ DES BAINS DE MER

Société Anonyme des Bains de Mer
et du Cercle des Étrangers à Monaco (S.B.M.)

BOARD OF DIRECTORS' REPORT

Ordinary General Meeting and Extraordinary General Meeting
September 23, 2022

The financial statements in English are a faithful translation of the original French version but should not be considered as completely accurate due to the unavailability of English equivalents for certain French accounting terms. Consequently, this English document is intended for general information only.

Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco (S.B.M.)
Société anonyme au capital de 24 516 661 euros
Siège social : Place du Casino – 98000 MONACO
RCI Principauté de Monaco 56S00523

www.montecarlosbm.com

Board of Directors

Chairman

Mr. Jean-Luc BIAMONTI

Directors

Mrs. Brigitte BOCCONE-PAGÈS

Mrs. Agnès FALCO

Mrs. Marie-Pierre GRAMAGLIA

Mr. Troy Fraser HICKOX

Mr. Alexandre KEUSSEOGLOU

Mr. Thierry LACOSTE

Mr. Christophe NAVARRE

Mr. Laurent NOUVION

Mr. Pierre SVARA

UFIPAR SAS (permanent representative: Mr. Nicolas BAZIRE)

Executive Management

Chairman and Chief Executive Officer

Mr. Jean-Luc BIAMONTI

Deputy CEO – Finance

Mr. Yves de TOYTOT

General Secretary

Mr. Emmanuel VAN PETEGHEM

Statutory Auditors

Permanent Members

Mr. Stéphane GARINO

Mr. Jean-Humbert CROCI

Substitute Members

Mrs. Bettina RAGAZZONI

Mr. Romain VIALE

Contractual Auditor

DELOITTE & ASSOCIÉS

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

The 2021/2022 fiscal year, still affected by the consequences of the health crisis (particularly during the first quarter and around the year-end holidays), showed however the first signs of recovery for your Company.

This recovery has been performed thanks to a strong improvement in the activity, particularly in the second quarter, which has enabled us to achieve revenues, for each of our sectors, that are significantly higher than those of the previous fiscal year - although still lower than those of 2019/2020 (fiscal year that preceded the "Covid-19"period).

The severe impact of the health crisis on your Company's business has forced us to accelerate the implementation of a comprehensive restructuring plan in 2020/2021. As a result of these measures, the level of our expenses is better adapted to seasonal fluctuations in activity, and this has had a positive impact on the profitability of your Company. In fact, despite lower revenues in 2021/2022 than in 2019/2020, we generated a higher operating profit for the year under review than in 2019/2020 (€35.4 million vs. €22.6 million, i.e. +56%).

We have also decided to reduce capital expenditure to a strict minimum. However, a complete overhaul of the Café de Paris Monte-Carlo building was studied, in particular to widen the range of restaurants on the Place du Casino. Works began in March 2022, with delivery scheduled for the summer of 2023. Among the other major projects carried out in the Resort, the one relating to digitalization and to the implementation of a CRM (Customer Relationship Management) system, to refine the "customer journey", is being pursued and intensified. In order to support the recovery, targeted and unique events designed to attract and satisfy our international clientele were organized during 2021/2022.

With the support of the Board of Directors, we are maintaining our efforts to sustain the Company's recovery while keeping a strict cost control policy.

The "Online Gaming" business continued to make a significant contribution to the Group's results (+€46.2 million). During the year, our Luxembourg subsidiary, Monte-Carlo SBM International S.à.r.l., entered into discussions to sell its stake in Betclic Everest Group. These negotiations resulted in a disposal and contribution of assets in June 2022. This transaction will have a very favorable impact on the consolidated financial statements of the S.B.M. Group for the fiscal year 2022/2023.

We inform you that Mr. Troy Fraser Hickox has been co-opted by the Board of Directors in November 2021 to replace Mr. Michael Mecca. We would like to thank Mr. Mecca for his contribution since the entry of Galaxy Entertainment Group in the capital of the Company and for his involvement in the collaboration of our two entities. Mr. Troy Fraser Hickox will bring us his extensive knowledge of the international gaming and luxury hotel industries.

The upturn initiated by your Company would not have been possible without the dedication of our staff - especially solicited because of the difficulties we had to recruit the seasonal workers we needed. The Board of Directors and I sincerely thank all the teams for their contribution to the success of your Company.

Jean-Luc Biamonti

Chairman and Chief Executive Officer

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KEY FIGURES

Key figures related to the last three fiscal years

(in million of euros)	**2019/2020 Fiscal year**	**2020/2021 Fiscal year**	**2021/2022 Fiscal year**
CONSOLIDATED FIGURES			
Consolidated revenue	619.8	336.9	530.5
Operating income before depreciation and amortization	100.1	(14.0)	111.6
Operating income	22.6	(103.3)	35.4
Consolidated net income attributable to the owners of the parent company	26.1	(79.1)	76.4
Comprehensive income attributable to the owners of the parent company	27.5	(80.9)	82.8
Cash generated from operations*	93.7	(7.5)	99.7
Purchase of PP&E, intangible and financial assets	127.7	43.2	23.8
Equity	650.4	567.2	653.1
Net Debt/(Cash position)*	137.1	129.9	(30.0)
Average number of employees	4,593	3,664	3,718
Market share price as of fiscal year's last day (in euros)	56.00	63.40	65.20
GAMING SECTOR FIGURES			
Casinos operated (number of permanent establishments at the end of the period)	4	3	2
Consolidated revenue (gross gaming revenue)	239.8	124.3	200.8
Operating income	(7.5)	(46.9)	9.5
HOTEL SECTOR FIGURES			
Hotels operated	5	5	5
Accommodation capacity (average number of rooms available)	1,206	1,070	1,242
Occupancy rate (average rate including Le Méridien Beach Plaza)**	63.8%	26.0%	44.7%
Consolidated revenue	284.3	109.0	213.3
Operating income	(5.1)	(61.7)	(19.2)
RENTAL SECTOR FIGURES			
Consolidated revenue	96.0	106.2	117.6
Operating income	69.5	71.9	84.4

* *Cash generated from operations and net debt are defined in the "Document d'enregistrement universel" 2022 in Chapter 4.1.5.*

** *The number of rooms in establishments closed from mid-March 2020 and in the first quarter of the fiscal year 2020/2021 due to the Covid-19 pandemic was restated in calculating the occupancy rate.*

The key figures related to the last three fiscal years are extracted from the Group consolidated financial statements (statement of financial position, statement of income, cash flow statement) for the fiscal years ended March 31, 2020, 2021 and 2022.

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ANALYSIS OF THE FINANCIAL POSITION AND ACTIVITY OF S.B.M. GROUP DURING FISCAL YEAR 2021/2022

Introduction to the analysis of the financial position of S.B.M. Group during fiscal year 2021/2022

Following a fiscal year 2020/2021 severely impacted by the Covid-19 pandemic crisis, the S.B.M. Group's consolidated results for fiscal year 2021/2022 improved significantly year-on-year. Although the impacts of this unprecedented crisis are still widespread, all S.B.M. Group activities now seem to be resuming more "normal" operations.

Société des Bains de Mer and its subsidiaries reported consolidated revenue of €530.5 million for the fiscal year 2021/2022, compared to €336.9 million for the fiscal year 2020/2021, an improvement of 57% across the year as a whole, with:

- a substantial +62% increase for the gaming sector;
- a +96% surge for the hotel sector;
- a +11% rise for the rental sector.

The increase in revenue of €193.6 million is the result of higher revenues across all sectors.

As a reminder, in the previous year, the first quarter was marked by the closure of all casinos and restaurants until June 2, 2020, pursuant to government decisions. Only the Hôtel de Paris and Monte-Carlo Bay Hotel & Resort remained partially open to welcome clients, mainly permanent residents, but occupancy rates were low. However, revenue from commercial and residential lease activities remained largely unchanged. Hotels then gradually reopened in July 2020 while adopting health measures to ensure maximum safety for clients and employees.

Despite the significant revenue increase in fiscal year 2021/2022 compared to the prior year, first quarter activity (April to June) remained heavily impacted by the unprecedented nature of the health crisis. An upturn in business was then recorded in the 2021 summer season (July to September), with a 62% revenue hike period-on-period. However, this performance was still 13% below revenue for the same three months in 2019. The improved trend observed during the summer was confirmed in the second half of the year (October to March), with revenue up 30% period-on-period, despite business slowing in December and January with the emergence of a Covid-19 fifth wave during the year-end holidays.

In this context, the S.B.M. Group continued to focus on cost optimisation on fiscal year 2021/2022, through reducing operating expenses and adjusting costs more closely in line with seasonal fluctuations. Among other things, on March 4, 2021, the S.B.M. Group announced the implementation of its staff restructuring plan, as part of an overall restructuring plan implemented in addition to the arrangements already put in place since the start of the health crisis. The departures of the employees concerned, which began in January 2021, have continued during the current year.

The stated objective of a €25 million reduction in annual costs resulting from the restructuring plan and from the reduction of operating costs was achieved.

The S.B.M. Group's operating profit was therefore €35.4 million, compared to a -€103.3 million operating loss during the previous fiscal year, an improvement of €138.6 million.

This favorable trend in operating performance was reported across all S.B.M. Group business sectors.

Finally, it is recalled that the S.B.M. Group has held an investment in Betclic Everest Group ("BEG"), the online gaming group, since May 2009.

For this equity-consolidated investment, account is taken of the share of earnings corresponding to the percentage interest held, which amounted to +€30.9 million for fiscal year 2020/2021. For fiscal year 2021/2022, and in addition to the standard inclusion of a share of earnings, the consolidation of the investment in Betclic Everest Group resulted in the recognition of restructuring operations carried out at the end of 2021 to align the Betclic Everest Group's interests with those of management. This led to a reduction by dilution, of the percentage interest held by the S.B.M. Group to 47.3%, compared to 50% previously. Account was also taken of dividends paid by Betclic Everest Group.

The consolidation of the investment in Betclic Everest Group contributed +€46.2 million to the S.B.M. Group's consolidated earnings for fiscal year 2021/2022, compared to +€30.9 million for the same period last year.

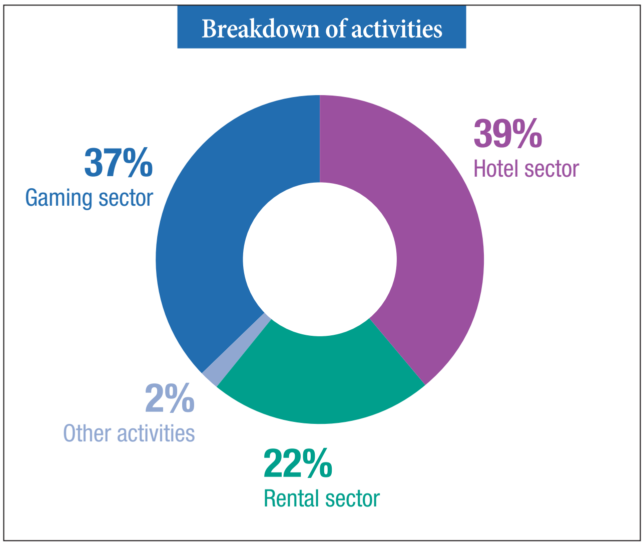
The S.B.M. Group's net consolidated income stood at €76.4 million, compared to a loss of -€79.1 million for fiscal year 2020/2021, i.e. a +€155.5 million increase.

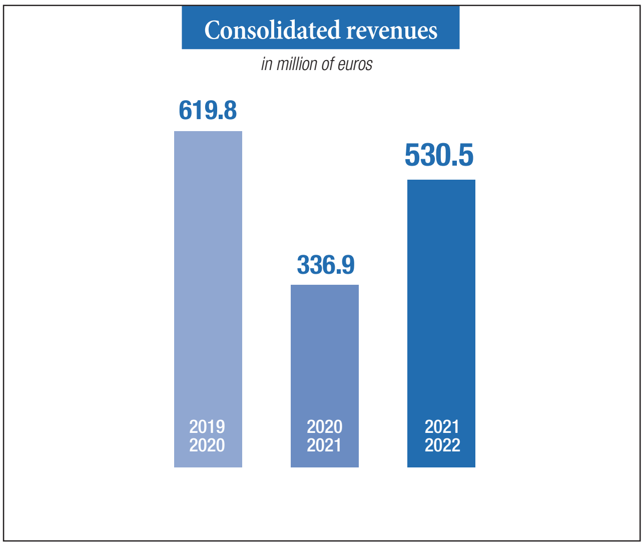
3.1 Presentation of fiscal year 2021/2022 results

3.1.1 Highlights of activity in fiscal year 2021/2022

S.B.M. Group reported consolidated revenue of €530.5 million for fiscal year 2021/2022 compared to €336.9 million for fiscal year 2020/2021, an increase of 57%.

Consolidated revenue by business segment *(in million of euros)*	2019/2020	2020/2021	2021/2022	Variation *(in million of euros)*
Gaming Sector	239.8	124.3	200.8	76.5
Hotel Sector	284.3	109.0	213.3	104.3
Rental Sector	96.0	106.2	117.6	11.4
Other Activities	14.4	4.6	9.3	4.7
Internal transfers	(14.8)	(7.2)	(10.4)	(3.2)
CONSOLIDATED REVENUES	**619.8**	**336.9**	**530.5**	**193.6**





The increase in revenue of €193.6 million reflects the resumption of activities despite the ongoing unfavourable health situation and is the result of higher revenues across all sectors. While activity in the first quarter (April to June) was still very severely impacted by the unprecedented nature of the health crisis (with the Rolex Monte-Carlo Master's tennis tournament played behind closed doors and limited attendees at the Formula 1 Grand Prix), the summer season (July to September) saw an upturn in activities. The second half of the year confirmed the upward trend seen during the summer season. Although there was a slowdown in activity in December 2021 and January 2022, with the arrival of the fifth wave of the virus coinciding with the end of year festive season, the positive trend continued in February and March 2022.

The gaming sector achieved revenue of €200.8 million, compared to €124.3 million in fiscal year 2020/2021. All activities (table games, slot machines, other activities and catering) grew significantly. The increase can be explained by a longer period of operations, given that all locations were closed for the first two months of the previous year, but also by an increase in customer numbers over the year. Nonetheless, gaming activities remain 16% below the figure for fiscal year 2019/2020.

Hotel revenue was €213.3 million compared to €109 million in fiscal year 2020/2021, a year-on-year increase of €104.3 million. As a reminder, only the Hôtel de Paris and the Monte-Carlo Bay Hotel & Resort remained partially open in April and May 2020, primarily to accommodate their permanent guests, but with a low occupancy rate. Catering outlets gradually reopened from June 2, 2020 onwards, with reduced capacity in order to comply with social distancing rules and ensure optimal safety conditions for staff and clients.

The rental sector, which combines boutiques and office leasing together with the activities of the Monte-Carlo Bay, the Balmoral, the Villas du Sporting and the One Monte-Carlo, reported revenue of €117.6 million, compared to €106.2 million for the previous year, an increase of 11%. The increase is mainly due to the rise in residential leasing activities following the gradual release of apartments in the One Monte-Carlo and the non-recurrence of the rebates granted to retail tenants during the closed period in April 2020.

Finally, other activities accounted for annual consolidated revenue of €9.3 million, compared to €4.6 million for the previous year, an increase of €4.7 million, primarily due to the cancellation of the Rolex Monte-Carlo Masters tennis tournament in the previous year.

3.1.2 Analysis of fiscal year 2021/2022 operating results by sector

The developments in the various business sectors – gaming, hotel and rental – are analyzed below for the year ended March 31, 2022.

GAMING SECTOR

The gaming sector reported revenue of €200.8 million, versus €124.3 million in fiscal year 2020/2021. All activities (table games, slot machines, other activities and catering) grew significantly. The increase can be explained by a longer period of operations, given that all locations were closed for the first two months of the previous year, but also by an increase in customer numbers over the year. Nonetheless, gaming activities remain 16% below the figure for fiscal year 2019/2020.

This favorable trend in gaming sector activity was attributable to the €44.4 million increase in table games revenue, which amounted to €85.7 million for the year compared to €41.2 million in the previous year, and the rise in slot machines revenue which totaled €108.9 million, up €29.3 million compared to fiscal year 2020/2021.

The following table shows the development of gaming sector receipts by business segment, being specified that other activities segment mainly comprised the entrance fees to the Monte-Carlo Casino and the catering and bar receipts recorded within the gaming establishments.

	Gaming revenue *(in million of euros)*	**2019/2020**	**2020/2021**	**2021/2022**	**%**
43%	Table games	113.5	41.2	85.7	108%
54%	Slot machines	113.0	79.6	108.9	37%
3%	Other activities	13.4	3.4	6.2	83%
100%	**TOTAL GAMING SECTOR**	**239.8**	**124.3**	**200.8**	**62%**

The **table games** sector reported revenue of €85.7 million in fiscal year 2021/2022 compared to €41.2 million the previous year, a strong increase of +€44.4 million or +108%. Table games sector revenue was nevertheless 25% lower than that recorded in fiscal year 2019/2020.

It is reminded that the table games activity has been heavily impacted by the consequences of the unprecedented health crisis, and its effect on client behavior and particularly the impact of transport and travel restrictions. Activity was penalized by the absence of the usual international client base.

Therefore, overall in fiscal year 2021/2022, the drop increased +45% and the hold (receipts/betting ratio) increased by 4.3 points to 19.5%, compared to 15.3% the previous year.

The main trends are as follows:

- the Casino de Monte-Carlo mainly operates European games. In fiscal year 2021/2022, the establishment's receipts rose by +€42.7 million. This improvement was due to a period of more intense activity, with all establishments having closed in the first two months of the previous year, and an increase in the number of visitors during the year due to the lifting of health and travel restrictions. Black Jack recorded a €18.7 million increase in receipts due to a particularly favorable environment with a 32.1% hold rate compared to 18.7% in the previous year, and a 32% increase in the drop. English Roulette recorded a €15.2 million increase in receipts due to a 115% surge in the drop compared to the previous year and despite a 22.5% hold rate which fell 1.4 points. Finally, European Roulette recorded a €13 million increase in receipts due to a substantial 198% increase in the drop compared to the previous year;
- the Café de Paris Casino's table game operations generated revenue of €3.6 million for the year, up +€1.7 million compared to the previous year;
- as a reminder, in September 2020 the S.B.M. Group had announced its plans to permanently close down the Sun Casino.

The **slot machines** sector accounted an increase in activity, with revenue of €108.9 million for fiscal year 2021/2022 compared to €79.6 million the previous year, an increase of +€29.3 million (+37%).

Monte-Carlo Casino slot machine receipts increased €15 million on the prior year following the opening of the "1889" room on October 9, 2020. The opening of this room for High Rollers is part of the strategy to reorganize the floors by client type.

The Café de Paris Casino recorded a +€14.2 million rise in revenue due to a 21% increase in betting volumes year-on-year. It also worth noting the rise in the number of players, up 16% compared to fiscal year 2020/2021.

As announced in 2020/2021, the Sun Casino is definitively closed.

Revenue from other activities was €6.2 million, up +€2.8 million year-on-year. This increase was primarily attributable to catering revenue of €4.5 million, up +€2 million compared to the previous year. Entry receipts at the Monte Carlo Casino and the Gift Shop activity totaled €1.7 million, up +€0.9 million compared to fiscal year 2020/2021, with a rise in the number of Monte-Carlo Casino visitors.

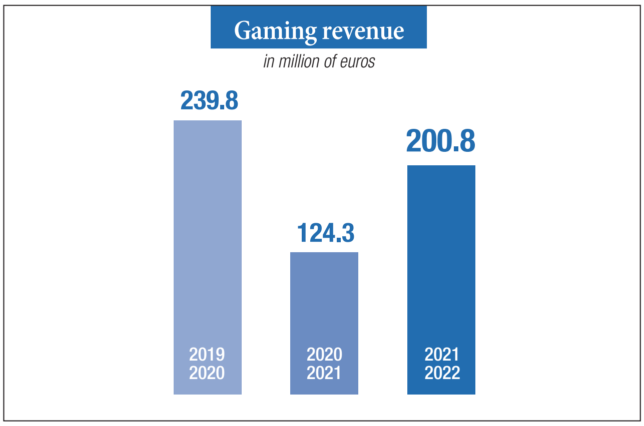
For the **entire gaming sector,** operating income before depreciation and amortization amounted to €16 million for fiscal year 2021/2022, compared to a -€32.4 million loss last year, an improvement of +€48.4 million. Despite a €39.1 million decline in revenue compared to 2019/2020, operating income before depreciation and amortization rose by €13.4 million compared to that period.

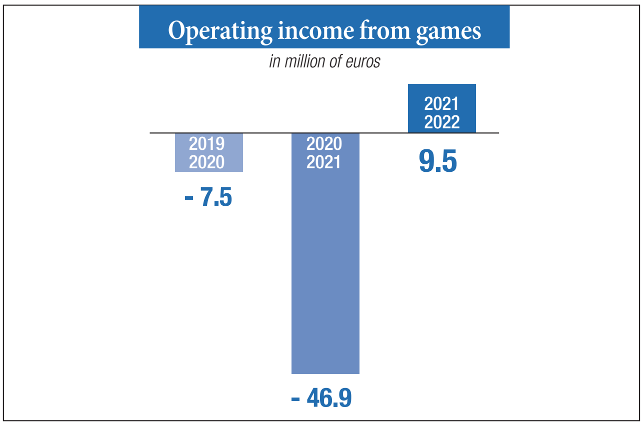
Gaming sector results were boosted by the government support measures adopted by the Principality of Monaco (Total Temporary Lay-off) in the first quarter and the drastic cuts in operating expenditure since the start of the crisis and finally the positive impacts of the Job Protection Plan on employee costs.

After taking into account the depreciation and amortization charge, the gaming sector reported an operating profit of €9.5 million in fiscal year 2021/2022, compared to a loss of -€46.9 million the previous year.

It is reminded that the gaming sector net operating loss for fiscal year 2020/2021 was impacted by an expense of €7.5 million relating to the closure of the Sun Casino. The S.B.M. Group has decided not to reopen this establishment and all outstanding financial commitments up to June 2022 (the lease expiry date for this gaming room) were provided.

The improvement in results was due to the sharp increase in revenue in both aforementioned segments and improved operational cost management in the gaming sector.





HOTEL SECTOR

Hotel revenue was €213.3 million compared to €109 million in 2020/2021, a year-on-year increase of €104.3 million. As a reminder, only the Hôtel de Paris and the Monte-Carlo Bay Hotel & Resort remained partially open in April and May 2020, primarily to accommodate their permanent guests, but with a low occupancy rate. Catering outlets gradually reopened from June 2, 2020 onwards, with reduced capacity in order to comply with social distancing rules and ensure optimal safety conditions for staff and clients.

Even though hotel sector activity in the first quarter of 2021/2022 (April to June) was heavily impacted by the health crisis and the curfew which continued until June 25, 2021 in the Principality of Monaco, business picked up again from July 2021.

The hotel sector recorded a revenue increase of +96% or +€104.3 million compared to last year:

- Hôtel de Paris revenue totaled €59.2 million, up +€28.8 million on the previous year due to a substantial increase in the number of international clients;

- the Hôtel Hermitage posted a sharp increase in revenue which amounted to €33.2 million, up €21 million compared to fiscal year 2020/2021. As a reminder, the establishment had closed in the first quarter of the previous year (April to June) due to the health crisis. The catering activity was boosted by +€3 million by the opening of the "Yannick Alléno à l'Hôtel Hermitage" restaurant;
- Monte-Carlo Bay Hotel & Resort revenue increased by €12.7 million due to a sharp rise in the number of visitors;
- the Méridien Beach Plaza posted a sharp increase in revenue which amounted to €22.9 million, up €12.1 million compared to fiscal year 2020/2021. As a reminder, the establishment had closed in the first quarter of the previous year (April to June).

The trends of the various activity segments can be analyzed as follows:

Hotel revenue *(in million of euros)*		2019/2020	2020/2021	2021/2022	%
45%	Accommodation	121.3	46.2	95.8	107%
42%	Catering	124.3	45.2	90.2	99%
13%	Other activities	38.6	17.5	27.3	56%
100%	**TOTAL HOTEL SECTOR**	**284.3**	**109.0**	**213.3**	**96%**

The S.B.M. Group's **accommodation** revenue stood at €95.8 million, compared to €46.2 million for fiscal year 2020/2021.

The accommodation activity rose significantly by +107% compared to last year.

As a reminder, in the previous year only the Hôtel de Paris and Monte-Carlo Bay Hotel & Resort remained partially open in April and May 2020 to welcome clients, mainly permanent residents. Occupancy rates were low.

Even though hotel sector activity in the first quarter of 2021/2022 (April to June) was heavily impacted by the health crisis and the curfew which continued until June 25, 2021 in the Principality of Monaco, with a total occupancy rate of 27% at the end of June compared to 74% for the same period in fiscal year 2019/2020, business picked up again from July 2021.

Some accommodation indicators for the entire S.B.M. Group are presented below:

- the occupancy rate rose sharply to 45% compared to 26% in fiscal year 2020/2021. The occupancy rate was nevertheless below the 64% rate recorded in fiscal year 2019/2020;
- average accommodation prices rose overall by 8% across the five establishments, reflecting steady sales prices despite the crisis, and boosted by the client mix (mainly individual);
- finally, client segmentation by geographical origin was heavily impacted by the gradual lifting of travel restrictions imposed due to the pandemic with the return of international clients. US and Russian clients each accounted for 12% of the client base during the year compared to 4% for US clients and 8% for Russian clients in the previous year. Middle East clients accounted for 8% in 2021/2022, compared to 3% in 2020/2021. Even though the majority of clients were French, they represented 27% of the client base down 19 points on last year.

Catering revenue totaled €90.2 million, compared to €45.2 million last year, an increase of €45 million. As a reminder, all restaurants had closed in mid-March 2020. The government of Monaco only authorized restaurants to reopen as of June 2, 2020. All of the S.B.M. Group's catering establishments recorded strong business growth compared to the previous year.

664,000 meals were served across the entire S.B.M. Group in fiscal year 2021/2022, i.e. an increase of 238,000 in relation to last year. The improvement in catering activity was particularly impressive at the Café de Paris (+69,000 to 149,000 meals), the Monte-Carlo Bay Hotel & Resort (+26,000 to 99,000 meals), the Hôtel Hermitage (+24,000 to 47,000 meals) and the Hôtel de Paris (+20,000 to 72,000 meals).

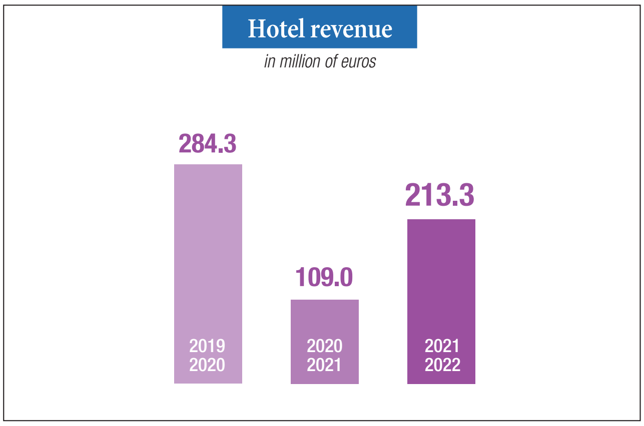
Across all establishments, the average price per meal rose by 22% compared to the previous year, mainly due to a change in the mix of visits to the various establishments.

Revenue for the **Other activities** of the hotel sector increased by 56%, standing at €27.3 million for fiscal year 2021/2022, versus €17.5 million the previous year.

For the **entire hotel sector,** operating income before depreciation and amortization amounted to +€19.8 million for fiscal year 2021/2022, compared to a loss of -€19.7 million for fiscal year 2020/2021, an increase of €39.6 million.

Hotel sector results were boosted by the government support measures set up by the Principality of Monaco (Total Temporary Lay-off) in the first quarter and the drastic cuts in operating expenditure since the start of the crisis (to deal with seasonal fluctuations in activity) and finally the positive impacts of the Job Protection Plan on employee costs.

After depreciation and amortization charges, the hotel sector posted an operating loss of -€19.2 million for fiscal year 2021/2022, compared to a loss of -€61.7 million the previous year.



RENTAL SECTOR

The rental sector reported revenue of €117.6 million, compared to €106.2 million for the previous year, an increase of 11%.

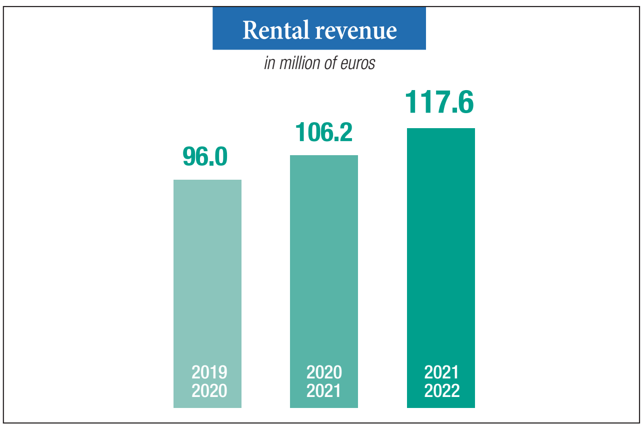
Rental revenue *(in million of euros)*		2019/2020	2020/2021	2021/2022	%
59%	Commercial rental	64.6	63.7	69.3	9%
41%	Residential rental	31.4	42.5	48.3	14%
100%	**TOTAL RENTAL SECTOR**	**96.0**	**106.2**	**117.6**	**11%**

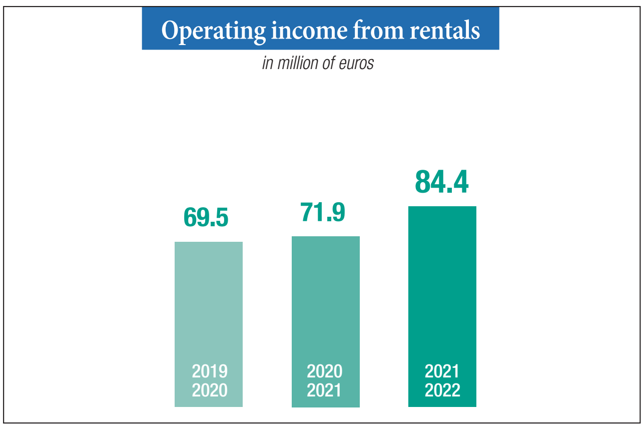
The **commercial rental** segment, which combines the leasing of boutiques and office spaces, reported revenue of €69.3 million for fiscal year 2021/2022, compared to €63.7 million the previous year. This 9% increase was primarily due to the discontinuation of the reductions granted to boutique lessees during the period of closure in April 2020 and the gradual leasing of the last spaces at One Monte-Carlo.

Residential rental revenue totaled €48.3 million, up €5.8 million compared to the previous year. This increase was mainly due to the gradual leasing of One Monte-Carlo apartments. The revenue of the other establishments, i.e. the Sporting and Balmoral Residences and the Villas du Sporting remained stable compared to fiscal year 2020/2021.

For the **rental sector as a whole,** operating income before depreciation and amortization amounted to €106.1 million for fiscal year 2021/2022, compared to €94.1 million the previous year, up by €12 million.

Taking into account the depreciation and amortization charge, operating income for the rental sector stood at €84.4 million, compared to €71.9 million the previous year, for an increase of €12.6 million.





3.1.3 2021/2022 consolidated earnings and other financial aggregates

The table below presents the S.B.M. Group's consolidated statement of income for the years ended March 31, 2021 and March 31, 2022:

CONSOLIDATED STATEMENT OF INCOME

(in thousands of euros)	2020/2021 Fiscal year	2021/2022 Fiscal year
Revenue	**336,887**	**530,514**
Cost of goods sold, raw materials & other supplies	(26,555)	(45,573)
Other external charges	(79,772)	(107,418)
Taxes and similar payments	(19,668)	(31,809)
Wages and salaries	(209,862)	(228,879)
Depreciation and amortization	(89,251)	(76,202)
Other operating income and expenses	(15,031)	(5,274)
Operating income	**(103,251)**	**35,358**
Income from cash and cash equivalents	7	11
Cost of debt	(6,963)	(5,149)
Cost of net debt	**(6,956)**	**(5,138)**
Other financial income and expenses	(7)	(94)
Other income/(loss) related to investment accounted for using equity method (including net income/(loss) of associates)	30,866	46,227
Income tax expense		
Consolidated net income	**(79,349)**	**76,352**
Non controlling interests (minority shares)	239	
CONSOLIDATED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**(79,110)**	**76,352**
Average number of shares issued	24,516,661	24,516,661
Net earnings per share *(in euros)*	(3.23)	3.11
Net diluted earnings per share *(in euros)*	(3.23)	3.11

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2020/2021 Fiscal year	2021/2022 Fiscal year
Consolidated net income	**(79,349)**	**76,352**
Items that will not be reclassified subsequently to profit or loss		
◆ Actuarial gains and losses on employee benefits (IAS 19 revised)	(1,994)	5,087
◆ Share of profit/(loss) of associates		
Items that may be reclassified subsequently to profit or loss		
◆ Gains and losses on the remeasurement of financial instruments	171	468
◆ Share of profit/(loss) of associates	(2)	868
TOTAL COMPREHENSIVE INCOME	**(81,174)**	**82,775**
Of which attributable to the owners of the parent company	(80,935)	82,775
Of which attributable to non controlling interests (minority interests)	(239)	

"Cost of goods sold" and "Other external charges" increased by €19 million and €27.6 million, respectively, due to the increase in activity.

The rise in "Taxes and similar payments" was due to the increase in the games licensing fee following business growth in this sector, as described in 3.1.2.

"Wages and salaries" in fiscal year 2021/2022 increased by €19 million compared to the previous year.

The main reasons for this evolution are as follows:

- increase in gaming sector wages and salaries by €12.8 million, which can be explained by less recourse to the Total Temporary Lay-off scheme compared to last year, which had been marked by the closure of establishments in the first quarter, and greater variable compensation in fiscal year 2021/2022 due to business. This rise was partially offset by the roll-out of the restructuring plan under which departures were spread out over the first half of fiscal year 2021/2022;
- increase in hotel sector wages and salaries by €30.6 million, which can also be explained by less recourse to the Total Temporary Lay-off scheme and reliance on a higher number of seasonal workers compared to the previous year, which had been marked by the closure of several establishments in the first quarter and a partial reopening. This rise was partially offset by the roll-out of the restructuring plan under which departures were spread out over the first half of fiscal year 2021/2022;
- increase in rental sector wages and salaries by €0.3 million;
- decrease in other employee costs of €19.9 million, which was primarily attributable to the non-recurring expense of €25.3 million recorded last year for the general restructuring plan, less recourse to the Total Temporary Lay-off scheme for support service staff and recognition of a €4.1 million expense in fiscal year 2021/2022 for the Group's profit-sharing scheme;
- a €4.8 million decrease in provisions for contingencies.

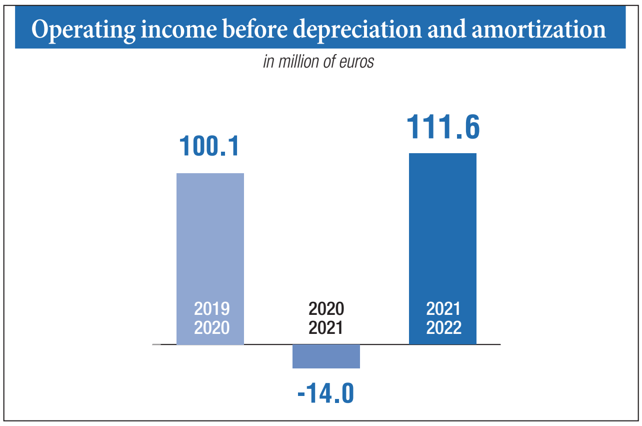
Lastly, "Depreciation and amortization" fell by €13 million. This decrease was mainly due to last year's decision to permanently close down the Sun Casino whose current lease expires in June 2022. Considering this decision, an additional depreciation and amortization charge of €4.5 million was recorded in the prior fiscal year to fully write down the residual net carrying amount of the right of use for the Sun Casino games room lease and the assets of this establishment that will no longer be used, in addition to the standard depreciation and amortization for the Sun Casino recognized in fiscal year 2020/2021.

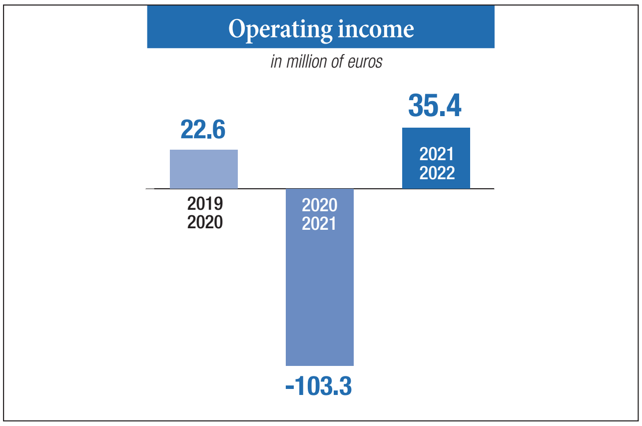
The S.B.M. Group's **operating income** is +€35.4 million, compared to an operating loss of -€103.3 million for the previous year, i.e. a €138.6 million increase.

The improvement in operating performance was mainly due to the sharp increase in fiscal year 2021/2022 revenue compared to the previous year, which had been marked by the closure of all casinos and restaurants until June 2, 2020, pursuant to government decisions. The remaining months of the fiscal year 2020/2021 had been heavily impacted by the unprecedented health crisis, whose repercussions affected all operating sectors with the exception of the rental sector, which was only slightly impacted by the Covid-19 pandemic.

In this instable context, the S.B.M. Group continued to focus on cost optimisation on fiscal year 2021/2022, through reducing operating expenses and adjusting costs more closely in line with seasonal fluctuations. Among other things, on March 4, 2021, the S.B.M. Group announced the implementation of its staff restructuring plan, as part of an overall restructuring plan implemented in addition to the arrangements already put in place since the start of the health crisis. The departures of the employees concerned, which began in January 2021, have continued during the current year. The stated objective of a €25 million reduction in annual costs resulting from the restructuring plan and from the reduction of operating costs was achieved.

The favorable trend in operating performance concerned all business sectors.



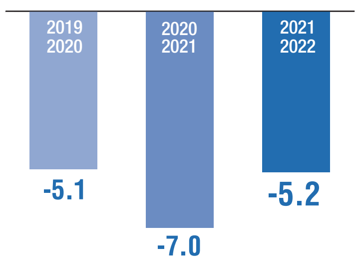


The **financial income** for fiscal year 2021/2022 totaled a financial loss of -€5.2 million, compared to a financial loss of -€7 million for the previous year. The decrease in financial expenses was attributable to the gradual amortization of the loans contracted in January 2017 in line with the initial repayment plan.

Note that the borrowing costs related to the financing of property, plant and equipment are capitalized for the portion incurred during the construction period. Such is the case, until the asset commissioning date, for the financial expenses relating to the loan agreement that was contracted in January 2017 to finance real estate development work. Given that the work has been completed in 2019/2020, the interest expense on borrowing costs recorded for fiscal year 2020/2021 totaled €5.7 million compared to €3.8 million for fiscal year 2019/2020.

Financial income

in million of euros



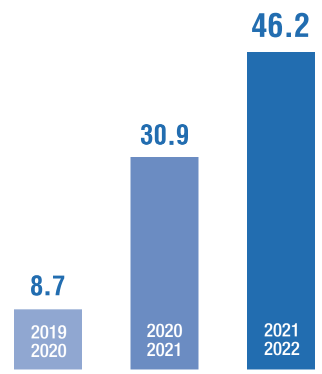
Finally, it is recalled that the S.B.M. Group has held an investment in Betclic Everest Group ("BEG"), the online gaming group, since May 2009.

For this **equity-consolidated** investment, account is taken of the share of earnings corresponding to the percentage interest held, which amounted to +€30.9 million for fiscal year 2020/2021. For fiscal year 2021/2022, and in addition to the standard inclusion of a share of earnings, the consolidation of the investment in Betclic Everest Group resulted in the recognition of restructuring operations carried out at the end of 2021 to align the Betclic Everest Group's interests with those of management. This led to a reduction, by dilution, of the percentage interest held by the S.B.M. Group to 47.3%, compared to 50% previously. Account was also taken of dividends paid by Betclic Everest Group.

The consolidation of the investment in Betclic Everest Group contributed +€46.2 million to the S.B.M. Group's consolidated earnings, compared to +€30.9 million for the same period last year.

Other income/(loss) related to investment accounted for using equity method (including net income/(loss) of associates)

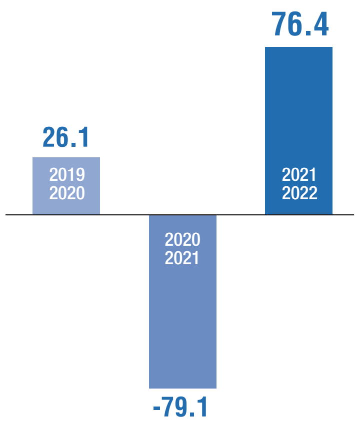
in million of euros



Consolidated net income attributable to owners of the parent company stood at €76.4 million for fiscal year 2021/2022, compared to a -€79.1 million loss for fiscal year 2020/2021, i.e. an increase of €155.5 million.

Net income attributable to the owners of the parent company

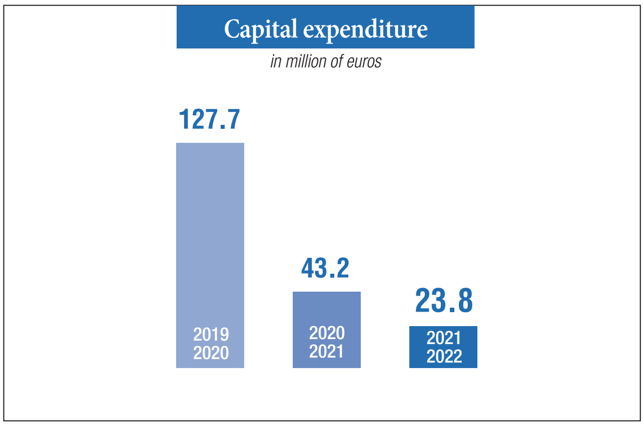
in million of euros



Cash from operations totaled €99.7 million for fiscal year 2021/2022, compared to –€7.5 million for the previous year. This increase was primarily due to the rise in operating income before depreciation and amortization of €125.6 million. After taking into account the €4.9 million rise in the working capital requirement, net cash flows used in operations totaled €99.9 million for fiscal year 2021/2022, compared to net cash flows from operations of -€10.2 million for fiscal year 2020/2021.

In addition, the continued roll-out of the **capital expenditure** program (see Chapter 3.2.1 – "Capital expenditure") led to a cash outflow of €23.8 million for fiscal year 2021/2022 for acquisitions of property, plant and equipment, intangible assets and long-term investments compared to €43.2 million for the previous year. Due to the health crisis, the S.B.M. Group tightened its control over capital expenditure.

All capex projects were reviewed, budgets drastically reduced and non-essential capital expenditure suspended.



After taking into account changes in loans and advances granted, other gains from investing activities and gains on asset disposals, net cash flow from investing activities amounted to €71.3 million in fiscal year 2021/2022, compared to net cash flow from investing activities of €30.1 million in the previous year.

As described in Note 3.1.3 to the March 31, 2022 consolidated financial statements, BEG distributed dividends and interim dividends during the fiscal year, including €95 million to the S.B.M. Group. As a reminder, last year BEG had exceptionally paid out a portion of the issue premium, including €72.5 million to the S.B.M. Group.

As of March 31, 2022, the S.B.M. Group's **net debt** totaled -€30 million, reflecting a return to a positive net cash position, compared to a net debt of €129.9 million as of March 31, 2021. Net debt is the difference between year-end cash flow and the liabilities relating to loans with credit institutions and issues of short-term negotiable debt securities (NEU CP).

To secure the funding of its two major investment projects – extensive renovation of the Hôtel de Paris and One Monte-Carlo real estate development – the S.B.M. Group finalized its bank financing on January 31, 2017. Totaling €230 million, these credit facilities enable draw-downs at the S.B.M. Group's initiative until January 31, 2019. This financing is repaid every six months, with the first installment repaid on June 30, 2020 and the last scheduled for January 31, 2024. As of March 31, 2022, the debt relating to this borrowing totaled €124.4 million, following two new repayments each amounting to €26.4 million in June and December 2021.

To supplement its short-term financing means, the Company set up a short-term negotiable debt securities (NEU CP) issuance program in July 2019 for a maximum amount of €150 million. The Monegasque State pledged to subscribe, within the limit of a total principal amount of €120 million, to all or part of the negotiable debt securities that the Company will issue under this program and that will not be acquired on the market for whatever reason. As of March 31, 2022, the amount outstanding of securities issued under this program was €55 million.

3.1.4 Parent company results of Société des Bains de Mer

The financial statements (presented under French standards) of the Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco, the parent company, present the following results:

Société des Bains de Mer – Parent company *(in million of euros)*	**2019/2020**	**2020/2021**	**2021/2022**	**Variation**
Revenue	**563.3**	**325.4**	**509.2**	**183.8**
Operating income/(loss) before depreciation and amortization	**73.8**	**(23.5)**	**101.8**	**125.3**
Amortization	(64.2)	(72.3)	(67.4)	4.9
Operating income/(loss)	**9.6**	**(95.8)**	**34.4**	**130.2**
Financial income/(loss)	8.9	13.0	75.3	62.3
Exceptional income/(loss)	(5.5)	65.8	(1.0)	(66.8)
NET INCOME/(LOSS)	**13.0**	**(17.0)**	**108.7**	**125.7**

REVENUE

Revenue amounted to €509.2 million for fiscal year 2021/2022, compared to €325.4 million the previous year, for an increase of €183.8 million, in line with the business turnaround.

OPERATING INCOME OR LOSS

Operating income amounted to €34.4 million, compared to a loss of -€95.8 million in 2020/2021 and income of €9.6 million in 2019/2020. This increase compared to last year was attributable to the business turnaround following a fiscal year 2020/2021 particularly marked by the health crisis. Thanks to cost control measures, operating income also rose compared to fiscal year 2019/2020, despite a fall in revenue.

FINANCIAL INCOME OR LOSS

Financial income notably consists of borrowing costs relatied to financing and financial income generated by the Company on financing provided to its subsidiaries. This revenue is canceled in the consolidated financial statements as part of the elimination of the S.B.M. Group's inter-company transactions.

Financial income for fiscal year 2021/2022 benefited from the buy back by Monte-Carlo SBM International S.à.r.l, a wholly-owned subsidiary of the Company, of convertible bonds issued in 2009 in the amount of €89.2 million. This purchase gave rise to the recognition of financial income of €74.5 million in the Company's accounts.

NET EXCEPTIONAL ITEMS

Net exceptional loss of -€1 million was recorded for fiscal year 2021/2022, compared to a profit of +€65.8 million the previous year.

As a reminder, the shares of the subsidiary S.à.r.l. Monte-Carlo SBM International were fully written down in the gross amount of €1.5 million as of March 31, 2020 and the related receivables in the gross amount of €209 million (excluding accrued interest) were written down for €63.6 million. Considering the steady improvement in the financial position of its subsidiary Monte-Carlo SBM International S.à.r.l. and the ongoing improvement in BEG's results (the S.B.M. Group recorded a share of BEG's earnings of €30.9 million in fiscal year 2020/2021 compared to €8.7 million the previous year), the Company reversed in fiscal year 2020/2021 all previously recorded provisions for €65.2 million.

NET INCOME OR LOSS

The parent company net profit for fiscal year 2021/2022 amounted to +€108.7 million, compared to a loss of -€17 million the previous year, for an increase of €125.7 million.

3.1.5 Article 23 of the Order of March 5, 1895

We hereby inform you of the transactions directly or indirectly involving your Company and its Directors during 2021/2022 fiscal year, or between your Company and its affiliated or non-affiliated companies with common Directors:

- transactions involving the affiliates of your Company:
  - Société Anonyme Monégasque d'Entreprise de Spectacles (S.A.M.E.S),
  - Société Anonyme Monégasque des Thermes Marins Monte-Carlo (S.T.M.),
  - Société Anonyme Monégasque Générale d'Hôtellerie (SOGETEL),
  - Société Anonyme Monégasque Hôtelière du Larvotto (S.H.L.),
  - MC Financial Company (MCFC),
  - Société Civile Particulière Soleil du Midi,
  - Société Civile Immobilière de l'Hermitage,
  - Société des Bains de Mer, USA, Inc.,
  - Société Monte-Carlo SBM Singapore, Pte Ldt,
  - S.à.r.l Monte-Carlo SBM International,
  - SARL Café Grand Prix,
  - Société Betclic Everest Group;
- and:
  - business relations with Société Monégasque pour l'Exploitation du Tournoi de Tennis (S.M.E.T.T.), in which the Company is a shareholder,
  - the providing of parking spots and a display window on an arm's length basis with Société Anonyme Monégasque Dotta Immobilier, whose Vice-President is Mr. Michel Dotta, for non-material amounts,
  - wine purchases conducted on an arm's length basis with SARL Rainbow Wines, which is owned and managed by Mr. Laurent Nouvion, for non-material amounts.

3.2 Capital expenditure and future outlook

3.2.1 Capital expenditure

Due to the Covid-19 crisis, the S.B.M. Group has reinforced the strict control of its investments on fiscal year 2021/2022. All investment projects have been revised and those deemed non-essential have been suspended.

The total amount invoiced during fiscal year 2021/2022 was €29.5 millions, compared to €25.8 million for fiscal year 2020/2021 and €109.2 million for fiscal year 2019/2020, i.e. a total of €164.5 million for the last three fiscal years, as shown in the table below, which groups together all capital expenditure, regardless of whether the projects have been completed and commissioned or are still in progress.

Capital Expenditure *(in thousands of euros)*	**Year ended March 31, 2020**	**Year ended March 31, 2021**	**Year ended March 31, 2022**
Gaming Sector	5,149	6,260	4,368
Hotel Sector	37,264	9,541	10,360
Rental Sector	50,955	5,080	1,810
Other Activities	15,789	4,910	12,991
TOTAL	**109,156**	**25,791**	**29,528**

GAMING SECTOR

Capital expenditure in the gaming sector amounted to €15.8 million over the last three fiscal years.

In fiscal year 2021/2022, the S.B.M. Group pursued its slot machine pool renewal policy, with total capital expenditure of €0.8 million for the last three fiscal years. The objective is to maintain a competitive edge in terms of gaming offers and innovation and match the latest trends.

The S.B.M. Group also continued to carry out renovations at the Monte-Carlo Casino to better satisfy client expectations. The work performed over the past two years focused on the lighting in the Casino's Europe and Renaissance rooms to create an atmosphere that meets the expectations of clients who come there for leisure, and make the rooms more welcoming by adding light effects. A boutique was also created in the Casino's Atrium and the Bar Rotonde was reorganized, while private rooms were created in the Médecin room, and more particularly its terrace, to welcome High Roller clients, including the "1889" room opened in October 2020 (a very select room for High Rollers). Finally, the overhaul of the Grand Change and the Caisse Centrale as part of the development of a new experience for fun players has been finalized during fiscal year 2021/2022.

This work is part of the Monte-Carlo Casino long-term refurbishment program.

Excluding slot machines, a total of €5.5 million was invested in this project over the last three fiscal years.

HOTEL SECTOR

Capital expenditure in the hotel sector amounted to €57.2 million over the last three fiscal years, including €10.4 million for fiscal year 2021/2022.

While approximately 22% of hotel capital expenditure in the last three years involved the Hôtel de Paris refurbishment project, the renovations were completed last year.

As a reminder, renovation concerned the entire establishment, with restructuring of both public areas and service facilities. The hotel's overall accommodation capacity is slightly higher than the one before renovation, with the size of the rooms and suites and the proportion of suites increased.

The program's other key features are as follows:

- enhanced use of the roof space to host a new fitness, spa and pool area reserved for hotel clients, prestigious suites and a "roof-top villa" with a private garden and pool;
- creation of a garden courtyard in the center of the establishment;
- development of boutiques;
- opening of the Bar Américain and the restaurant on the south terrace offering a 180° view spanning from the Casino de Monte-Carlo to Port Hercule;
- adaptation to state-of-the-art technologies and a direct underground link with the reception and conference facilities of the future One Monte-Carlo complex.

These renovations and creations will ensure that the Hôtel de Paris continues to satisfy the increasingly demanding requirements of luxury hotel clientele.

Thus, excluding operating losses, the cost of the Hôtel de Paris renovation for the period 2014-2020 totaled €283.8 million.

As mentioned in the opening paragraph, budgets were drastically reduced and non-essential investments suspended. Besides the work required to continue operations, the other hotel sector investments in fiscal year 2021/2022 mainly involved:

- the work at the Monte-Carlo Beach with the creation of an underwater seawall to reduce coastal erosion during storms and preserve the local underwater biodiversity. The first work phase, suspended in the winter of 2019, was completed during the winter of 2020. Considering the positive impacts of phase 1, phase 2 work was performed during fiscal year 2020/2021. The work continued this year with the development of the new beach, which enables the Monte-Carlo Beach to recover its original beach from the 1930s, while protecting the site with a positive biodiversity underwater reef seawall. Capital expenditure recorded for this project in the last three years amounted to €9.8 million, including €2.2 million in fiscal year 2021/2022;
- the work on Yannick Alléno's Pavyllon restaurant at the Hôtel Hermitage, with the reorganization of the terrace and the new interior designed by Chahan Minassian with the subtle and comfortable feel of a private residence which encourages relaxation. Capital expenditure of €2.6 million was recorded for fiscal year 2021/2022;
- and, finally the work undertaken in fiscal year 2021/2022 for the Café de Paris, scheduled for delivery in 2023, which involves the creation of two floors, including the only rooftop bar in the Principality of Monaco, as well as several luxury boutiques (around 800 additional square meters) and the creation of a new Amazonico restaurant, a Brazilian-Latino concept that is already present in Madrid, Dubai and London. Capital expenditure of €2.8 million was recorded during the fiscal year.

RENTAL SECTOR

Major capital expenditure has also been incurred in the rental sector, amounting to €57.8 million over the last three fiscal years, out of which €54.3 million for the One Monte-Carlo real estate complex, in order to enhance the value of real estate assets, while attracting and strengthening the loyalty of a new international clientele in the Principality of Monaco.

Comprising seven buildings, the One Monte-Carlo real estate complex forms part of an urban planning project involving a mixed real estate program combining luxury stores, upscale residences, offices and leisure and cultural areas. It will therefore include 4,600 m^2 of high-end boutiques on three floors (basement, ground floor and mezzanine), upscale multi-storey residences covering 12,900 m^2, 2,500 m^2 of office spaces, 2,500 m^2 of conference rooms equipped with multimedia technologies, an exhibition room of 400 m^2 and 350 parking spaces.

One of the priority tasks assigned to the architect was the need to design a complex that will redevelop the district by creating a friendly place for Meeting, Incentives, Conferences and Events (MICE) that is exemplary in terms of green urban planning and sustainable development: 30% of additional space accessible to the public will be created on the landscaped site, with a new pedestrianized street, named “Promenade Princesse Charlène”, linking avenue des Beaux-Arts to Jardins Saint-James.

The total cost of this major real estate and urban planning project in the heart of Monaco represents an investment of €394.7 million over the 2013-2020 period.

Rental sector capital expenditure in fiscal year 2021/2022 mainly involved the finalization of the additional improvements to One Monte-Carlo offices to facilitate their sale, which were not scheduled in the initial project and amounted to €0.6 million during the year, and the heightening project for the Aigue-Marine building in Fontvielle for leasing purposes.

OTHER ACTIVITIES AND COMMON SERVICES

Capital expenditure in other activities and common services amounted to €33.7 million over the last three fiscal years.

In addition to the new fully flattened Place du Casino, with its new central water feature and palm trees, which offers a new pedestrianized area and is the result of the district's general transformation project following the refurbishment of the Hôtel de Paris and the construction of One Monte-Carlo, capital expenditure also concerned the major refurbishment of the Monte-Carlo Country Club, and the roll-out of new management software and systems as part of the IT master plan.

Finally, capital expenditure for the year in the Other activities and common services sector included an advance payment as part of an undertaking to purchase office space in the Aigue-Marine building, where the S.B.M. Group's administrative head office services are already located.

3.2.2 Main ongoing projects and future outlook

PURSUIT OF THE CAPITAL EXPENDITURE PROGRAM

Current projects as of March 31, 2022 will continue in 2022/2023 as part of the capital expenditure program defined by the S.B.M. Group and in line with the policy adopted in previous years.

The main ongoing projects are the Monte-Carlo Casino refurbishment program, the pursuit of the refurbishment of the Café de Paris and the projects under the IT master plan, still in progress as of March 31, 2022.

OUTLOOK

The enhanced use of the real estate assets is a major growth vector for S.B.M. Group.

The extensive refurbishment of the Hôtel de Paris and the One Monte-Carlo real estate development in the heart of Monaco are the two main components of the S.B.M. Group's development strategy.

These projects represent unprecedented capital expenditure totaling €678.5 million for both projects.

With the completion of the two aforementioned projects, the S.B.M Group aimed to generate additional full-year operating income before depreciation and amortization of over €50 million once these assets had been fully commissioned. Although this improvement was overshadowed by the very negative impacts of the health crisis, this goal had already been attained in fiscal year 2020/2021 and the S.B.M. Group has taken on a new dimension by boosting its revenues and increasing its assets.

The Café de Paris project, which began in fiscal year 2021/2022, is in keeping with the aforementioned projects at the Place du Casino, with the enhanced use of the building and an improvement in the commercial rental sector offering.


#CASINODEMONTECARLO

4

SYNTHESIS OF 2021/2022 FINANCIAL STATEMENTS AND STATUTORY AUDITORS AND CONTRACTUAL AUDITOR'S REPORTS

Complete Parent Company Financial Statement and Consolidated Financial Statement (annual financial statements and notes associated to financial statements) are presented in Chapter 5 of the "Document d'enregistrement universel" filed in the French language on June 29, 2022 with the French Financial Markets Authority (*Autorité des Marchés Financiers*).

The following information relates to synthesis financial statements (statement of financial position, statement of income, cash flow statement, statement of changes in equity), and associated Statutory Auditors and Contractual Auditor's reports.

4.1 Annual financial statements in accordance with Monegasque accounting standards – Synthesis

4.1.1 Balance sheet as of March 31, 2022

ASSETS

	2021/2022 Fiscal year			2020/2021 Fiscal year
(in thousands of euros)	Gross	Depreciation, amortization and provisions	Net	Net
CURRENT ASSETS OR ASSETS RECOVERABLE IN LESS THAN 1 YEAR	**299,673**	**79,832**	**219,841**	**113,454**
Cash in hand	16,590		16,590	14,900
Banks: deposit on demand	170,798		170,798	66,888
Other assets on demand	7		7	
Banks: time deposits	10,000		10,000	10,000
Marketable securities				
Operating receivables	8,568	2,047	6,520	3,459
Other receivables	9,935	474	9,461	10,318
Investment accounts				
Affiliate accounts	81,576	77,311	4,265	2,326
Assets withheld	2,199		2,199	5,563
INVENTORY	**12,837**	**81**	**12,756**	**11,783**
ADVANCE PAYMENTS OR GUARANTEES	**1,301**		**1,301**	**9,155**
Payments on account on orders	1,301		1,301	9,155
ASSETS TO MATURE IN OVER 1 YEAR				
Loans				
NON-CURRENT ASSETS	**190**	**19**	**172**	**216**
Deposits and guarantees paid	190	19	172	216
PARTICIPATING INTERESTS	**197,595**	**659**	**196,935**	**211,674**
Affiliates	197,491	641	196,850	211,594
Other participating interests	104	18	85	81
FIXED ASSETS	**1,896,442**	**963,793**	**932,649**	**973,191**
Intangible assets:				
◆ Concessions, patents & similar	42,052	34,144	7,908	8,071
◆ Leasehold rights	18	18		
◆ Assets in progress	1,795		1,795	1,520
Property, plant & equipment:				
◆ Land	84,414		84,414	84,414
◆ Revaluation reserves as of 03/31/1979	35,611	35,611		
◆ Land development	2,970	2,529	440	456
◆ Buildings	1,317,292	618,705	698,587	734,801
◆ Industrial and technical plant	262,305	189,053	73,252	82,166
◆ Other PP&E	130,512	83,732	46,780	55,502
◆ PP&E in progress	19,472		19,472	6,260
TOTAL ASSETS	**2,408,037**	**1,044,384**	**1,363,653**	**1,319,473**
CHARGES TO BE AMORTIZED	**1,032**		**1,032**	**1,595**
ACCRUED INCOME & DEFERRED CHARGES	**5,423**		**5,423**	**5,166**
Prepaid expenses	5,230		5,230	4,727
Other suspense accounts	193		193	439
Foreign exchange differences				
GRAND TOTAL	**2,414,493**	**1,044,384**	**1,370,109**	**1,326,234**
CLEARING ACCOUNTS				
Directors' shares held as management			5	5
Deposits and guarantees given			107,967	119,333
Deposits received			5,389	7,677
Other guarantees received			120,000	120,000
Trade payables			37,378	22,995
Third-party receivables for bank guarantees given				
Opening of credit facility and confirmed unused overdrafts			15,000	15,000
Variable-rate hedge			102,000	136,000
			387,739	**421,010**

LIABILITIES & STOCKHOLDERS' EQUITY

(in thousands of euros)	2021/2022 Fiscal Year	2020/2021 Fiscal Year
LIABILITIES PAYABLE IN LESS THAN 1 YEAR	**319,746**	**363,193**
Bank overdrafts		
Bills payable	5,066	4,796
Operating liabilities	49,897	38,980
Affiliate accounts	24,549	13,687
Employee accounts	38,971	55,332
Borrowings	179,384	232,128
Other liabilities	3,009	3,192
Liabilities withheld	18,871	15,079
ADVANCE COLLECTIONS OR GUARANTEES	**50,954**	**42,960**
Advances received	26,970	19,633
Deposits and guarantees received	23,984	23,327
LIABILITIES TO MATURE IN OVER 1 YEAR	**30,380**	**38,584**
Operating liabilities		
Liabilities withheld	30,380	38,584
PROVISIONS FOR CONTINGENCIES	**17,925**	**21,452**
Other provisions for contingencies	17,925	21,452
ACCRUED LIABILITIES & DEFERRED INCOME	**185,282**	**205,941**
Revenues to be recorded in future fiscal years	179,894	200,999
Other accrued liabilities and deferred income	776	199
Foreign exchange differences	54	35
Investment grant		
◆ *gross*	*17,535*	*17,535*
◆ *amortization*	*(12,977)*	*(12,827)*
STOCKHOLDERS' EQUITY		
Common stock, additional paid-in capital and reserves	**430,791**	**430,791**
Common stock: 24,516,661 shares of €1	24,517	24,517
Additional paid-in capital on shares	214,650	214,650
Revaluation reserves:		
◆ Revaluation surplus 03/31/1990	167,694	167,694
◆ Revaluation reserve 03/31/1979	23,931	23,931
Reserves:	**162,503**	**162,503**
◆ Statutory reserve	2,452	2,452
◆ Optional reserve	148,799	148,799
◆ Contingency reserve	11,252	11,252
◆ Long-term capital gains		
Results:	**172,528**	**60,809**
◆ Retained earnings	63,804	77,825
◆ Net income for the period	108,724	(17,016)
Total stockholders' equity	**765,822**	**654,103**
GRAND TOTAL	**1,370,109**	**1,326,234**
CLEARING ACCOUNTS		
Directors' shares held as management	5	5
Deposits and guarantees given	107,967	119,333
Deposits received	5,389	7,677
Other guarantees received	120,000	120,000
Trade payables	37,378	22,995
Third-party receivables for bank guarantees given		
Opening of credit facility and confirmed unused overdrafts	15,000	15,000
Variable-rate hedge	102,000	136,000
	387,739	**421,010**

4.1.2 Statement of income

(in thousands of euros)	2021/2022 Fiscal Year	2020/2021 Fiscal Year
MAIN ACTIVITY		
Gaming receipts	228,798	142,291
Services rendered	284,980	186,282
Sales of bought-in goods	3,801	2,080
Other receipts	3,813	3,342
Less: intra-group transfers	(8,395)	(5,237)
Total income from main activity	**512,997**	**328,758**
To be deducted:		
◆ Cost of purchase of bought-in goods	(3,031)	(1,800)
◆ Purchases of raw materials and supplies	(138,125)	(96,816)
◆ License fees, duties and taxes other than income tax	(30,445)	(19,535)
◆ Wages and salaries	(202,694)	(181,171)
◆ Other operating expenses	(45,975)	(34,105)
◆ Depreciation and amortization charges	(67,401)	(72,317)
Provisions:		
◆ Charges	(35,710)	(54,669)
◆ Write-backs	47,194	35,238
Total expenses from main activity	**(476,187)**	**(425,175)**
Share in proceeds from joint ventures		
Net income/(loss) from main activity	**36,811**	**(96,416)**
RELATED ACTIVITIES		
Financial net income/(loss)	70,031	1,287
Revenues from participating interests	5,306	11,708
Provisions:		
◆ Charges	(36)	(38)
◆ Write-backs	5	11
Net income/(loss) from related activities	**75,306**	**12,967**
EXCEPTIONAL INCOME/(EXPENSES)		
Various exceptional expenses	(982)	661
Provisions:		
◆ Charges	(16)	
◆ Write-backs		65,178
Net exceptional items	**(998)**	**65,839**
Losses from prior years	**(2,395)**	**594**
NET INCOME/(LOSS) FOR THE PERIOD	**108,724**	**(17,016)**

4.1.3 Statutory Auditors' General Report

Year ended March 31, 2022

Stéphane GARINO
Chartered Accountant
2, rue de la Lüjerneta
98000 MONACO

Jean-Humbert CROCI
Chartered Accountant
2, rue de la Lüjerneta
98000 MONACO

FREE TRANSLATION OF THE STATUTORY AUDITOR'S REPORT 2022

This is a free translation into English of the statutory auditor's report issued in French and is provided solely for the convenience of English speaking users. The statutory auditor's report includes information specifically required by the Monacan legislation in such reports, whether modified or not. This information presented below is the auditor's opinion on the Financial Statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Financial Statements taken as a whole and not to provide a separate assurance on any individual financial caption or on any information taken outside the Financial Statements.

Dear Shareholders,

In accordance with the legal requirements in Article 25 of the law n°408 of January 20, 1945 and with the terms of our appointment in accordance with Article 8 of the aforementioned law and the annual general shareholder meeting held on September 25, 2020 for the years 2020/2021, 2021/2022 and 2022/2023, we submit to you our report on the Financial Statements for the year ended March 31, 2022.

The worldwide crisis linked to the COVID-19 pandemic has created special conditions for the preparation and audit of this year's accounts. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote work, have also had an impact on the internal organization of companies and on the way audits are conducted.

The Financial Statements and other internal documents approved by the Board of Directors were made available for the purpose of our audit in a timely manner.

Our audit, which was designed to allow us to express an opinion on these Financial Statements, was performed in accordance with professional auditing standards. It includes an examination of the balance sheet as of March 31, 2022 and of the Statement of Profit and Loss for the year 2021-2022.

The total balance sheet is 1,370,109 K€. The profit for the financial year ended March 31, 2022, is 108,724 K€. The Shareholders' equity is worth 765,822 K€.

These documents were prepared under the same accounting principles and methods as last year and adopted under the conditions mentioned above, except the following change:

- Following the international recommendations issued on the calculation of the provision for retirement benefits, your company has applied the new calculation method.
- This change in method is therefore recognized in retained earnings for the year 2021/2022 in the amount of €3 million, with a corresponding decrease in the provision for retirement and similar commitments as of April 1, 2021. The impact on the income statement for the year is not material.

We examined the various components of the assets and liabilities together with methods used for their valuation and the matching of revenues and expenses.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require us to plan and perform the audit to obtain a reasonable assurance that the Financial Statements are free of material misstatement.

An audit requires examining the evidence supporting the amounts and disclosures in the Financial Statements, on a test basis or by other selection methods. It also includes assessing the assumptions made by the management regarding the accounting policies and estimates as well as the overall presentation of the Financial Statements.

In our opinion, the Financial Statements attached to this report and submitted to your approval give a true and fair view of the company's position and its assets and liabilities as of March 31, 2022 and the result of the transactions for the twelve months then ended. The Financial Statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

We have also examined the note to the Financial Statements included in the Board of Directors' report, the proposed allocation of the year net income and the compliance with legal and statutory provisions applying to the running of the Company. We do not have any further comments.

Monaco, June 27, 2022

The Statutory Auditors

Stéphane GARINO **Jean-Humbert CROCI**

4.1.4 Statutory Auditors' Special Report

Year ended March 31, 2022

Stéphane GARINO

Chartered Accountant
2, rue de la Lüjerneta
98000 MONACO

Jean-Humbert CROCI

Chartered Accountant
2, rue de la Lüjerneta
98000 MONACO

Dear Shareholders,

In accordance with the legal requirements of the Article 24 of the Law n° 408 dated January 20, 1945, we hereby report to you on the transactions covered by the Article 23 of the Sovereign Ordinance dated March 5, 1895, for the year ended March 31, 2022 with respect to the shareholders' meetings held in that period.

OPERATIONS SPECIFIED IN THE ARTICLE 23 OF THE SOVEREIGN ORDINANCE OF MARCH 5, 1895

We remind you that this involves all businesses or markets (transactions) implying a series of successive services (goods, supplies, etc.) of the same or similar nature, conducted with the company or on its behalf, and in which a member of the Board of your Direction is either directly or indirectly involved.

The execution of these transactions during the fiscal year 2021-2022 is described in the special report disclosed by your Board of Directors. We have checked the information included in that report and have no further remark.

GENERAL MEETING HELD DURING THE FISCAL YEAR

During the course of the fiscal year, it was held:

- on September 24, 2021, at the Annual Ordinary Shareholders' Meeting in order to approve the financial statements for the fiscal year ending March 31, 2021, to ratify the appointment of a director and to renew the mandate of two directors.

For this General Meeting, we have checked:

- the respect of the legal and statutory requirements regarding its organization;
- the execution of the approved resolution.

We do not have any remark.

Monaco, June 27, 2022

The Statutory Auditors

Stéphane GARINO **Jean-Humbert CROCI**

4.2 Annual financial statements in accordance with French accounting standards – Synthesis

4.2.1 Balance sheet as of March 31, 2022

ASSETS

	2021/2022 Fiscal year			2020/2021 Fiscal year
(in thousands of euros)	Gross	Depreciation, amortization and provisions	Net	Net
NON-CURRENT ASSETS				
Intangible assets	**43,865**	**34,162**	**9,703**	**9,591**
Concessions, patents & similar	42,052	34,144	7,908	8,071
Leasehold rights	18	18		
Intangible assets in progress	1,741		1,741	1,515
Payments on account	54		54	5
Property, plant & equipment	**1,852,576**	**929,631**	**922,946**	**963,600**
Land	122,996	38,141	84,855	84,871
Buildings	1,317,292	618,705	698,587	734,801
Industrial and technical plant	262,305	189,053	73,252	82,166
Other PP&E	130,512	83,732	46,780	55,502
PP&E under construction	9,332		9,332	5,788
Payments on account	10,141		10,141	472
Long-term investments	**199,833**	**1,152**	**198,681**	**213,200**
Participating interests	198,921	641	198,280	212,759
Other financial investments	8	8		
Loans	618	474	144	144
Other financial assets	286	29	257	297
Total non-current assets	**2,096,275**	**964,945**	**1,131,330**	**1,186,391**
CURRENT ASSETS				
Inventory	12,837	81	12,756	11,783
Payments on account – advances paid	1,301		1,301	9,155
Operating receivables	9,336	2,047	7,289	7,856
Other operating receivables	5,889		5,889	6,460
Other receivables	85,198	77,311	7,887	6,479
Cash and cash equivalent	197,395		197,395	91,789
Prepaid expenses	5,230		5,230	4,727
Total current assets	**317,186**	**79,439**	**237,747**	**138,248**
Deferred charges & unrealized foreign exchange losses	1,032		1,032	1,595
TOTAL ASSETS	**2,414,493**	**1,044,384**	**1,370,109**	**1,326,234**

LIABILITIES & STOCKHOLDERS' EQUITY

(in thousands of euros)	2021/2022 Fiscal year	2020/2021 Fiscal year
STOCKHOLDERS' EQUITY		
Common stock	24,517	24,517
Additional paid-in capital	214,650	214,650
Revaluation reserves	191,625	191,625
Statutory reserve	2,452	2,452
Long-term net capital gains reserve		
Contingency reserve	11,252	11,252
Optional reserve	148,799	148,799
Retained earnings	63,804	77,825
Net income/(loss)	108,724	(17,016)
Investment grants	4,558	4,708
Total stockholders' equity	**770,380**	**658,811**
PROVISIONS FOR CONTINGENCIES & LOSSES		
Provisions for contingencies	17,925	21,452
Provisions for losses	32,330	40,633
Total provisions for contingencies & losses	**50,255**	**62,085**
LIABILITIES		
Bank borrowings	124,408	177,211
Other borrowings	78,960	78,244
Payments on account – advances received	26,970	19,633
Trade payables and related accounts	19,894	16,239
Tax and employee-related liabilities	79,822	82,462
Other operating liabilities	4,373	4,559
Amounts payable on PP&E	6,765	8,879
Other liabilities	28,334	17,078
Prepaid income	179,894	200,999
Total liabilities	**549,419**	**605,303**
Unrealized foreign exchange gains	54	35
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**1,370,109**	**1,326,234**

4.2.2 Statement of income

(in thousands of euros)	2021/2022 Fiscal year	2020/2021 Fiscal year
OPERATING INCOME		
Net revenues	509,211	325,363
Write-back of depreciation, amortization and provisions	47,194	35,238
Expense reclassifications	1,105	1,002
Other income	3,813	3,343
Total operating income	**561,323**	**364,945**
OPERATING EXPENSES		
Purchases of bought-in goods	(1,887)	(1,158)
Changes in inventory of bought-in goods	(1,144)	(639)
Purchases of raw materials and other supplies	(23,565)	(11,065)
Changes in inventory of raw materials and other supplies	2,176	175
Other purchases and external charges	(118,963)	(86,355)
Share in proceeds from joint ventures		
Duties and taxes other than income tax	(31,772)	(19,626)
Wages and salaries	(141,336)	(135,345)
Employee welfare contributions and similar charges	(61,351)	(45,729)
Depreciation and amortization on fixed assets	(67,401)	(72,317)
Charges to provisions on current assets	(30,194)	(28,165)
Charges to provisions for contingencies and losses	(5,516)	(26,504)
Other charges	(45,956)	(34,039)
Total operating expenses	**(526,907)**	**(460,768)**
NET INCOME/(LOSS) FROM OPERATIONS	**34,416**	**(95,822)**
FINANCIAL INCOME		
From participating interests and marketable securities	5,306	11,708
Other interest and similar income		27
Foreign exchange gains	47	83
Net proceeds from sale of short-term investment securities	74,466	6,122
Write-back of provisions	5	11
Total financial income	**79,824**	**17,950**
FINANCIAL EXPENSES		
Interest and similar charges	(4,428)	(4,881)
Foreign exchange losses	(54)	(64)
Net charges on sales of short-term investment securities		
Charges to provisions	(36)	(38)
Total financial expenses	**(4,518)**	**(4,983)**
NET INCOME/(LOSS) FROM FINANCIAL ITEMS	**75,306**	**12,967**
EXCEPTIONAL INCOME		
From non-capital transactions	230	286
From capital transactions	197	517
Write-back of provisions		65,178
Total exceptional income	**427**	**65,982**
EXCEPTIONAL EXPENSES		
On non-capital transactions	(52)	
On capital transactions	(1,357)	(143)
Charges to provisions	(16)	
Total exceptional expenses	**(1,425)**	**(143)**
NET EXCEPTIONAL ITEMS	**(998)**	**65,839**
CORPORATE INCOME TAX		
NET INCOME/(LOSS) FOR THE PERIOD	**108,724**	**(17,016)**

4.2.3 Cash flow statement

(in thousands of euros)	2021/2022 Fiscal year	2020/2021 Fiscal year
OPERATING ACTIVITIES		
Cash flow before disposal of fixed assets	168,482	7,774
Changes in working capital requirements	(3,431)	(20,987)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**165,051**	**(13,213)**
INVESTING ACTIVITIES		
Purchases of PP&E and intangible assets	(19,778)	(22,105)
Investment grants		
Changes in long-term investments and deferred charges	14,488	57,246
Proceeds from disposal of assets	47	148
Changes in amounts payable on PP&E	(2,114)	(17,154)
CASH FLOW FROM (USED IN) IN INVESTING ACTIVITIES	**(7,357)**	**18,135**
FINANCING ACTIVITIES		
Draw-downs on credit facility		
Credit line repayments	(52,804)	(52,801)
Dividends paid		(390)
Share capital increase		
Changes in stable financing activities	716	37,121
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(52,088)**	**(16,070)**
CHANGE IN CASH AND CASH EQUIVALENTS	**105,607**	**(11,148)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**91,789**	**102,937**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**197,395**	**91,789**

4.2.4 Contractual Auditor's and Statutory Auditors' report on the financial statements prepared in accordance with French accounting regulations

Year ended March 31, 2022

Jean-Humbert CROCI
2, rue de la Lüjerneta
98000 Principauté de Monaco

Stéphane GARINO
2, rue de la Lüjerneta
98800 Principauté de Monaco

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense Cedex

This is a free translation into English of the Contractual Auditor's and Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

1. OPINION

We have audited the financial statements of Société des Bains de Mer et du Cercle des Étrangers à Monaco for the year ended March 31, 2022, comprising the balance sheet, income statement and cash flow statement, as well as the notes thereto.

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as of March 31, 2022 and of its financial performance and cash flows for the year then ended in accordance with generally accepted accounting principles in France.

2. BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Responsibility of the Contractual Auditor and Statutory Auditors for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the IESBA (International Ethics Standards Board for Accountants) Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. EMPHASIS OF MATTER

We draw your attention to paragraph 1.1 "Change in accounting method" of Note 1 "Accounting principles and methods" to the financial statements, concerning the change in accounting method relating to the measurement and recognition of pension commitments. Our opinion is not modified in respect of this matter.

4. KEY AUDIT MATTER

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

It is in this complex and evolving context that we inform you of the key audit matters which, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Responses as part of our audit
Recognition of gaming revenue	
The Company's revenue totaled €509.2 million for the year ended March 31, 2022, and the gaming sector, which mainly includes table games and automatic machines, represented €233.5 million. We considered the recognition of gaming revenue to be a key audit matter for the following reasons ◆ gaming transactions are characterized by the constant handling of chips and cash, as well as daily manual counts used to recognize revenue in the accounts, which could be conducive to fraud and create a risk concerning the completeness of the recorded transactions; ◆ revenue is a key performance indicator and the verification that controls are not overridden by management requires particular attention.	We assessed the appropriateness of the control procedures implemented by the Company to cover the risks of material misstatement that we identified for gaming revenue. Accordingly, we verified the effectiveness of the relevant controls covering the risks relating to manual counts and the recording of gaming transactions, mainly by: ◆ physically observing the procedures in gaming rooms; ◆ verifying, on a sample basis, the implementation of these relevant controls and their effectiveness. This work was supplemented by substantive tests designed to verify, on a sample basis, that these transactions were properly recorded in the correct amount. We also responded to the risk that gaming revenue would not be recognized in full, by verifying the recording in the accounts of a sample of manually-counted gaming receipts.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French generally accepted accounting principles, and for the internal control it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for monitoring the company's financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

6. RESPONSIBILITY OF THE CONTRACTUAL AUDITOR AND STATUTORY AUDITORS FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- identify and assess the risks of material misstatement of the 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 Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicating to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Among the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and that are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. SPECIFIC VERIFICATIONS

Information presented in the management report

We have also verified the information pertaining to the Company that corresponds to information in the Board of Director's management report and contained in the Universal Registration Document in accordance with professional practices in France. We have no comments to make on its fair presentation and consistency with the financial statements.

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Deputy Chairman, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Monaco and Paris-La-Défense, June 27, 2022

French original signed by

The Statutory Auditors		*The Contractual Auditor*	
		Deloitte & Associés	
Jean-Humbert CROCI	**Stéphane GARINO**	**David DUPONT-NOEL**	**Hugues DESGRANGES**

4.3 Company results over the last five fiscal years

	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
I – STOCKHOLDERS' EQUITY					
Common stock *(in thousands of euros)*	24,517	24,517	24,517	24,517	24,517
Number of ordinary shares	24,516,661	24,516,661	24,516,661	24,516,661	24,516,661
II – OPERATIONS AND INCOME FOR THE YEAR *(in thousands of euros)*					
Revenues before income tax	509,211	325,363	563,273	460,615	405,489
Net income/(loss) after income tax, but before depreciation, amortization & provisions	164,689	9,581	104,770	44,225	19,674
Net income/(loss) after income tax, depreciation, amortization & provisions	108,724	(17,016)	13,011	(10,119)	(32,148)
Dividends paid to stockholders	24,517				
III – PER SHARE DATA *(in euros)*					
Net income/(loss) after income tax, but before depreciation, amortization & provisions	6.72	0.39	4.27	1.80	0.80
Net income/(loss) after income tax, depreciation, amortization & provisions	4.43	(0.69)	0.53	(0.41)	(1.31)
Dividend per share	1.00				
IV – EMPLOYEES					
Number of employees as of March 31	3,107	3,013	3,677	3,501	3,322
Total payroll for the year (1) *(in thousands of euros)*	141,336	135,345	162,603	154,040	144,260
Employee benefits for the year (social security, social welfare, etc.) (2) *(in thousands of euros)*	61,351	45,729	70,582	64,938	61,048

(1) Excluding funds and pools.
(2) Including retirement expenses.

4.4 Group consolidated financial statements – Synthesis

4.4.1 Consolidated statement of financial position as of March 31, 2022

ASSETS

(in thousands of euros)	March 31, 2021	March 31, 2022
Goodwill	**32**	**32**
Intangible assets	**9,606**	**9,705**
Property, plant & equipment	**1,035,406**	**991,533**
Right-of-use asset	**7,846**	**4,405**
Equity investments	66,120	18,265
Other non-current financial assets	467	426
Non-current financial assets	**66,588**	**18,691**
Non-current assets	**1,119,478**	**1,024,366**
Inventory	12,905	13,884
Trade receivables	23,221	24,739
Other receivables	27,800	19,084
Other financial assets	20	115
Cash and cash equivalents	100,699	208,344
Current assets	**164,645**	**266,166**
TOTAL ASSETS	**1,284,122**	**1,290,532**

LIABILITIES & EQUITY

(in thousands of euros)	March 31, 2021	March 31, 2022
Common stock	24,517	24,517
Additional paid-in capital	214,650	214,650
Reserves	406,440	337,553
Consolidated net income for the period	(79,110)	76,352
Equity attributable to owners of the parent company	**566,497**	**653,073**
Non controlling interests (minority interests)	741	
Equity	**567,238**	**653,073**
Financial liabilities and borrowings	141,387	87,377
Lease liabilities	4,951	2,070
Employee benefits	46,156	38,088
Provisions	11,019	7,937
Other non-current liabilities	166,665	142,373
Total non-current liabilities	**370,178**	**277,844**
Trade payables	20,265	25,409
Contract liabilities	25,526	39,926
Other payables	165,203	164,412
Provisions	16,150	11,303
Lease liabilities	7,558	3,539
Financial liabilities	112,003	115,027
Total current liabilities	**346,706**	**359,615**
TOTAL LIABILITIES & EQUITY	**1,284,122**	**1,290,532**

4.4.2 Consolidated statement of income

(in thousands of euros)	2020/2021 Fiscal year	2021/2022 Fiscal year
Revenue	**336,887**	**530,514**
Cost of goods sold, raw materials & other supplies	(26,555)	(45,573)
Other external charges	(79,772)	(107,418)
Taxes and similar payments	(19,668)	(31,809)
Wages and salaries	(209,862)	(228,879)
Depreciation and amortization	(89,251)	(76,202)
Other operating income and expenses	(15,031)	(5,274)
Operating income	**(103,251)**	**35,358**
Income from cash and cash equivalents	7	11
Cost of debt	(6,963)	(5,149)
Cost of net debt	**(6,956)**	**(5,138)**
Other financial income and expenses	(7)	(94)
Other income/(loss) related to investment accounted for using equity method (including net income/(loss) of associates)	30,866	46,227
Income tax expense		
Consolidated net income	**(79,349)**	**76,352**
Non controlling interests (minority shares)	239	
CONSOLIDATED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**(79,110)**	**76,352**
Average number of shares issued	24,516,661	24,516,661
Net earnings per share *(in euros)*	(3.23)	3.11
Net diluted earnings per share *(in euros)*	(3.23)	3.11

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2020/2021 Fiscal year	2021/2022 Fiscal year
Consolidated net income	(79,349)	76,352
Items that will not be reclassified subsequently to profit or loss		
◆ Actuarial gains and losses on employee benefits (IAS 19 revised)	(1,994)	5,087
◆ Share of profit/(loss) of associates		
Items that may be reclassified subsequently to profit or loss		
◆ Gains and losses on the remeasurement of financial instruments	171	468
◆ Share of profit/(loss) of associates	(2)	868
TOTAL COMPREHENSIVE INCOME	**(81,174)**	**82,775**
Of which attributable to the owners of the parent company	(80,935)	82,775
Of which attributable to non controlling interests (minority interests)	(239)	

4.4.3 Consolidated cash flow statement

(in thousands of euros)	2020/2021 Fiscal year	2021/2022 Fiscal year
OPERATING ACTIVITIES		
Consolidated net income attributable to owners of the parent company	(79,110)	76,352
Non controlling interest (minority interest)	(239)	
Amortization	89,251	76,202
Other income/(loss) related to investment accounted for using equity method (including net income/(loss) of associates)	(30,866)	(46,227)
Portion of investment grant recorded in profit or loss	(370)	(150)
Changes in provisions	13,714	(7,939)
Gains and losses on changes in fair value		
Other income and expenses calculated	29	31
Capital gains and losses on disposal	75	1,399
Cash generated from operations	**(7,515)**	**99,668**
Net finance costs (excluding change)	6,956	5,138
Cash generated from operations before net finance costs and income tax expense	**(559)**	**104,806**
Tax paid		
Decrease/(increase) in WCR relating to operations	(9,633)	(4,895)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**(10,192)**	**99,912**
INVESTING ACTIVITIES		
Purchase of PP&E, intangible and financial assets	(43,180)	(23,796)
Gains on disposal of PP&E and intangible assets	150	47
Impact of changes in scope of consolidation		
Change in loans and advances granted	598	6
Others	72,500	95,037
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**30,068**	**71,294**
FINANCING ACTIVITIES		
Dividends paid	(396)	
Minority contributions and changes in scope of consolidation		
Share capital increase		
Changes in stable financing activities (including credit line)	(15,660)	(51,143)
Lease liabilities paid	(7,520)	(7,813)
Net interest received (paid)	(5,338)	(4,604)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**(28,914)**	**(63,561)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(9,039)**	**107,645**
Cash and cash equivalents at beginning of the period	**109,737**	**100,699**
Cash and cash equivalents at the end of the period	**100,699**	**208,344**
Cash and cash equivalents – Assets	100,699	208,344
Bank – Liabilities		

4.4.4 Consolidated statement of changes in equity

(in thousands of euros)	Common stock	Addtional paid-in capital	Items recognized directly in equity	Reserves and retained earnings	Equity attributable to the owners of the parent company	Non controlling interests (minority interests)	Equity
APRIL 1, 2020	**24,517**	**214,650**	**(4,096)**	**414,296**	**649,365**	**986**	**650,350**
Net income for the period				(79,110)	(79,110)	(239)	(79,349)
Other comprehensive income			(1,825)		(1,825)		(1,825)
Total Comprehensive income			**(1,825)**	**(79,110)**	**(80,935)**	**(239)**	**(81,174)**
Dividend paid				(390)	(390)	(6)	(396)
Share capital increase							
Other variations			15		15		15
Other variations related to associates			(1,557)		(1,557)		(1,557)
MARCH 31, 2021	**24,517**	**214,650**	**(7,462)**	**334,795**	**566,498**	**741**	**567,238**
IAS 19 restatement*			2,971		2,971		2,971
APRIL 1, 2021	**24,517**	**214,650**	**(4,491)**	**334,795**	**569,469**	**741**	**570,209**
Net income for the period				76,352	76,352		76,352
Other comprehensive income			6,423		6,423		6,423
Total Comprehensive income			**6,423**	**76,352**	**82,775**		**82,775**
Dividend paid							
Share capital increase							
Other variations			741		741	(741)	
Other variations related to associates			88		88		88
MARCH 31, 2022	**24,517**	**214,650**	**2,760**	**411,148**	**653,073**		**653,073**

* *As stated in Note 2.1 of the notes associated to financial statement as of March 31, 2022, corresponds to the application of IFRIC 2021 interpretation related to IAS 19 - "Employee benefits".*

4.4.5 Contractual Auditor's and Statutory Auditors' report on the consolidated financial statements

Year ended March 31, 2022

Jean-Humbert CROCI	Stéphane GARINO	Deloitte & Associés
2, rue de la Lüjerneta 98000 Principauté de Monaco	2, rue de la Lüjerneta 98000 Principauté de Monaco	6, place de la Pyramide 92908 Paris-La Défense Cedex

This is a free translation into English of the Contractual Auditor's and Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

1. OPINION

We have audited the consolidated financial statements of Société des Bains de Mer et du Cercle des Étrangers à Monaco for the year ended March 31, 2022, comprising the consolidated balance sheet, consolidated income statement, statement of comprehensive income, consolidated cash flow statement and statement of changes in equity, as well as the notes thereto.

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as of March 31, 2022 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRSs as adopted in the European Union.

2. BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Responsibility of the Contractual Auditor and Statutory Auditors for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the IESBA (International Ethics Standards Board for Accountants) Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. EMPHASIS OF MATTER

We draw your attention to paragraph 2.1.1 "Change in accounting method" of Note 2 "Accounting principles and methods" to the consolidated financial statements, concerning the change in accounting method relating to the measurement and recognition of pension commitments. Our opinion is not modified in respect of this matter.

4. KEY AUDIT MATTER

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

It is in this complex and evolving context that we inform you of the key audit matters which, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Responses as part of our audit
Recognition of gaming revenue	
Consolidated revenue totaled €530.5 million for the year ended March 31, 2022, and the gaming sector, which mainly includes table games and automatic machines, represented €200.8 million. We considered the recognition of gaming revenue to be a key audit matter for the following reasons ◆ gaming transactions are characterized by the constant handling of chips and cash, as well as daily manual counts used to recognize revenue in the accounts, which could be conducive to fraud and create a risk concerning the completeness of the recorded transactions; ◆ revenue is a key performance indicator and the verification that controls are not overridden by management requires particular attention.	We assessed the appropriateness of the control procedures implemented by the Company to cover the risks of material misstatement that we identified for gaming revenue. Accordingly, we verified the effectiveness of the relevant controls covering the risks relating to manual counts and the recording of gaming transactions, mainly by: ◆ physically observing the procedures in gaming rooms; ◆ verifying, on a sample basis, the implementation of these relevant controls and their effectiveness. This work was supplemented by substantive tests designed to verify, on a sample basis, that these transactions were properly recorded in the correct amount. We also responded to the risk that gaming revenue would not be recognized in full, by verifying the recording in the accounts of a sample of manually-counted gaming receipts.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and for the internal control it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management 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 management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for monitoring the Group's financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

6. RESPONSIBILITY OF THE CONTRACTUAL AUDITOR AND STATUTORY AUDITORS FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs, 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 management;

- conclude on the appropriateness of management's 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicating to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Among the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and that are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. SPECIFIC VERIFICATIONS

Information presented in the management report

We have also verified the information pertaining to the group that corresponds to information in the Board of Director's management report and contained in the Universal Registration Document in accordance with professional practices in France. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Deputy Chairman, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Monaco and Paris-La-Défense, June 27, 2022

French original signed by

The Statutory Auditors		*The Contractual Auditor*	
		Deloitte & Associés	
Jean-Humbert CROCI	**Stéphane GARINO**	**David DUPONT-NOEL**	**Hugues DESGRANGES**

4.5 Statutory Auditors and Contractual Auditor's fees

	Contractual Auditor				Statutory Auditors (detail per auditor below)			
	Amount excluding taxes		%		Amount excluding taxes		%	
(in euros)	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
Audit								
Certification of statutory and consolidated accounts and half-year limited review								
Issuer	334,000	300,000	96	76	98,500	85,000	87	85
Fully consolidated subsidiaries					15,000	14,550	13	15
Services other than accounts certification								
Issuer	12,489	92,214	4	24				
Fully consolidated subsidiaries								
TOTAL FEES PAID	**346,489**	**392,214**	**100**	**100**	**113,500**	**99,550**	**100**	**100**

Fees related to fully consolidated subsidiaries for statutory auditors that are not involved at issuer level are not mentioned in the table below. Those fees amounted to €104,700 for fiscal year 2021/2022 and €103,820 for fiscal year 2020/2021.

	Statutory Auditor Mr. Stéphane Garino				Statutory Auditor Mr. Jean-Humbert Croci			
	Amount excluding taxes		%		Amount excluding taxes		%	
(in euros)	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
Audit								
Certification of statutory and consolidated accounts and half-year limited review								
Issuer	55,500	42,500	95	94	43,000	42,500	78	79
Fully consolidated subsidiaries	3,000	2,950	5	6	12,000	11,600	22	21
Services other than accounts certification								
TOTAL FEES PAID	**58,500**	**45,450**	**100**	**100**	**55,000**	**54,100**	**100**	**100**

5

ORDINARY GENERAL MEETING HELD ON SEPTEMBER 23, 2022

5.1 Agenda

- Report of the Board of Directors
- Reports of the Statutory Auditors and Contractual Auditor on financial statements as of March 31, 2022
- Approval of the fiscal year 2021/2022 Parent Company financial statements
- Approval of the fiscal year 2021/2022 Group consolidated financial statements
- Discharge of all Directors from any liabilities with respect to the performance of their mandate
- Final discharge to Directors whose term of office ended during the fiscal year
- Appropriation of earnings for the year ended March 31, 2022
- Ratification of a Director
- Authorization granted by the General Meeting to the members of the Board of Directors to deal with the company personally or in an official capacity pursuant to Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws
- Authorization for the buyback of the company shares

5.2 Board of Directors' report

The purpose of this report is to draw your attention to the main points and issues of the draft resolutions submitted by the Board of Directors to the Ordinary General Meeting of Shareholders, due to deliberate on September 23, 2022. Therefore, this report is not comprehensive and should by no means replace your careful reading of the submitted resolutions before exercising your voting right.

The Ordinary General Meeting to be held on September 23, 2022 shall be asked to vote on eight resolutions.

Overview of the resolutions

APPROVAL OF THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (1ST AND 2ND RESOLUTIONS)

The first two resolutions enable you, after familiarizing yourself with the reports of your Board of Directors, the Contractual Auditor and Statutory Auditors, to indicate whether you approve or disapprove the Company's financial statements and the consolidated financial statements for year ended March 31, 2022 as well as the transactions reflected in such financial statements and summarized in such reports.

The **first resolution** submitted to you, concerns the approval of the Parent Company's financial statements for the fiscal year ended March 31, 2022, which show a profit of €108,723,788.20.

The **second resolution** asks the Meeting to vote its approval (if appropriate) of the S.B.M. Group's consolidated financial statements, which show a net consolidated profit (Group share) of €76,352,000.

DISCHARGE TO ALL CURRENT DIRECTORS (3RD RESOLUTION)

You are asked to grant discharge to all current Directors with respect to their management during the 2021/2022 financial year.

FINAL DISCHARGE OF DIRECTORS WHOSE TERM OF OFFICE ENDED DURING THE FISCAL YEAR (4TH RESOLUTION)

You are asked to grant final discharge to Mr. Michael Mecca whose term of office as Director appointed by the Shareholders' General Meeting ended as of September 24, 2021 and to Mr. Michel Dotta whose term of office as Director appointed by the Government ended as of September 30, 2021.

ALLOCATION OF PROFITS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 (5TH RESOLUTION)

The **fifth resolution** concerns the allocation of profits of the Parent Company.

The proposed profit allocation is as follows:

- after noting that the company's net income for the year ended March 31, 2022 amounts to €108,723,788.20 and that retained earnings amount to €63,804,364.86 as of March 31, 2022, after an adjustment of the retained earnings for an amount of €2,995,431 on fiscal year 2021/2022 due to the IFRIC interpretation on IAS 19;
- hence net income available for appropriation amounting to €172,528,153.06;
- propose to allocate the total net income for appropriation, i.e. an amount of €172,528,153.06 as follow:
  - an amount of €2,174,475.76 to the contingency reserve fund, i.e. 2% of the net income for the year in accordance with Article 48 of the Bylaws,
  - an amount of €1,027,721.82 to the Board of Directors, in accordance with Article 18 of the Bylaws,
  - a dividend of €1 allocated to each share, i.e. an amount of €24,516,661,
  - an amount of €144,809,294.48 to retained earnings.

RATIFICATION OF MR. TROY FRASER HICKOX'S TERM OF OFFICE AS DIRECTOR (6TH RESOLUTION)

It is proposed that you ratify the appointment of Mr. Troy Fraser Hickox to the Board of Directors, appointed by the Shareholders' General Meeting, effective as of November 29, 2021. Mr. Troy Fraser Hickox was co-opted under the conditions of Article 12 of the Bylaws at the Board of Directors meeting of November 29, 2021.

In accordance with the provisions of Article 12 of the Bylaws, the term of office of Mr. Troy Fraser Hickox will expire at the close of the Shareholders' Ordinary General Meeting to be held to approve the financial year 2026/2027.

The purpose of the **sixth resolution** is to ratify his appointment to the Board of Directors.

AUTHORIZATION GRANTED BY THE GENERAL MEETING TO THE MEMBERS OF THE BOARD OF DIRECTORS TO DEAL WITH THE COMPANY PERSONALLY OR IN AN OFFICIAL CAPACITY PURSUANT TO ARTICLE 23 OF THE ORDER OF MARCH 5, 1895 AND ARTICLE 20 OF THE BYLAWS (7TH RESOLUTION)

The **seventh resolution** asks you to:

- approve the transactions carried out over the course of the 2021/2022 fiscal year that fall within the scope of application of Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws;
- renew the authorization granted to the Members of the Board of Directors to enter into contracts with the Company personally or in an official capacity in accordance with said articles.

In Chapter 3.1.5 of this document, we reported on the transactions that took place, directly or indirectly, between your Company and its Directors or your Company and affiliated and unaffiliated companies with the same directors.

Pursuant to Article 23 of the Order of March 5, 1895, we kindly ask you to ratify said transactions.

AUTHORIZATION TO BUYBACK THE COMPANY SHARES (8TH RESOLUTION)

The **eighth resolution** asks you to renew your authorization to buyback Company shares.

The Ordinary General Meeting held on September 24, 2021 gave such an authorization for an 18-month period as from the date of said Meeting, i.e. until March 24, 2023. This option has not been exercised.

However, the Meeting is asked to renew this authorization and thereby allow the Board of Directors to acquire a maximum of 5% of the Company's share capital.

The objectives pursued are identical to those that were indicated on September 24, 2021, i.e.:

- holding and subsequently using the shares in exchange or as payment within the framework of external growth (including the acquisition and increase of shareholding);
- ensuring active operation and market liquidity through an investment service provider, acting independently pursuant to a liquidity agreement that complies with a charter of ethics recognized by the French Financial Markets Authority (*Autorité des Marchés Financiers*);
- holding shares in order to enable the Company to honor its obligations in respect of debt securities that may be converted into shares or other securities granting access to existing shares;
- holding shares that may be allocated to employees and affiliate companies within the framework of stock options or free allocation of existing shares;
- carrying out any other practice as may be permitted or recognized by French law or by the French Financial Markets Authority (*Autorité des Marchés Financiers*), or pursuing any other objective that complies with the applicable laws and regulations.

Consequently, we ask you to adopt the following share buyback program:

- authorization to purchase Company shares, under the conditions set forth here below, and representing a maximum of 5% of the existing share capital as of the date of this General Meeting;
- the maximum purchase price must not exceed €110 per share, it being hereby specified that in the event of capital transactions, including but not limited to, capitalization of reserves and allocation of free shares and/or splitting or pooling of shares, this maximum price shall be adjusted accordingly;
- maximum amount of funds to be used for the buyback program shall not be exceeded €30 million;
- authorization valid for an 18-month period as from September 23, 2022;
- shares to be acquired or transferred by any means, including, but not limited to, on the market or by private sale, including block purchases or transfers, through derivative financial instruments traded on a regulated market or by private sale, in accordance with the applicable laws as of the date of the transactions in question, and at such time as the Board of Directors or any person acting on the authority of the Board of Directors deems appropriate.

As from the date hereof such authorization would replace and invalidate the remaining term of any unused portion of any authorization that may have been granted by the Shareholders' General Meeting for the same purpose.

We kindly ask you to authorize the share buyback program that we have submitted to you for approval.

5.3 Resolutions submitted to the Ordinary General Meeting

FIRST RESOLUTION

APPROVAL OF THE FINANCIAL STATEMENTS OF SOCIÉTÉ DES BAINS DE MER FOR THE YEAR ENDED MARCH 31, 2022

The Shareholders' General Meeting, after listening to the report of the Board of Directors and the reports of the Contractual Auditor and Statutory Auditors, approves the financial statements of the Parent Company for the financial year ended March 31, 2022, as presented to it, and the transactions reflected in the financial statements and summarized in these reports.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The Shareholders' General Meeting, after listening to the report of the Board of Directors and the reports of the Contractual Auditor and Statutory Auditors, approves the consolidated financial statements for the financial year ended March 31, 2022, as presented to it, and the transactions reflected in the financial statements and summarized in these reports.

THIRD RESOLUTION

DISCHARGE TO ALL CURRENT DIRECTORS

The Shareholders' General Meeting granted discharge to the current Directors with respect of their management during the financial year.

FOURTH RESOLUTION

FINAL DISCHARGE TO DIRECTORS WHOSE TERMS OF OFFICE ENDED DURING THE FISCAL YEAR 2021/2022

The Shareholders' General Meeting granted final discharge to Mr. Michael Mecca and Mr. Michel Dotta.

FIFTH RESOLUTION

ALLOCATION OF PROFITS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

The Shareholders' General Meeting, having read the Board of Directors' and the Statutory Auditors' reports:

■ notes that the profit for the 2021/2022 financial year amounts to	€108,723,788.20
■ notes that the retained earnings as of March 31, 2022 amount to	€63,804,364.86
hence, net income available for appropriation amounts to	€172,528,153.06
■ decides to appropriate the resulting total:	
– to the contingency reserve fund, i.e. 2% of the net income for the year	€2,174,475.76
– to the Board of Directors	€1,027,721.82
– to dividends, i.e €1 for each share	€24,516,661.00
– to retained earnings	€144,809,294.48

The rights to the dividend will be paid by the Company's Securities Department starting from October 6, 2022, with the last trading day for dividends being set at October 3, 2022.

SIXTH RESOLUTION

RATIFICATION OF MR. TROY FRASER HICKOX'S TERM OF OFFICE AS DIRECTOR

The Shareholders' General Meeting ratifies Mr. Troy Fraser Hickox's term of office as a Director.

Mr. Troy Fraser Hickox's term of office will expire at the Shareholders' Ordinary General Meeting to be held to approve the financial statements for the financial year 2026/2027, in accordance with Article 12 of the Bylaws.

SEVENTH RESOLUTION

AUTHORIZATION ENABLING MEMBERS OF THE BOARD OF DIRECTORS TO ENTER INTO CONTRACTS WITH THE COMPANY PERSONALLY OR IN AN OFFICIAL CAPACITY PURSUANT TO ARTICLE 23 OF THE ORDER OF MARCH 5, 1895 AND ARTICLE 20 OF THE BYLAWS

The Shareholders' General Meeting approved the transactions that were carried out over the course of the 2021/2022 financial year and that fall within the scope of application of Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws.

It renewed the authorization granted to Members of the Board of Directors enabling them to enter into contracts with the Company personally or in an official capacity in accordance with said articles.

EIGHTH RESOLUTION

AUTHORIZATION TO BUYBACK COMPANY SHARES

Pursuant to Article 41 of the Bylaws, the Shareholders' General Meeting authorizes the Board of Directors to purchase Company shares, under the terms defined below and for up to 5% of the share capital as of the date of this meeting:

- the maximum purchase price shall not exceed €110 per share, bearing in mind that in the event of share capital transactions, particularly through the capitalization of reserves and allotment of bonus shares, and/or share splits or reserve splits, this price shall be adjusted accordingly;
- the maximum amount of funds intended for this buyback program may not exceed €30 million;
- this authorization is valid for a period of 18 months as from September 23, 2022;
- these shares may be purchased or transferred, by any means, particularly on the stock exchange or in a private transaction, including through purchase or sale of blocks, use derivative financial instruments traded on a regulated market or in a private transaction, in accordance with the regulations prevailing on the date of the transactions considered, and at times that the Board of Directors or the person acting on behalf of the Board shall see fit.

The Shareholders' General Meeting decides that this share buyback program is as follows:

- retention and subsequent tender of shares within the scope of an exchange offer or for payment in external growth transactions (including new investments or additional investments);
- maintaining an active and liquid market in the Company's shares through an independent investment services provider, pursuant to a liquidity agreement in accordance with an ethics charter recognized by the French Financial Markets Authority (Autorité des Marchés Financiers);
- possession of shares enabling the Company to fulfil obligations relating to debt securities exchangeable for shares or other marketable securities granting entitlement to existing shares;
- possession of shares that may be allotted to the Company's personnel and that of affiliates under share purchase option or bonus share allotment plans;
- adoption of any other practice accepted or recognized by French law or the French Financial Markets Authority in the future, or any other objective that would comply with prevailing regulations.

As from the date hereof this authorization shall replace and invalidate the remaining term of any unused portion of any authorization that may have been granted by the Shareholders' General Meeting for the same purpose.

The Shareholders' General Meeting grants full powers to the Board of Directors, with the possibility of delegating such powers, to deliberate and implement this authorization, clarify, if need be, the terms and conditions and approve them, place orders for trades, enter into all agreements, prepare all disclosure documents, allocate, and where appropriate reallocate, the purchased share to the various objectives, perform all formalities and make all declarations with regard to all authorities and, generally, do all that necessary.

6

EXTRAORDINARY GENERAL MEETING HELD ON SEPTEMBER 23, 2022

6.1 Agenda

- Approval of Addendum 5 to the Terms of Reference dated March 21, 2003 and amendment of Article 2 of the Bylaws
- Withdrawal of the Board's profit-sharing right to 3% of the profit – amendment of Article 18 of the Bylaws
- Powers
- Sundry matters

6.2 Board of Directors' report

We have convened this Extraordinary General Meeting to approve :

- addendum 5 to the Terms of Reference drafted with the Principality Government, the Concession Granting Authority, and record a reference to the date of its conclusion in Article 2 of the Bylaws;
- the amendment of Article 18 of the Bylaws, regarding the amounts paid to the Board.

and to grant all powers to proceed with the formalities required.

The Extraordinary General Meeting to be held on September 23, 2022 shall be asked to vote on three resolutions.

Overview of the resolutions

APPROVAL OF ADDENDUM 5 TO THE TERMS OF REFERENCE DATED MARS 21, 2003 AND AMENDMENTS OF ARTICLE 2 OF THE BYLAWS (1ST RESOLUTION)

The amendments made to the Terms of Reference by Addendum 5 dated April 1, 2022 are as follows:

Licensing fees - rate

The conditions defined in paragraph 2.1 of Article 2 - « Licensing fees » of the Terms of Reference, amended by Addendum 2 dated March 31, 2008, Addendum 3 dated June 9, 2011 and Addendum 4 dated April 1, 2019, stipulated that the licensing fee rate applicable to gross gaming receipts would increase from 15% to 17% starting from April 1, 2022.

Addendum 5 stipulates that licensing fee rate will remain equal to 15% for a further three fiscal years, i.e until March 31, 2025.

Licensing fees - basis

Furthermore, and for a five-year period only, starting from April 1, 2022 and until March 31, 2027, rebates on client gaming losses accounted for in financial statements will reduce the gross gaming receipts used to determine the basis on which the licensing fees are calculated, with a maximum of 26% of the receipts.

The **first resolution** enables you, after familiarizing yourself with the amendments introduced by Addendum 5 to the Terms of Reference, to indicate whether you approve or disapprove this addendum.

In addition, Article 2 of the Bylaws, which provides an exhaustive list of the various agreements reached with the Concession Granting Authority since the Company was founded, is supplemented by a reference to the date of signature of the new addendum.

WITHDRAWAL OF THE BOARD'S PROFIT-SHARING RIGHT TO 3% OF THE PROFIT – AMENDMENT OF ARTICLE 18 OF THE BYLAWS (2ND RÉSOLUTION)

Article 18 of the Bylaws states that each Director be paid an attendance fee, the amount of which shall be set by the Board each year at its last meeting prior to the end of the financial year, and that the Board is entitled to a proportion of three per cent of the profit, after deduction of overheads and the interest coupon.

The Board's right to a proportion of the profit is a historical provision from the Bylaws of the Société des Bains de Mer, a company listed on the French market, but no longer corresponds to the practices in force in other listed companies, the profit-sharing regime having been abolished in France many years ago.

The resolution set forth below proposes the withdrawal of this right to the profit and the amendment of Article 18 of the Bylaws accordingly. Under their mandate, each Director shall now be paid a sum, the amount of which shall be set by the Board each year at its last meeting prior to the end of the financial year.

POWERS (3RD RESOLUTION)

The **third resolution** submitted to you concerns the powers to be provided to the Chairman of the Board of Directors and, in the case of absence or hindrance, a director so empowered, to undertake all required formalities in order to formalise the amendments of the Bylaws.

6.3 Resolutions submitted to the Extraordinary General Meeting

FIRST RESOLUTION

APPROVAL OF ADDENDUM 5 TO THE TERMS OF REFERENCE DATED MARCH 21, 2003 AND MODIFICATION OF ARTICLE 2 OF THE BYLAWS

The Extraordinary General Meeting resolves to:

- approve Addendum 5, dated April 1, 2022, to the Terms of Reference;
- amend, subject to the Principality Government's approval, Article 2 of the Bylaws, which will be worded as follows :

  "The Company's main purpose is the management of a gaming rights concession granted by:

  - Order of H.S.H. Prince of Monaco on April 2, 1863, by Sovereign Order on March 24, 1987, and by Sovereign Order on March 13, 2003;
  - subject to the reserves, terms and conditions and obligations of the Terms of Reference dated April 27, 1915, amended by additional act on April 28, 1936, the agreements of January 6, 1940 and September 12, 1950, and by the Terms of Reference and the three Supplemental Agreements dated March 17, 1987, approved on March 24, 1987, amended by the Addendums dated October 4, 1994, December 20, 1996 and September 12, 2000, and by the Terms of Reference and the three Supplemental Agreements approved on March 13, 2003, dated March 21, 2003, amended by the Addendums dated November 3, 2006, March 31, 2008, June 9, 2011, April 1, 2019 and April 1, 2022, and any acts and agreements amending or completing the aforementioned texts in force as of this date or which would be subsequently undertaken or concluded.

The Company's purpose is also to manage and develop all its assets, as set forth in Article 6 and generally all civil, commercial, movable or immovable operations directly related to such purpose".

SECOND RESOLUTION

WITHDRAWAL OF THE BOARD'S PROFIT-SHARING RIGHT TO 3% OF THE PROFIT – AMENDMENT OF ARTICLE 18 OF THE BYLAWS

The Extraordinary General Meeting approves the withdrawal of the Board's profit-sharing right to 3% of the profit, subject to approval by the Prince's Government.

Article 18 of the Bylaws will be amended, to be drafted as follows:

"Each Director shall be paid a sum under their mandate, the amount of which shall be set by the Board each year at its last meeting prior to the end of the financial year."

THIRD RESOLUTION

POWERS

The Extraordinary General Meeting grants all powers to the Chairman of the Board of Directors and, in the case of absence or hindrance, a director so empowered, with admission as to the genuine nature of the document and the signature to the minutes of Mr. Henry Rey, notary and custodian of the Bylaws, to file the minutes of this Meeting and any other related document.

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MONTE-CARLO
SOCIÉTÉ DES BAINS DE MER

CASINOS

Casino de Monte-Carlo
Casino Café de Paris

HOTELS, RESTAURANTS & SEASIDE ACTIVITIES

Hôtel de Paris Monte-Carlo
Hôtel Hermitage Monte-Carlo
Monte-Carlo Bay Hotel & Resort
Monte-Carlo Beach
Le Méridien Beach Plaza
Café de Paris Monte-Carlo
Buddha Bar Monte-Carlo
Coya Monte-Carlo
Mada One
Jimmy'z Monte-Carlo
La Rascasse
Thermes Marins Monte-Carlo
Monte-Carlo Beach Club

RESIDENTIAL

One Monte-Carlo
La Résidence du Sporting
Les Villas du Sporting
Le Balmoral
Villa La Vigie

SHOPPING, SHOWS & SPORTING ACTIVITIES

Promenade Monte-Carlo Shopping
Salle Garnier – Opéra de Monte-Carlo
Sporting Monte-Carlo – Salle des Étoiles
Monte-Carlo Country Club
Monte-Carlo Golf Club

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