

# 2Q 2019 Earnings Results

September 13, 2019



codere

This presentation (the "Presentation") has been prepared and is issued by, and is the sole responsibility of Codere, S.A. ("Codere" or "the Company"). For the purposes hereof, the Presentation shall mean and include the slides that follow, any prospective oral presentations of such slides by the Company, as well as any question-and-answer session that may follow that oral presentation and any materials distributed at, or in connection with, any of the above.

The information contained in the Presentation has not been independently verified and some of the information is in summary form. No representation or warranty, express or implied, is made by Codere or any of its affiliates (together, "Codere Group"), nor by their directors, officers, employees, representatives or agents as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. None of Codere nor any of its affiliates, nor their respective directors, officers, employees, representatives or agents shall have any liability whatsoever (in negligence or otherwise) for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of the Presentation or its contents or otherwise arising in connection with the Presentation, save with respect to any liability for fraud, and expressly disclaim any and all liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in connection with the accuracy or completeness of the information or for any of the opinions contained herein or for any errors, omissions or misstatements contained in the Presentation.

Codere cautions that this Presentation may contain forward looking statements with respect to the business, financial condition, results of operations, strategy, plans and objectives of the Codere Group. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a certain number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, (1) general market, macroeconomic, governmental, political and regulatory trends; (2) movements in local and international securities markets, currency exchange rate and interest rates; (3) competitive pressures; (4) technical developments; (5) changes in the financial position or credit worthiness of our customers, obligors and counterparts. These and other risk factors published in our past and future filings and reports, including those with the Spanish Securities and Exchange Commission ("CNMV") and available to the public both in Codere's website ([www.codere.com](http://www.codere.com)) and in the CNMV's website ([www.cnmv.es](http://www.cnmv.es)), as well as other risk factors currently unknown or not foreseeable, which may be beyond Codere's control, could adversely affect our business and financial performance and cause actual results to differ materially from those implied in the forward-looking statements.

The information contained in the Presentation, including but not limited to forward-looking statements, is provided as of the date hereof and is not intended to give any assurances as to future results. No person is under any obligation to update, complete, revise or keep current the information contained in the Presentation, whether as a result of new information, future events or results or otherwise. The information contained in the Presentation may be subject to change without notice and must not be relied upon for any purpose.

This Presentation contains financial information derived from Codere's unaudited financial statements for the quarter and, if applicable, year to date period. None of this financial information has been audited by our auditors. Financial information by business areas is presented according to GAAP as well as internal Codere Group's criteria including a restatement of historical figures to reflect, among other things, an exclusion of non-recurring items and impact of effective exchange rates, in each case as per management estimates. These criteria do not follow any particular regulation and can include historical figures, forecasts and subjective valuations which could represent substantial differences should a different methodology be applied.

Market and competitive position data in the Presentation has generally been obtained from industry publications and surveys or studies conducted by third-party sources. Peer firm information presented herein has been taken from peer firm public reports. There are limitations with respect to the availability, accuracy, completeness and comparability of such data. Codere has not independently verified such data and can provide no assurance of its accuracy or completeness. Certain statements in the Presentation regarding the market and competitive position data are based on the internal analyses of Codere, which involve certain assumptions and estimates. These internal analyses have not been verified by any independent source and there can be no assurance that the assumptions or estimates are accurate. Accordingly, undue reliance should not be placed on any of the industry, market or Codere's competitive position data contained in the Presentation.

**Alternative Performance Measures:** This report includes certain Alternative Performance Measures ("APMs") in accordance with the European Securities and Markets Authority (ESMA) Directive 2015/1415. These measures, which are not defined under IFRS standards, are intended to provide more accurate, comparable and reliable information in order to improve the understanding of the Company's financial performance and its reported information. For definitions, usage rationales and reconciliation of these metrics with IFRS, please visit the Presentations section within the Shareholders and Investors site of [www.codere.com](http://www.codere.com).

The distribution of this Presentation in certain jurisdictions may be restricted by law. Recipients of this Presentation should inform themselves about and observe such restrictions. Codere disclaims any liability for the distribution of this Presentation by any of its recipients.

Codere is not nor can it be held responsible for the use, valuations, opinions, expectations or decisions which might be adopted by third parties following the publication of this Presentation. No one should purchase or subscribe for any securities in the Company on the basis of this Presentation. This Presentation does not constitute or form part of, and should not be construed as, (i) an offer, solicitation or invitation to subscribe for, sell or issue, underwrite or otherwise acquire any securities, nor shall it, or the fact of its communication, form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment whatsoever with respect to any securities; or (ii) any form of financial opinion, recommendation or investment advice with respect to any securities.

By receiving or accessing to this Presentation you accept and agree to be bound by the foregoing terms, conditions and restrictions.

**Notice on Rounding.** Due to decimal rounding, numbers presented throughout this report may not add up precisely to the totals and subtotals provided, and percentages may not precisely reflect the absolute figures.

<b>1. Operating Results</b>	<b>5</b>
<b>2. Credit Overview</b>	<b>24</b>
<b>3. Company Outlook</b>	<b>32</b>
<b>4. Appendix</b>	<b>34</b>

## Highlights of the quarter

---

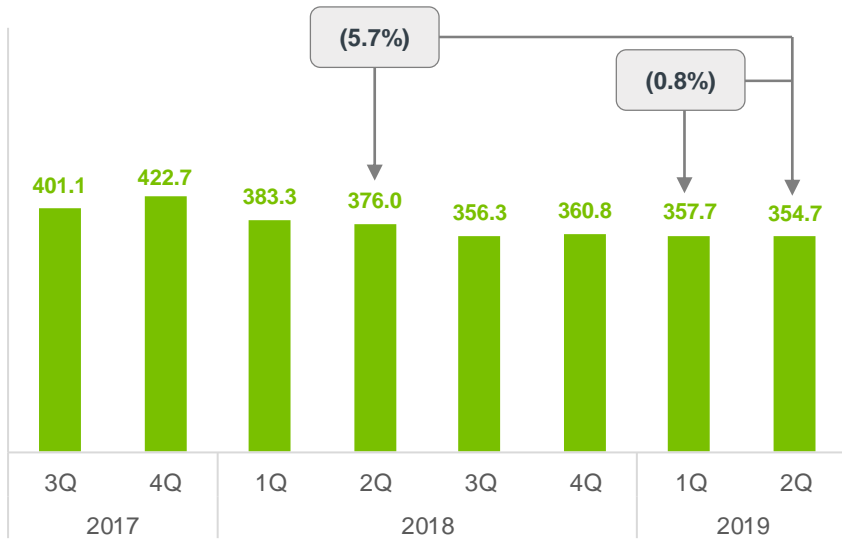
1. Continued delivery of Adjusted EBITDA and EBITDA growth despite FX fluctuations and tax increases.
2. Consolidation of a more balanced geographic portfolio thanks to growth in Mexico, Spain, Uruguay and Online.
3. Significant run rate of cost savings already deployed. 2.5 percentage points increase in Adjusted EBITDA margins.
4. Decrease of over 50% of non-recurring expenses in H1'19 vs. H1'18.
5. Despite recent events in Argentina, our expectation for 2019 is to continue generating EBITDA growth to a range of EUR 280 – 290 mm (Adjusted EBITDA figures), while focusing on achieving positive cash flow generation in the period.
6. Unlevered Free Cash Flow generation continues to strengthen at EUR 60 mm in 1H 2019, 42 mm of which outside of Argentina<sup>(1)</sup>.
7. Spain continues to rebound and show significant improvement of results.
8. Codere has a solid financial position, our current total liquidity is EUR 143.7 mm (including our availability under the Super Senior Revolving Credit Facility → EUR 95 mm – EUR 32.2 mm = EUR 62.8 mm).

1) As defined in page 25.

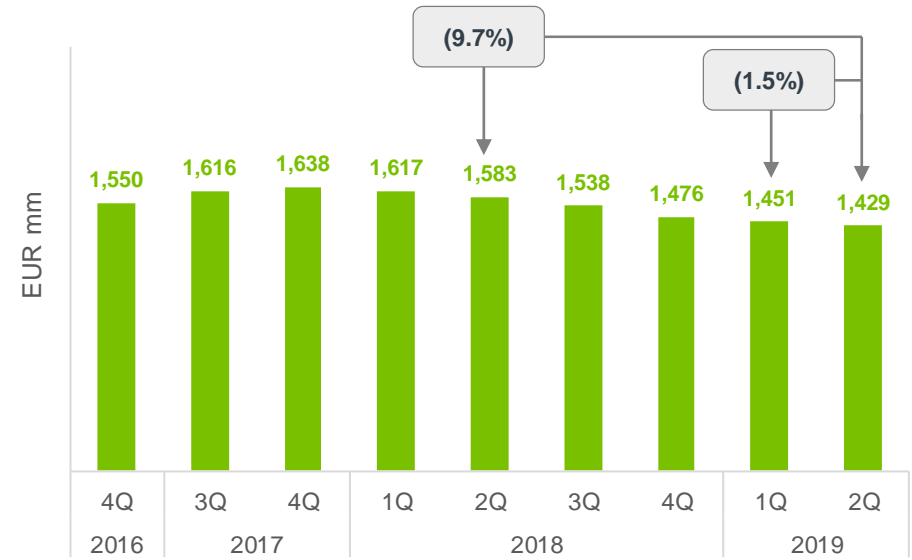
# 1. Operating Results

# Total Revenue<sup>(1, 2)</sup>

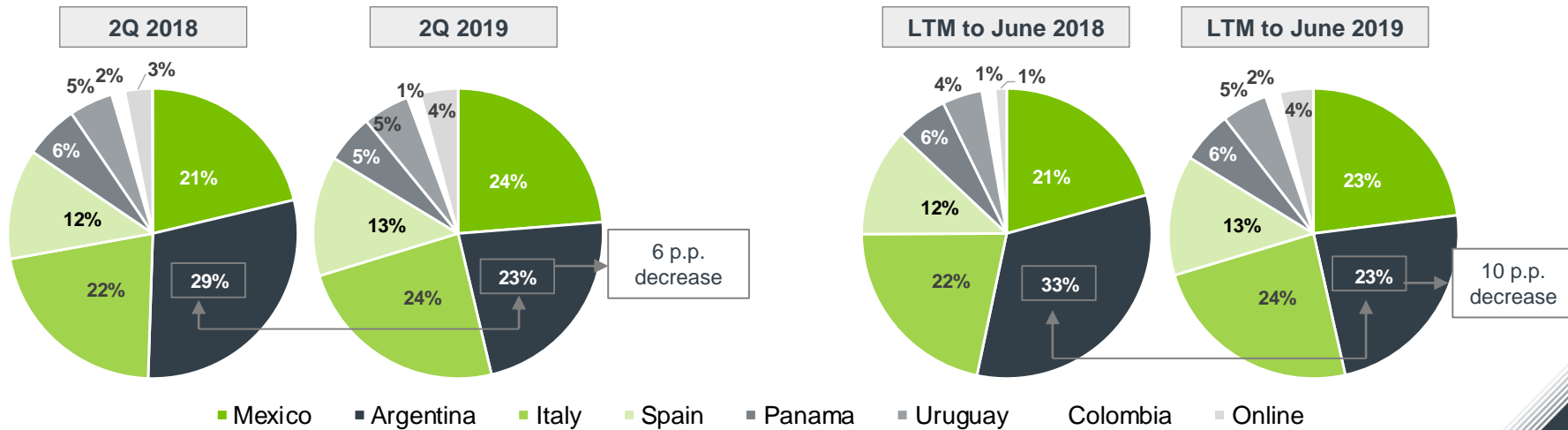
## Quarter



## LTM



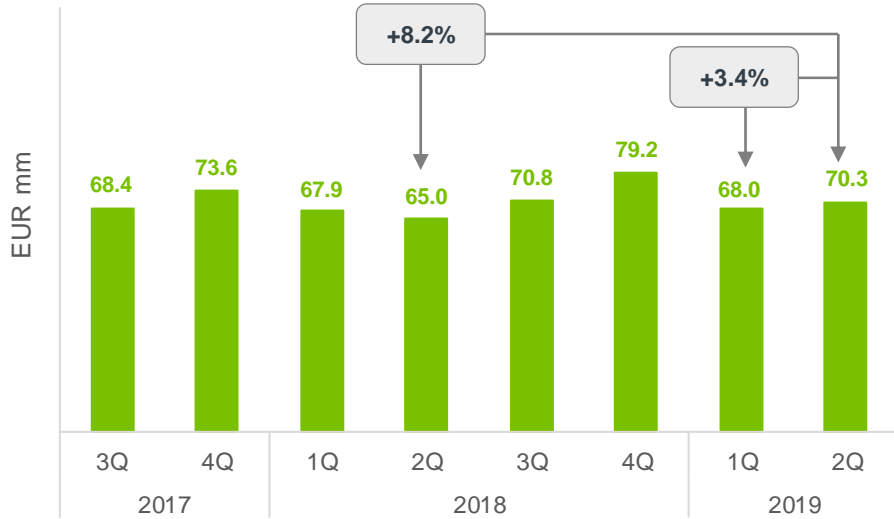
## Geographic Mix



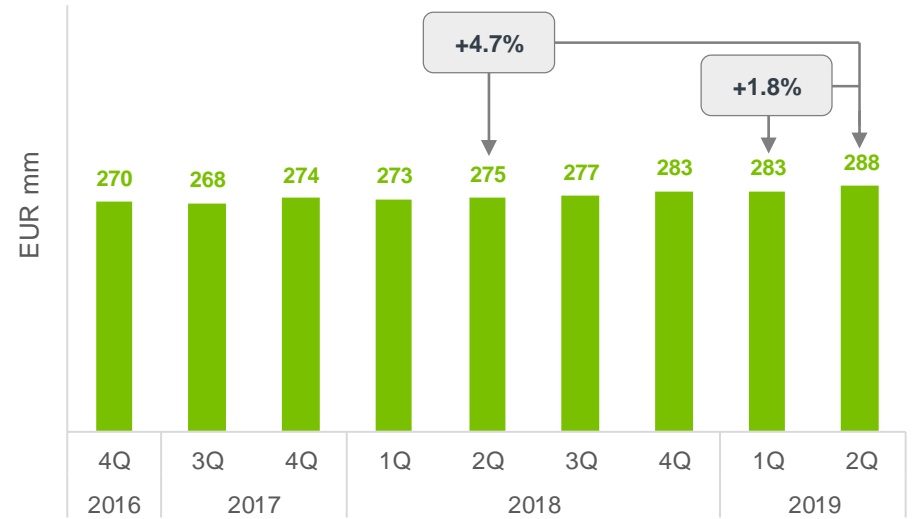
1) Figures reflect Company consolidated revenue plus, for periods prior to consolidation of HRU, 100% of HRU revenue. Does not consider inflation accounting adjustments in Argentina.  
 2) Figures include a positive adjustment of €4.4 mm which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.

# Total Adjusted EBITDA<sup>(1, 2)</sup>

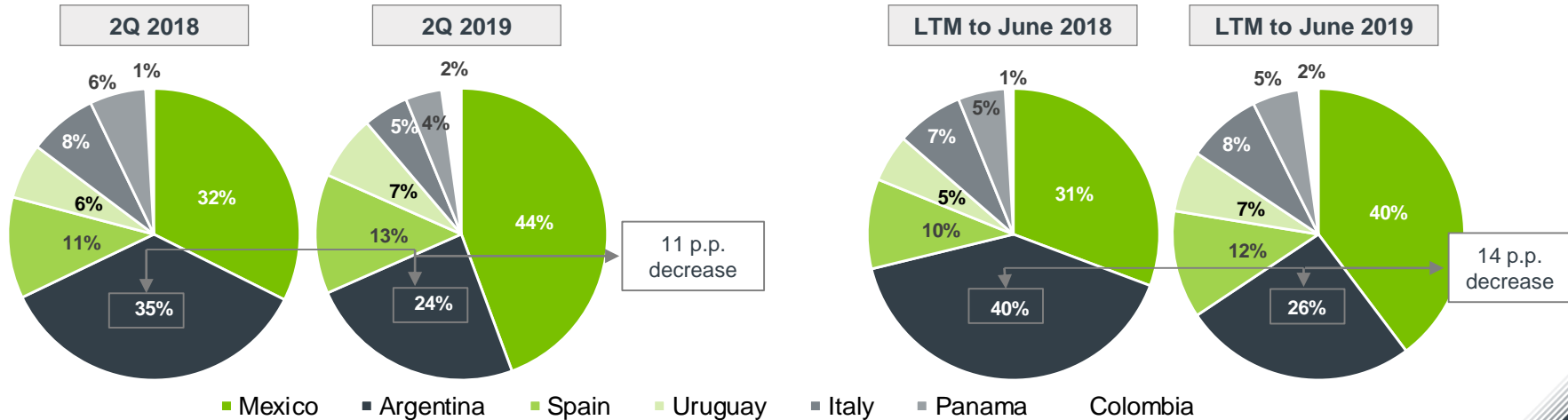
## Quarter



## LTM<sup>(3)</sup>



## Geographic Mix<sup>(4)</sup>

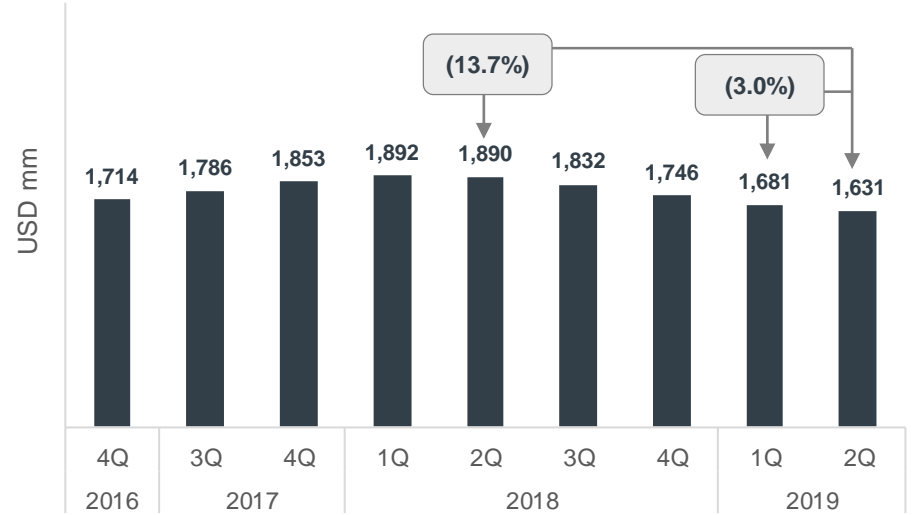
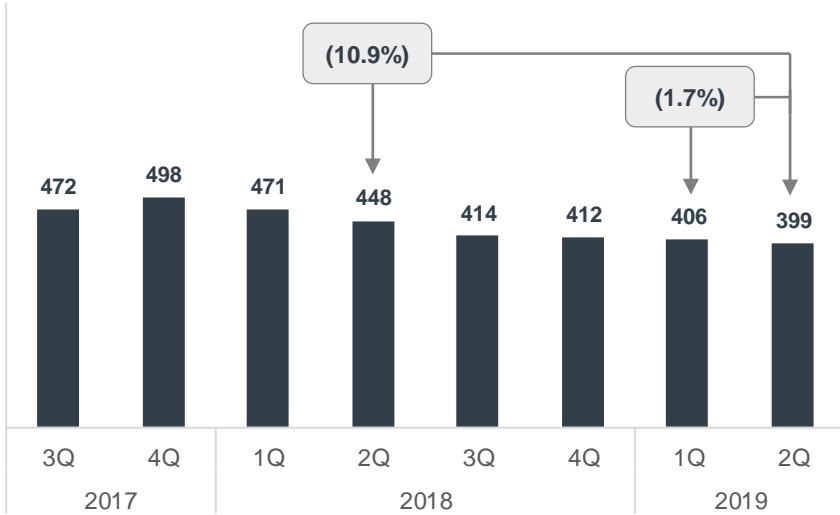


1) Figures reflect Company consolidated Adj. EBITDA plus, for periods prior to consolidation of HRU, 100% of HRU Adj. EBITDA. Does not consider inflation accounting adjustments in Argentina. Figures calculated Pre-IFRS-16.  
 2) Figures include a positive adjustment of €2.5 mm which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.  
 3) LTM figures previous to 2018 are not affected by online business.  
 4) Figures reflect contribution to Total Adjusted EBITDA before corporate overhead and excluding Brazil and Online business due to negative Adjusted EBITDA in 2018.

# Total Revenue and total Adjusted EBITDA in USD<sup>(1, 2, 3)</sup>

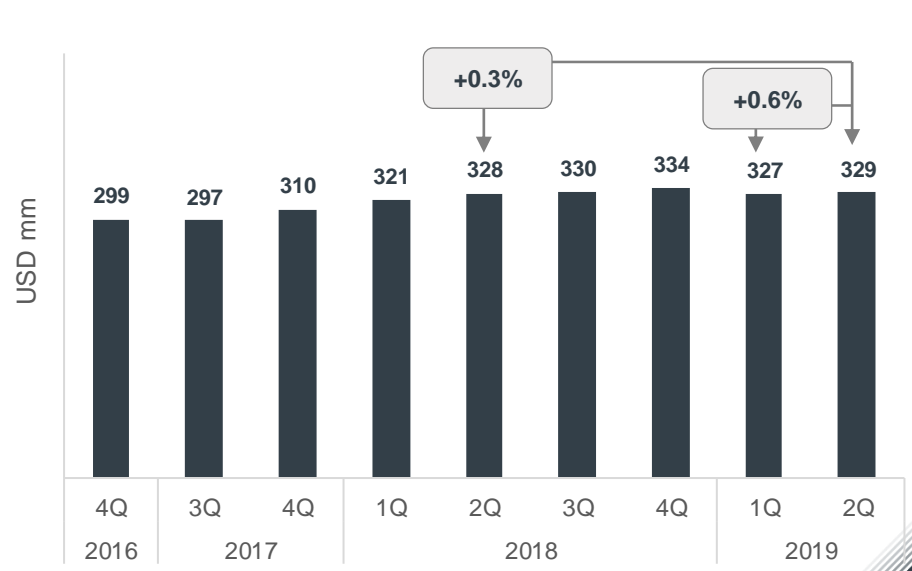
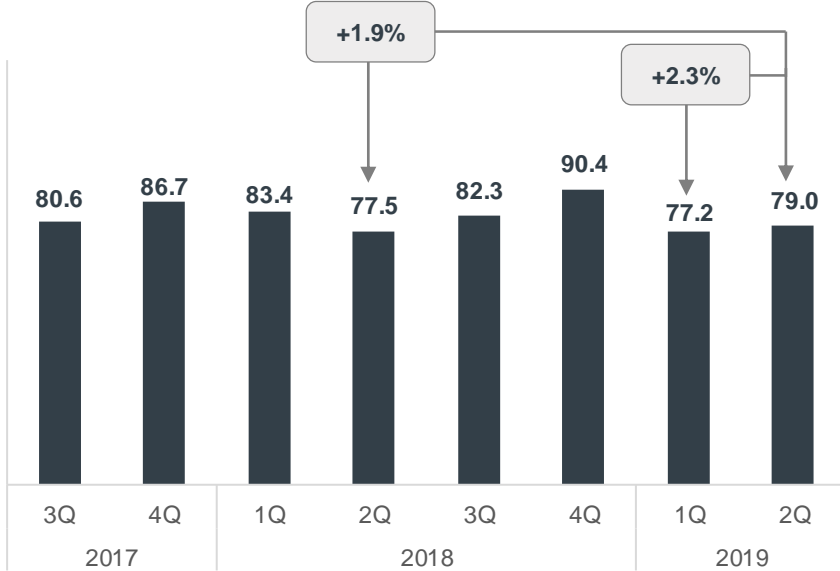
Quarter

LTM



Adjusted EBITDA

Adjusted EBITDA



1) Figures reflect Company consolidated Adjusted EBITDA plus, for periods prior to consolidation of HRU, 100% of HRU Adjusted EBITDA. Does not consider inflation accounting adjustments in Argentina.  
 2) Figures include a positive adjustment of USD2.7 mm which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.  
 3) Figures calculated Pre-IFRS16.

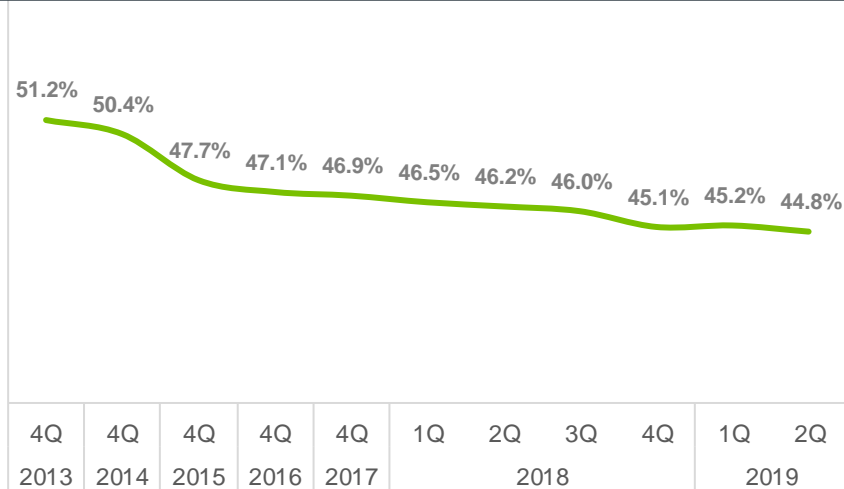


## Strong Margin Improvement<sup>(1, 2)</sup>

### LTM Margin



### LTM Expenses excl. gaming taxes / Revenue



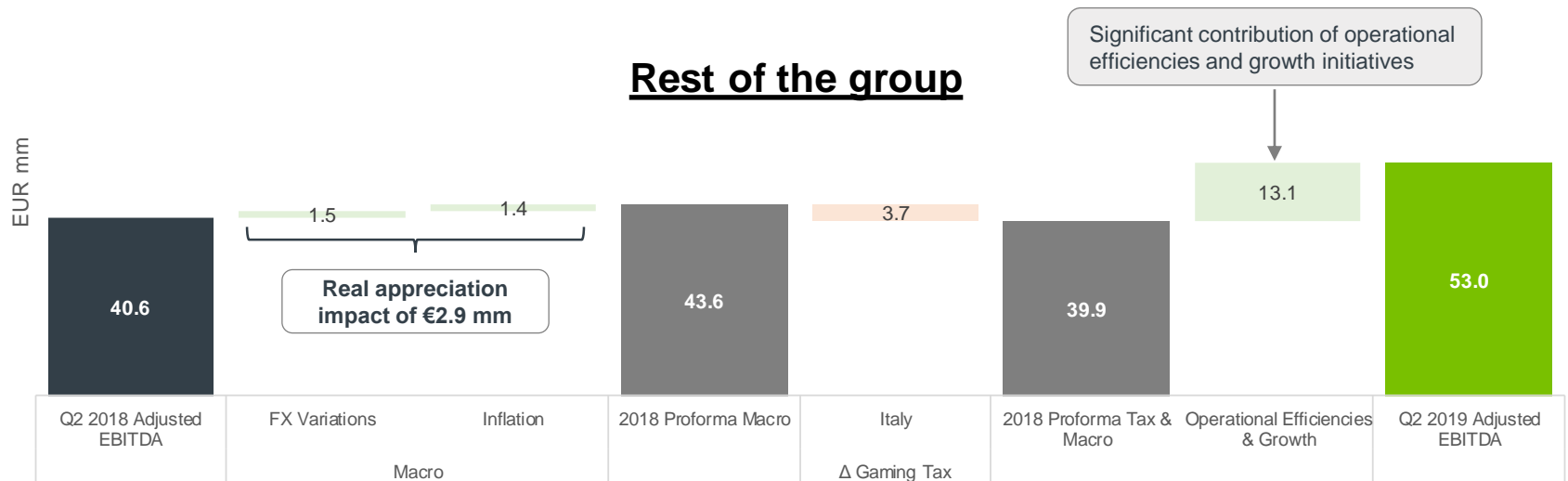
### Actions taken and in progress to improve margins

- Digitalization of commercial activities, CRM and reengineering of processes at gaming halls and local operations.
- Leaner and more efficient corporate structure.
- From local support functions to regional ones and then to centralized, digitalized resources focused on supporting operations efficiently.
- Renegotiation of supplier deals at local and corporate levels.
- Slot performance monitoring and optimization and acquisition of leased products.
- Improved ROI on commercial initiatives, based on CRM usage and leveraging on customer centric approach.
- Optimization of capacity deployment in all markets.

1) Figures reflect Company consolidated Adjusted EBITDA plus, for periods prior to consolidation of HRU, 100% of HRU Adjusted EBITDA. Does not consider inflation accounting adjustments in Argentina.  
 2) LTM figures calculated Pre-IFRS16.

## 2Q 2018 vs 2Q 2019 – Operational Evolution<sup>(1, 2)</sup>

Strong growth of the Group outside Argentina thanks to efficiency initiatives and rigorous, focused investments. In Argentina the hyperinflation situation, combined with the recessionary context, impacts results as inflation does not represent the evolution of the purchasing power of our clients producing a market contraction in real terms



1) Does not consider inflation accounting adjustments in Argentina.

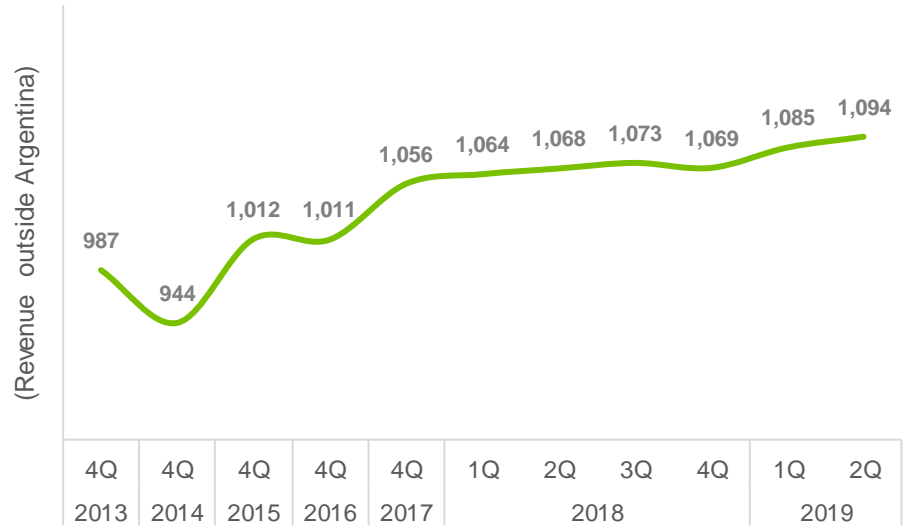
2) Figures calculated Pre-IFRS16.

# An increasingly diversified portfolio with reduced exposure to Argentina<sup>(1, 2, 3, 4)</sup>

LTM Revenue Argentina as % of total Revenue



LTM Revenue outside Argentina



LTM Adjusted EBITDA – Argentina<sup>(5)</sup> as % of total



LTM Adjusted EBITDA outside Argentina



1) Figures reflect Company consolidated Adjusted EBITDA plus, for periods prior to consolidation of HRU, 100% of HRU Adjusted EBITDA. Does not consider inflation accounting adjustments in Argentina.  
 2) Figures include a positive adjustment of €2.5 mm which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.  
 3) Consolidated figures for Argentina in 2015 have been translated to Euros @ Blue Rate; 2016, 2017 and 2018 figures @ Official Rate.  
 4) LTM figures calculated Pre-IFRS16.  
 5) Figures reflect contribution to Total Adjusted EBITDA before corporate overhead and excluding Brazil and Online business due to negative Adjusted EBITDA in 2018.

Quarter

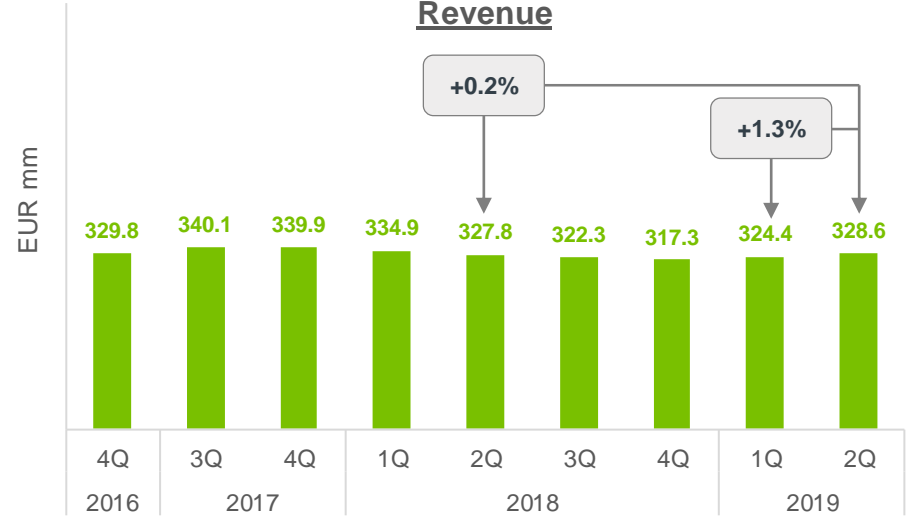
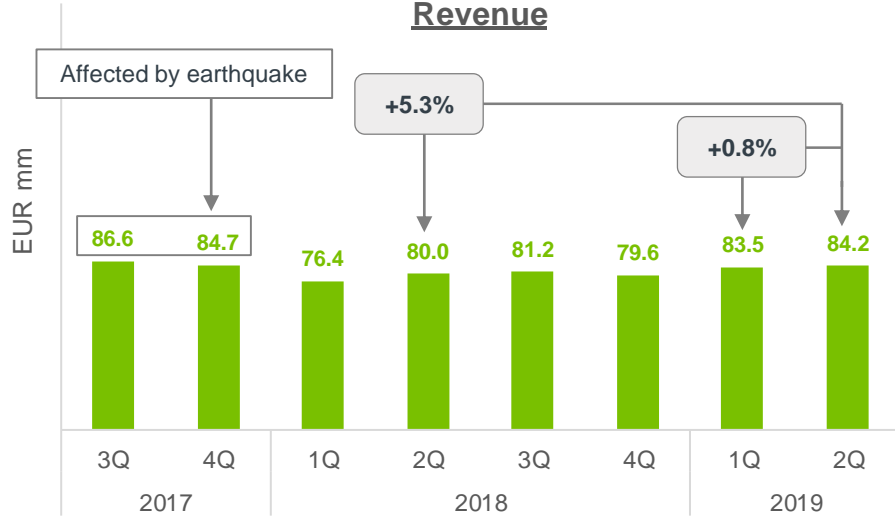
LTM

2Q-19 Inflation Rate: 4.2%.  
2Q-19 MXN Appreciation vs EUR: 7.0%

Revenue

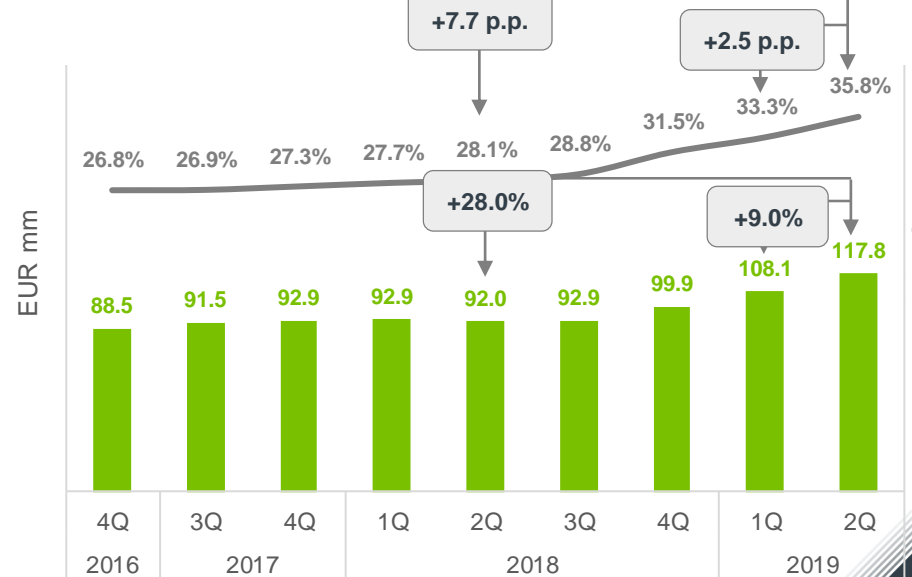
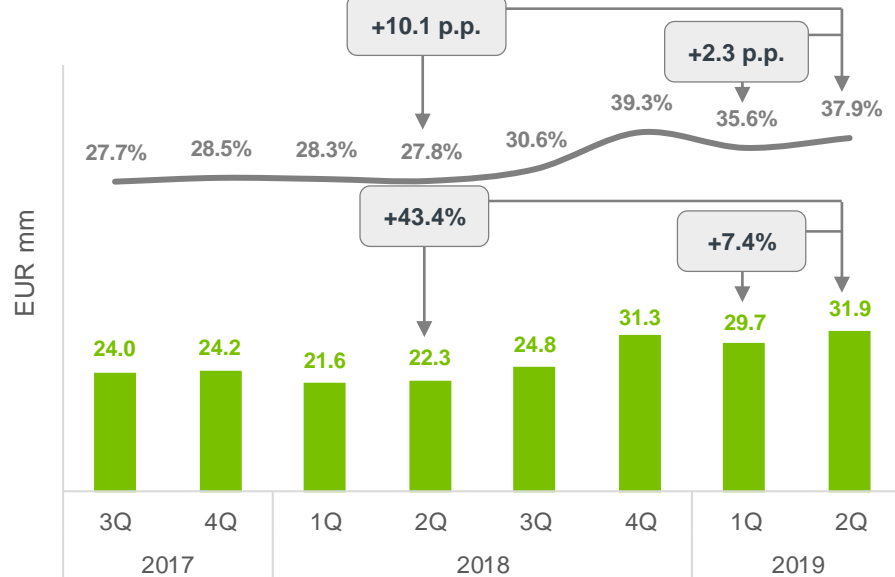
Revenue

Affected by earthquake



Adjusted EBITDA

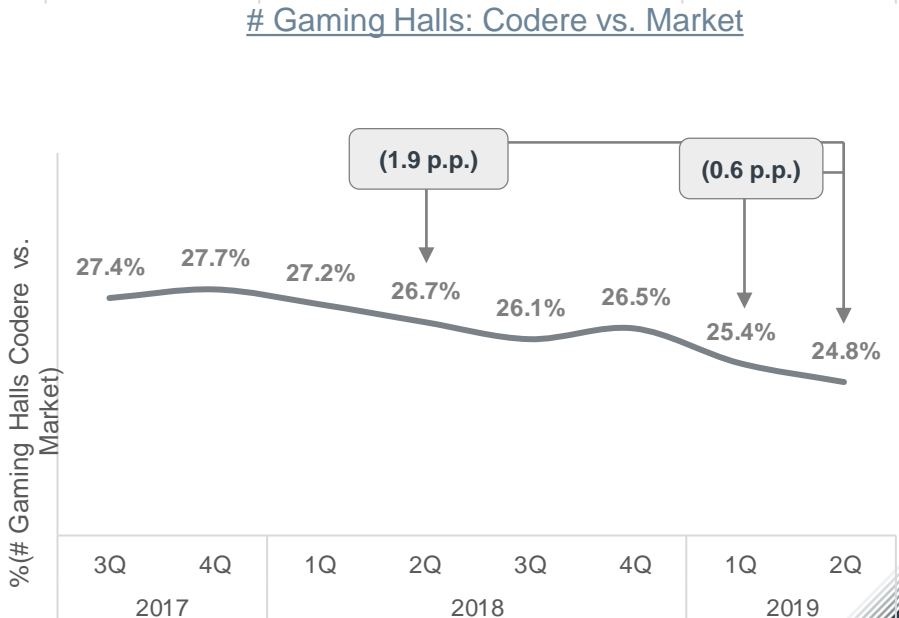
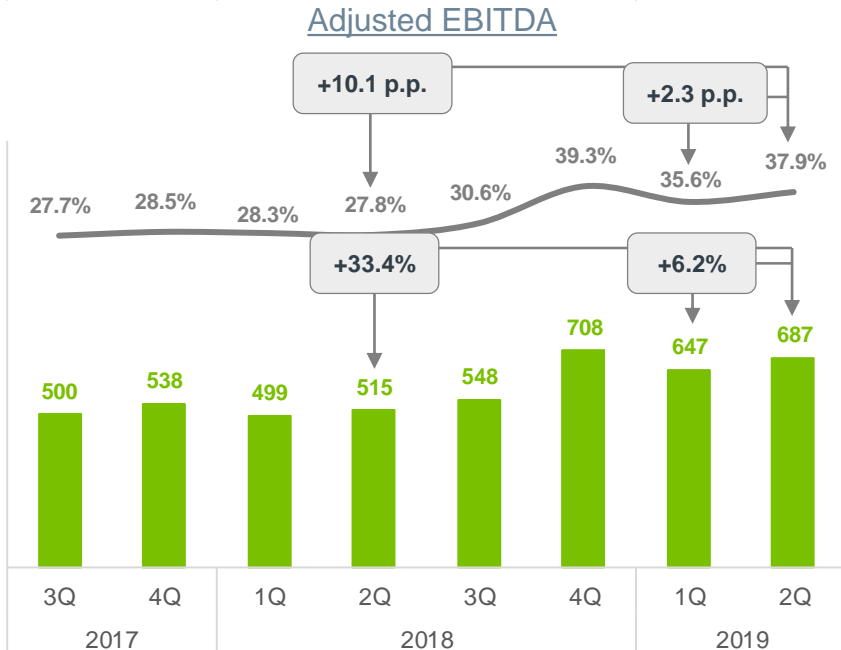
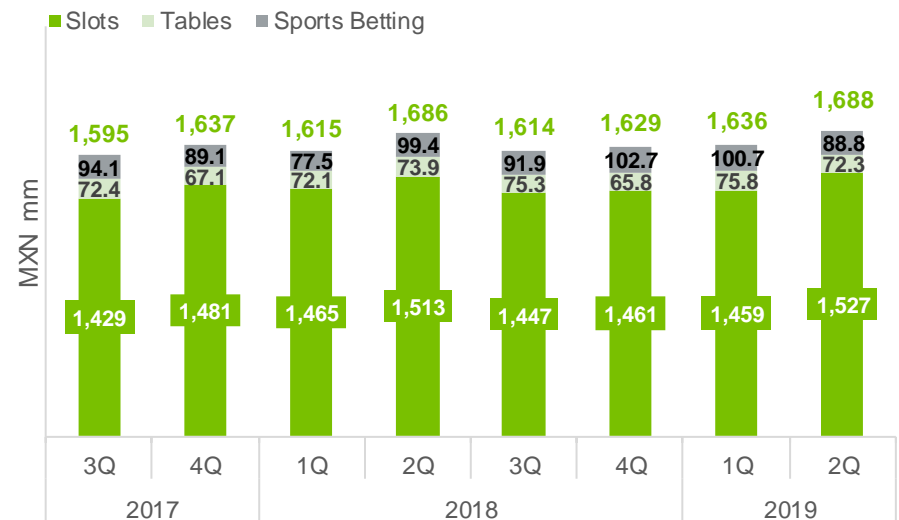
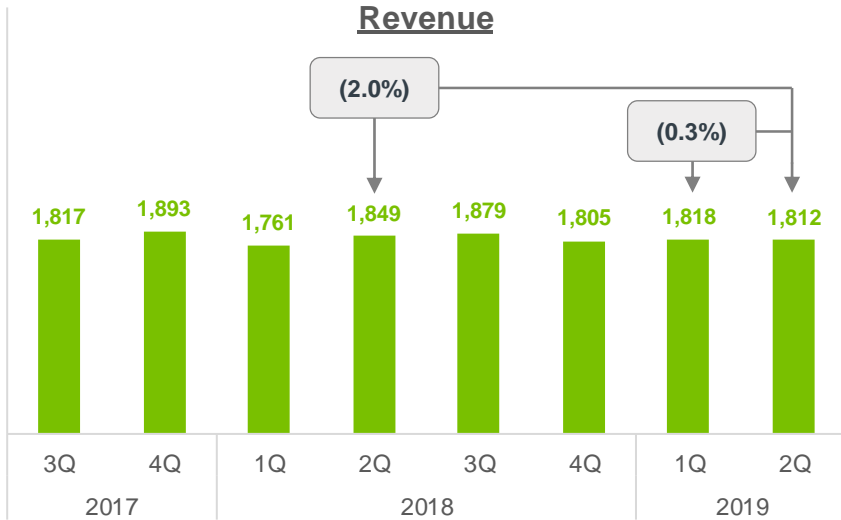
Adjusted EBITDA



1) 2018 figures will vary from prior presentations given that now we only include Retail Business.  
2) Figures calculated Pre-IFRS16.

Quarter

Slot & Tables Gross Win

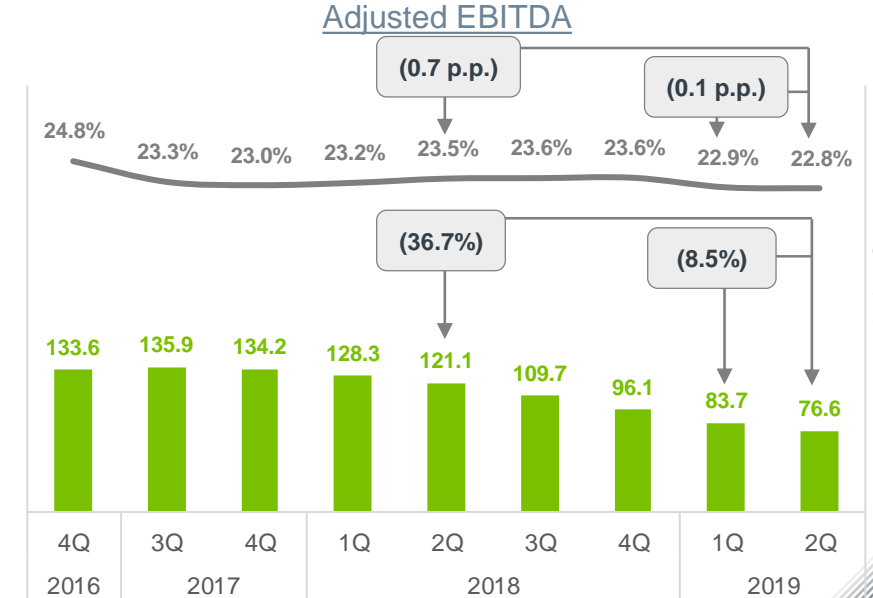
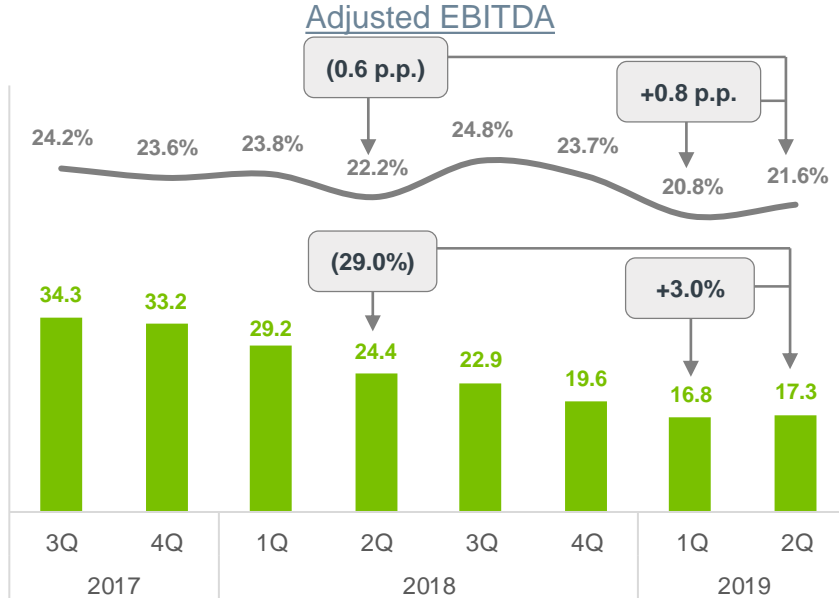
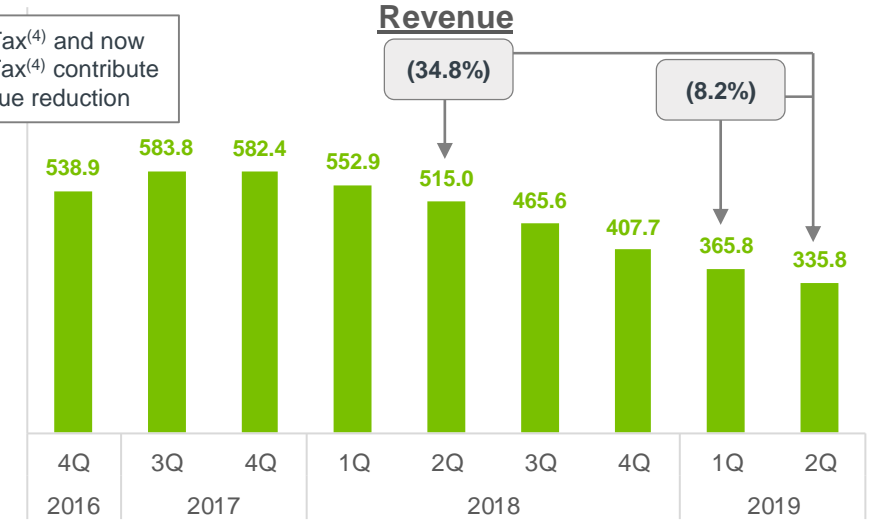
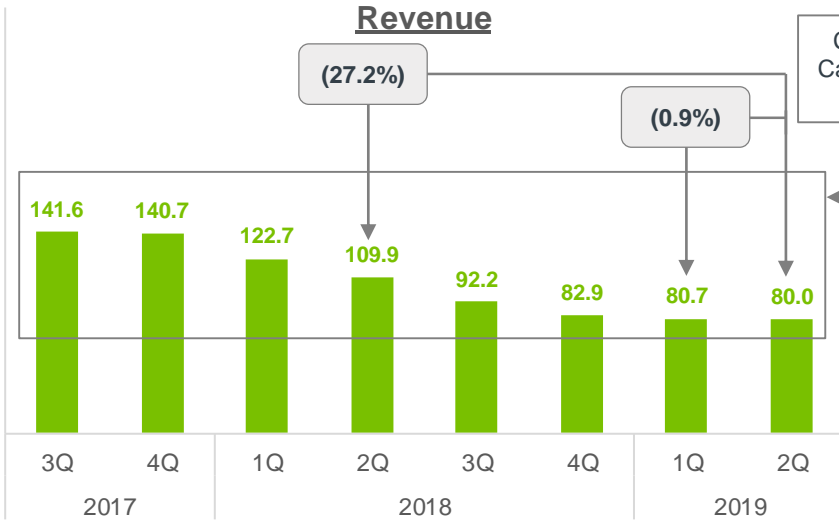


1) 2018 figures will vary from prior presentations given that now we only include Retail Business.

Quarter

LTM

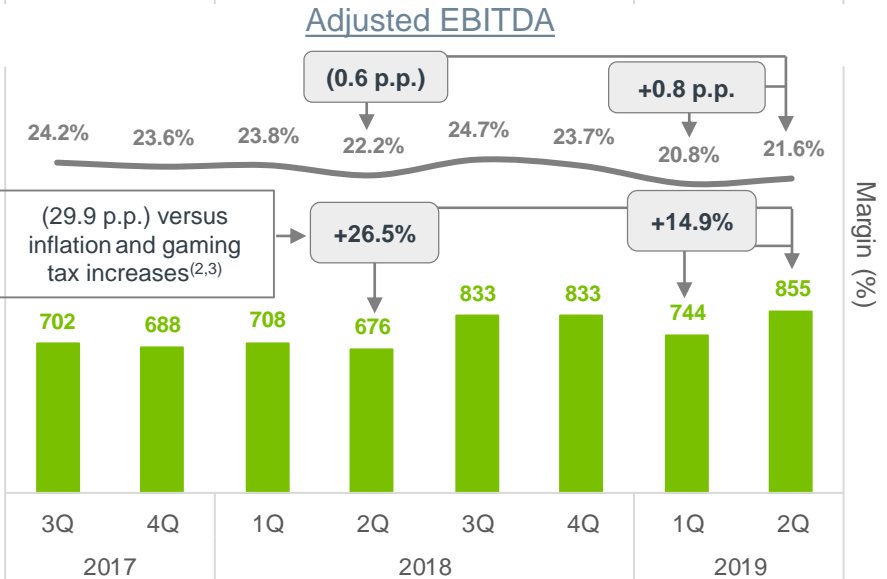
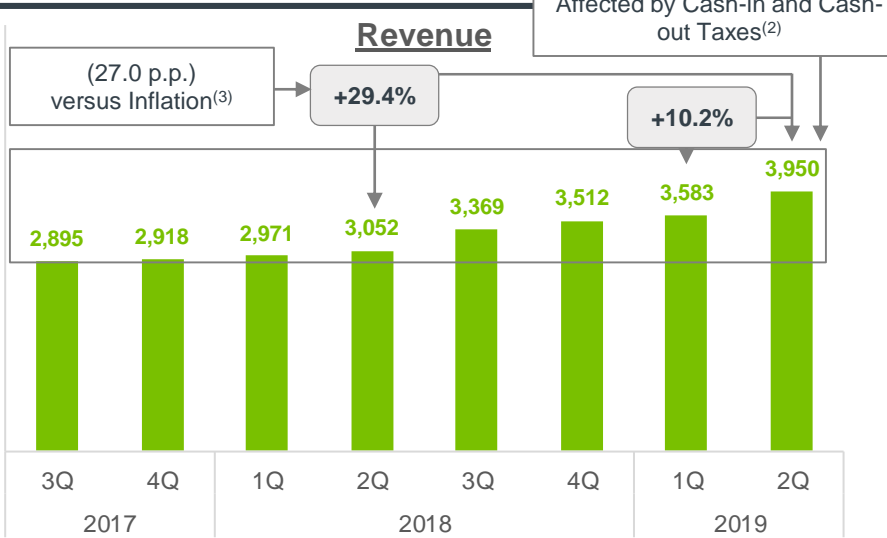
2Q-19 Inflation Rate: 56.4%  
2Q-19 ARS Devaluation vs EUR: 76.5%



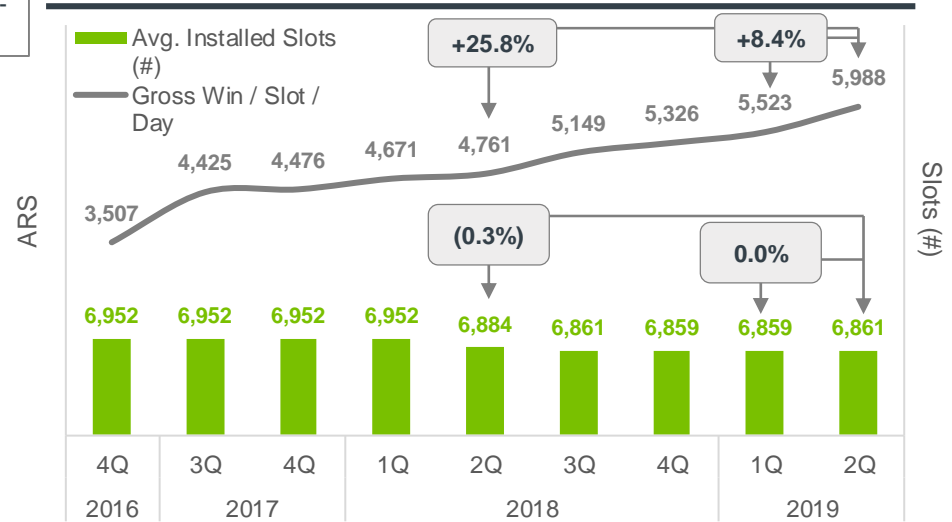
1) Figures include a positive adjustment of €4.4 mm on revenue and €2.5 mm on EBITDA which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.  
 2) Does not consider inflation accounting adjustments in Argentina.  
 3) Figures calculated Pre-IFRS16.  
 4) The cash-in tax (in effect since mid-March 2017) is a tax on our players and reduces our gross win (i.e. reported revenue). The cash-out tax increases the perceived loss of the player in the gaming experience.

# Argentina (Local Currency)<sup>(1)</sup>

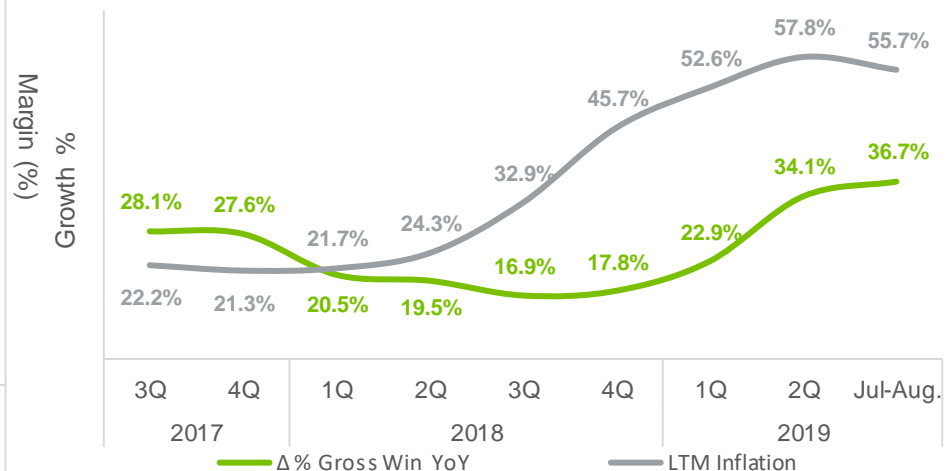
## Quarter



## Operating KPIs



## Slots Gross Win % Growth vs inflation



1) Does not consider inflation accounting adjustments in Argentina. Figures calculated Pre-IFRS16.

2) The gross revenue tax was increased from 12% to 15% effective January 1<sup>st</sup>, 2017. The cash-in tax (in effect since mid-March 2017) is a tax on our players and reduces our gross win (i.e. reported revenue). The cash-out tax, applied since mid-February increases the perceived loss of the client in their gaming experience.

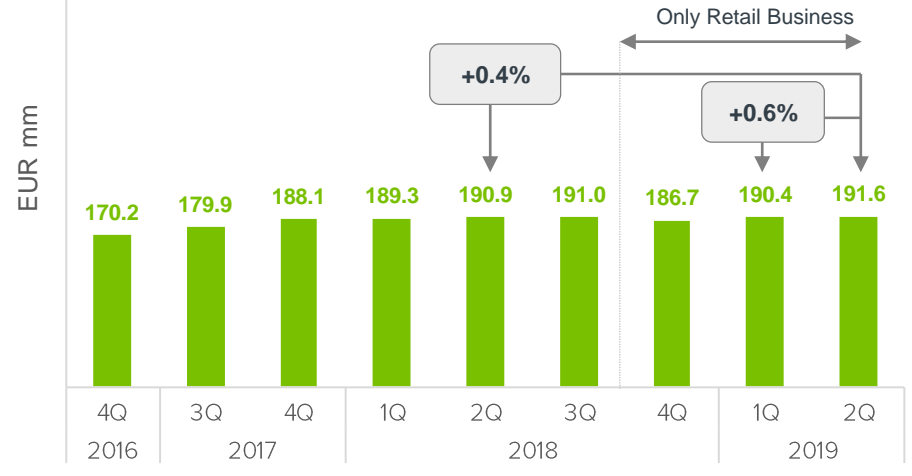
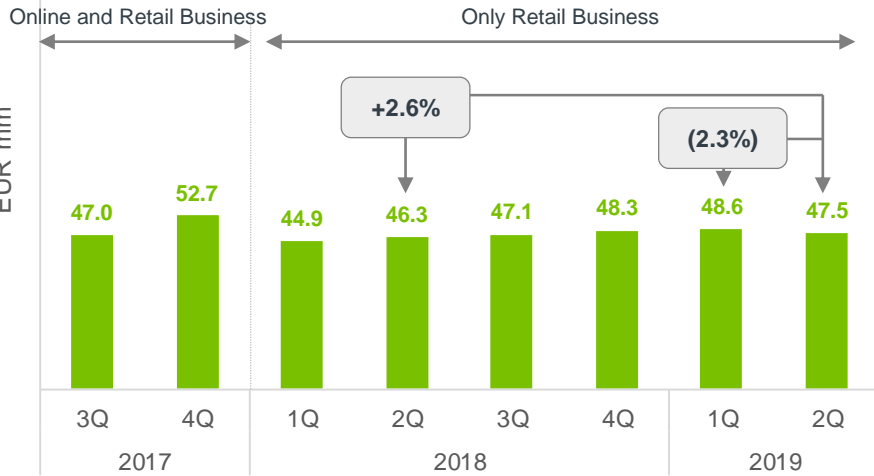
3) 2Q 2019 average inflation versus 2Q 2018 = 56.4%; figures based on reported monthly (sequential) inflation data (source: INDEC).

Quarter

LTM

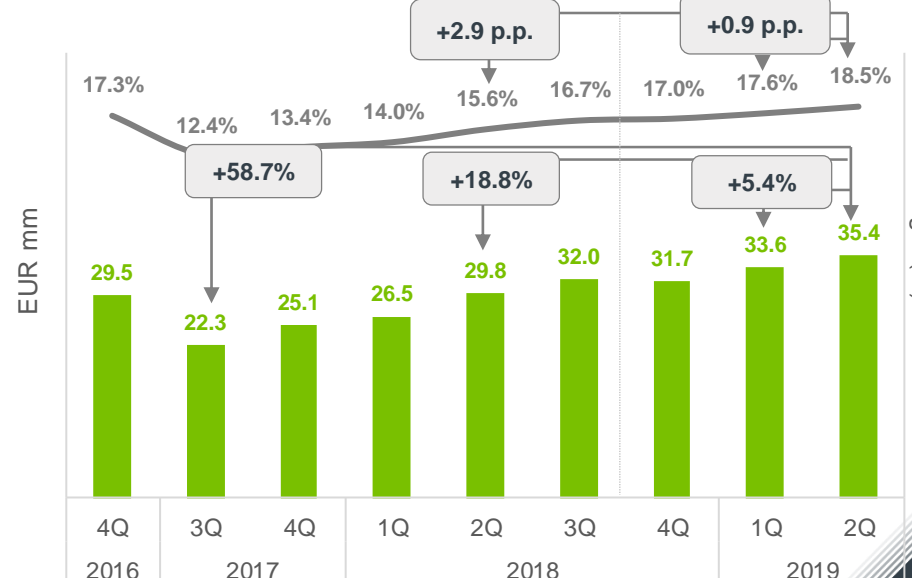
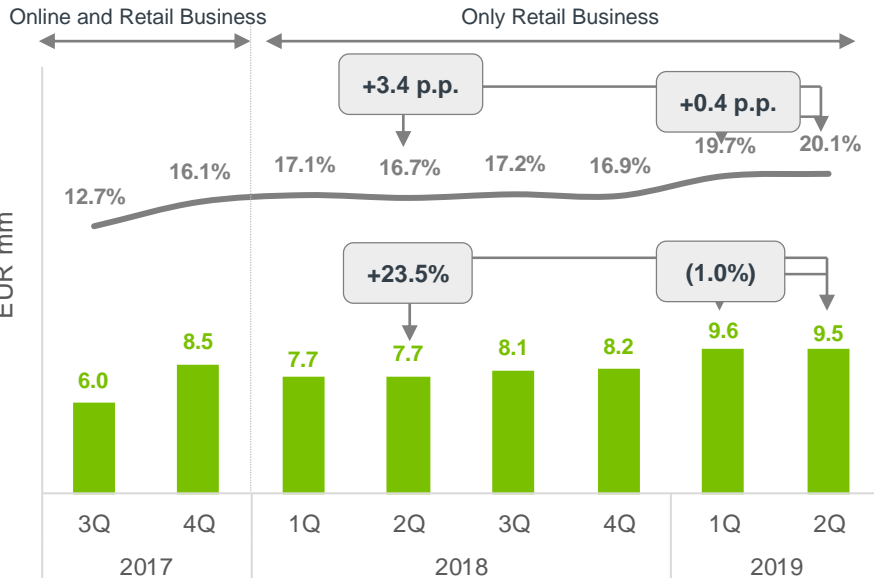
Revenue

Revenue



Adjusted EBITDA

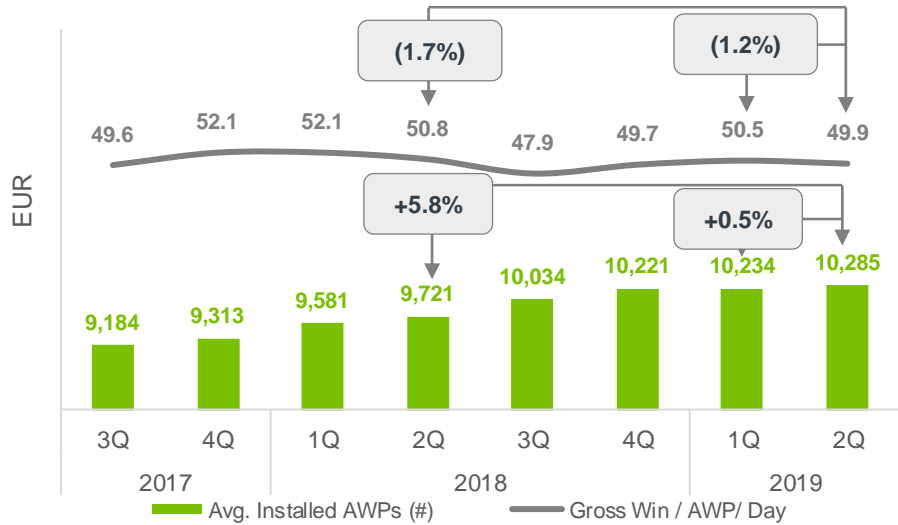
Adjusted EBITDA



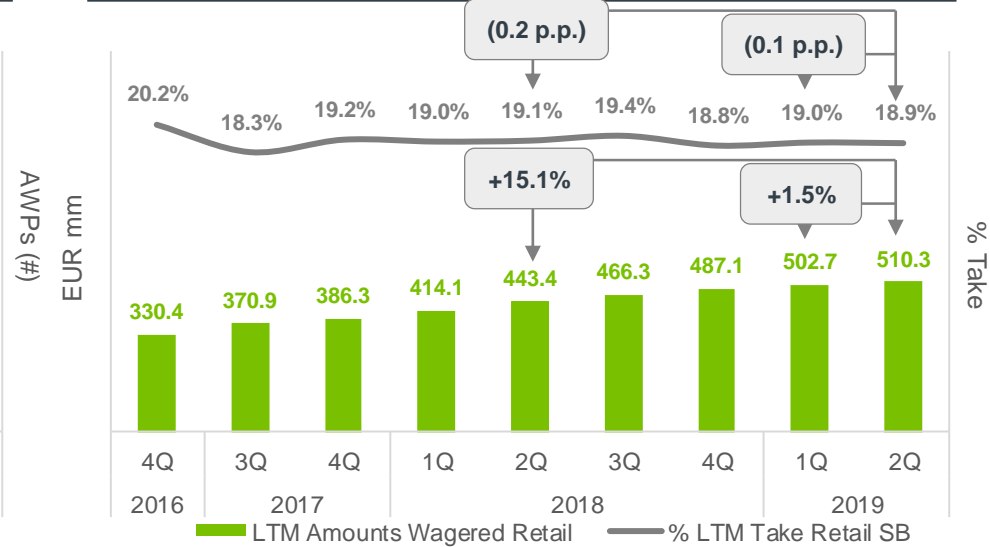
1) 2018 figures will vary from prior presentations given that now we only include Retail Business.  
2) Figures calculated Pre-IFRS16.



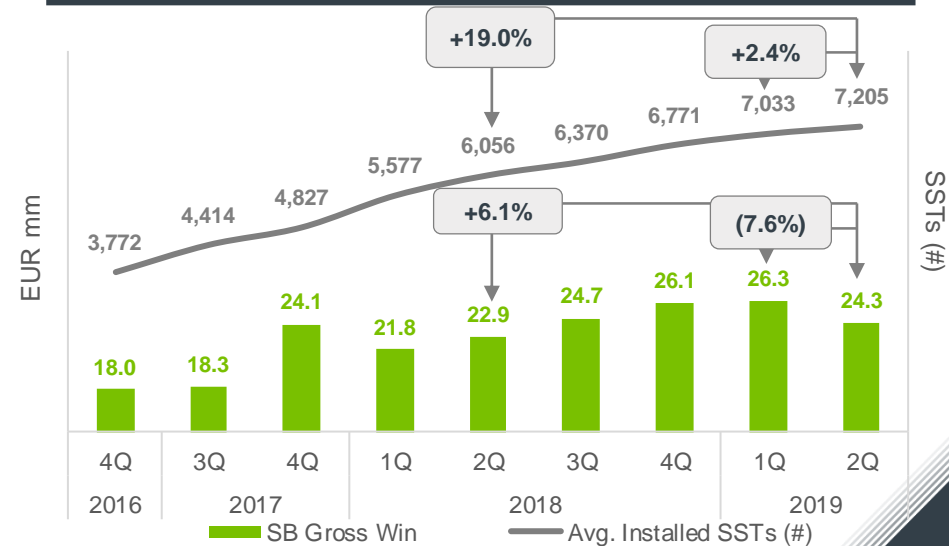
Quarter - AWP Operating KPIs



LTM – Amounts wagered retail Sports Betting



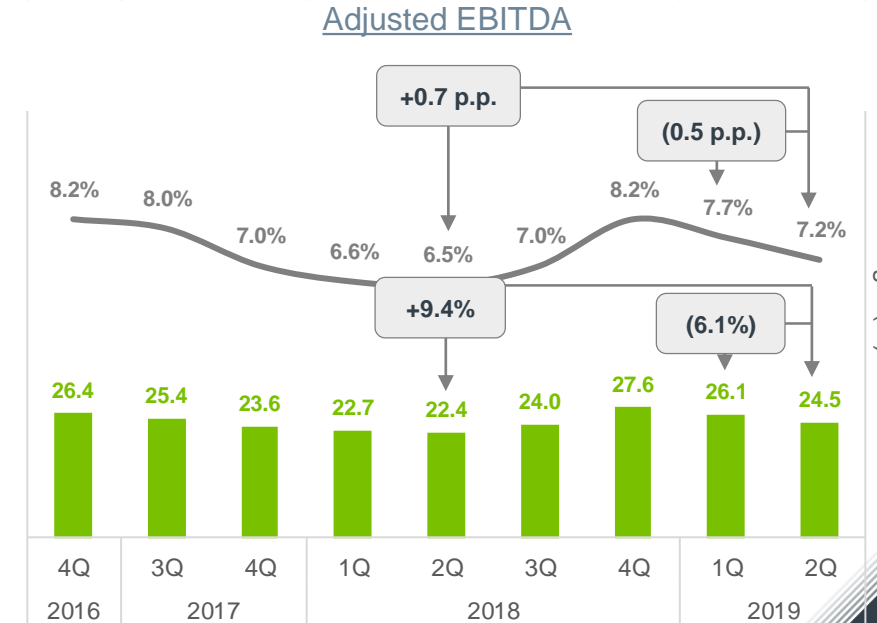
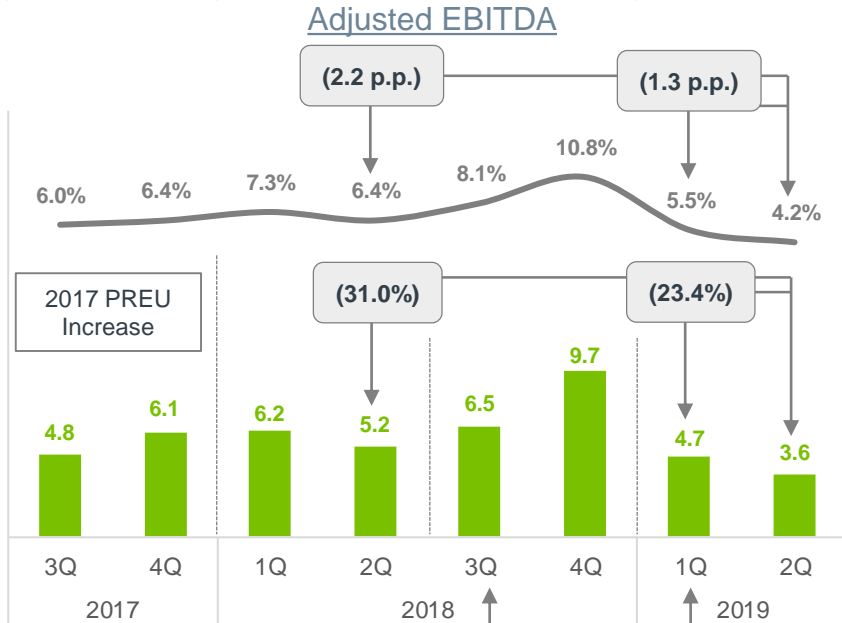
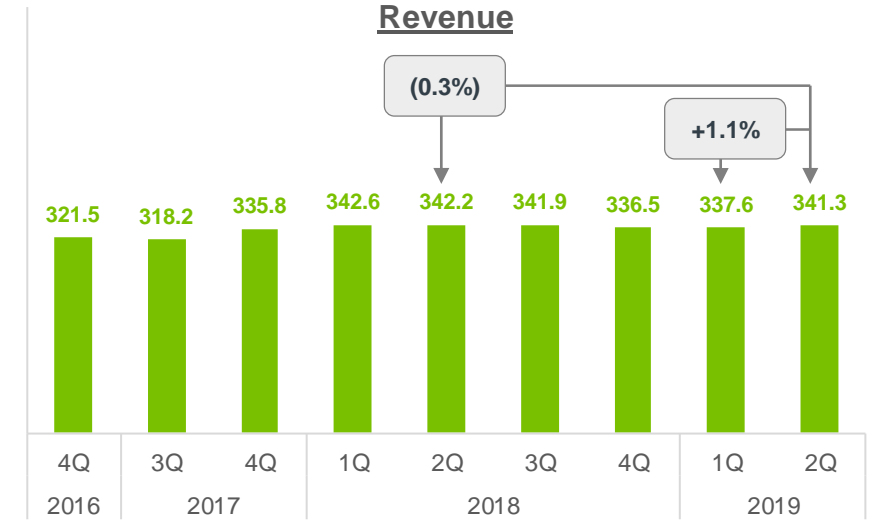
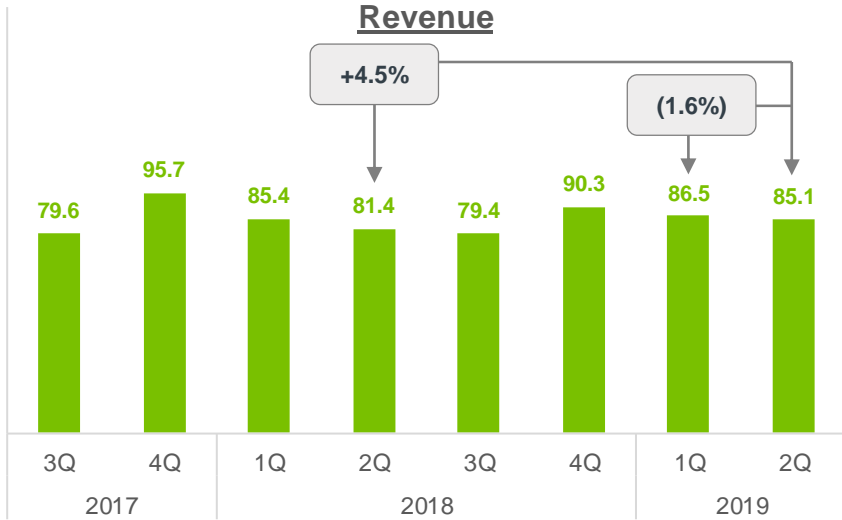
Quarter - Sports Betting (excl. Online)<sup>(1)</sup>



1) Figures for gross win includes revenue from uncollected (and expired) prizes.

Quarter

LTM

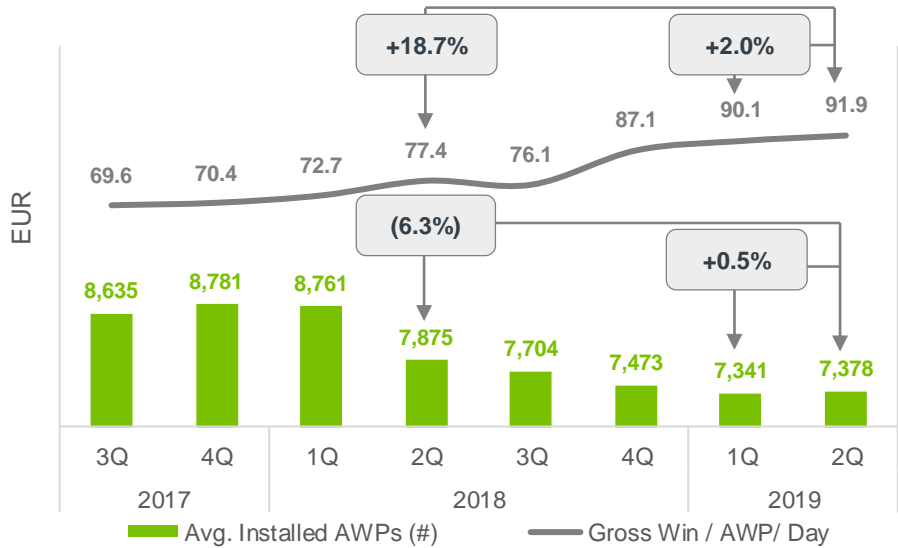


1) Figures calculated Pre-IFRS16.

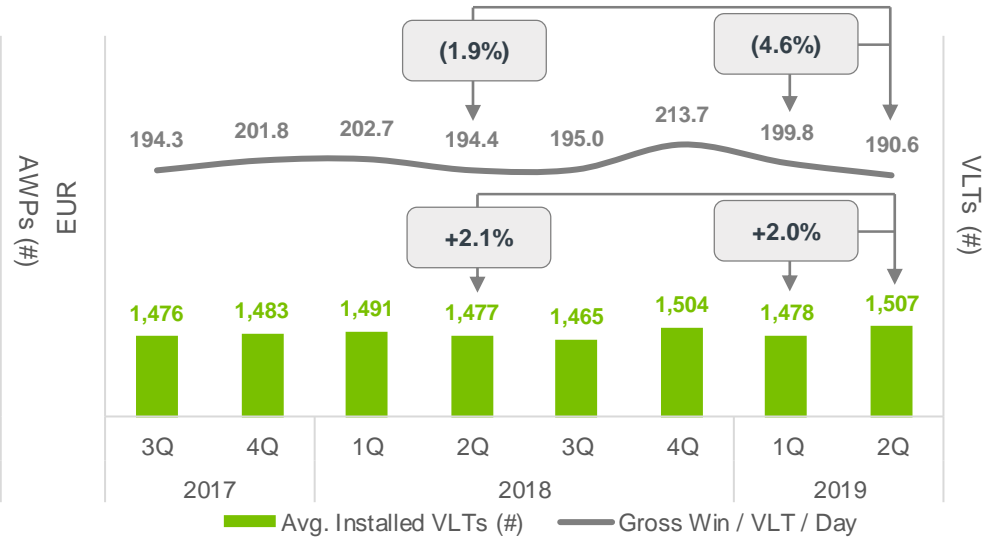
2018 PREU Increase

2019 PREU Increase

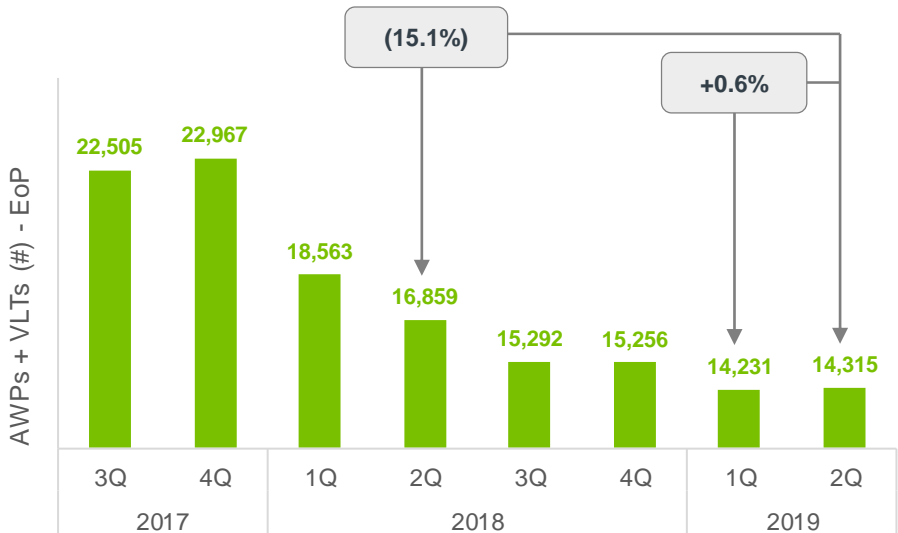
Operating KPIs – AWP



Operating KPIs – VLT



Network Connected Units (AWPs + VLTs)



Tax changes in Italy

- On December 30, 2018, the Italian Parliament passed the 2019 budget law. Within the law, there were changes to gaming tax (PREU), as it increased then current rates of 19.25% for AWP and 6.25% for VLTs by 1.35% and 1.25%, respectively. The law also allowed payout reductions from 70% to 68% and from 85% to 84% for AWP and VLTs, respectively.
- Furthermore, on January 28, 2019, an additional increase was approved resulting in the following calendar:

Effective date	AWPs	VLTs
January 1, 2019	20.60%	7.50%
January 29, 2019	21.25%	7.50%
May 1, 2019	21.60%	7.90%
January 1, 2020	21.68%	7.93%
January 1, 2021	21.75%	8.00%
January 1, 2023	21.60%	7.85%

Other Operations(1)

EoP Exchange Rates	As at		
	Jun-17	Jun-18	Jun-19
USD/UYU	28.50	31.47	35.18



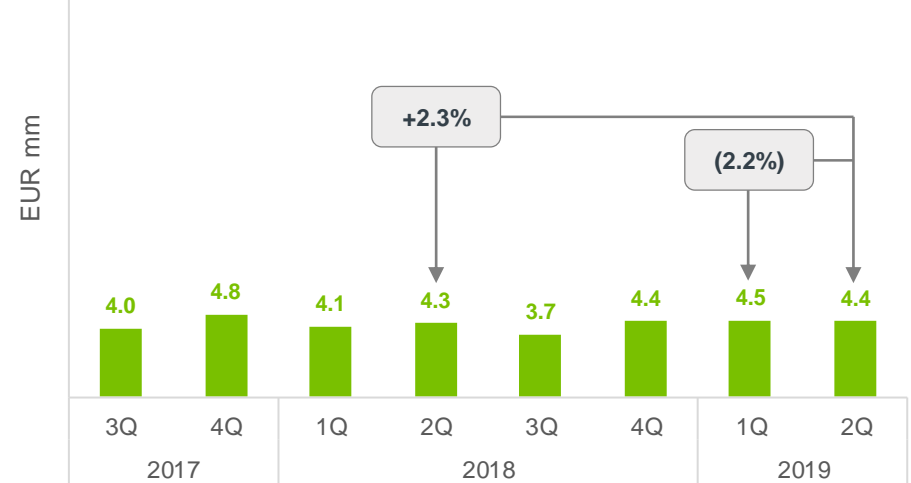
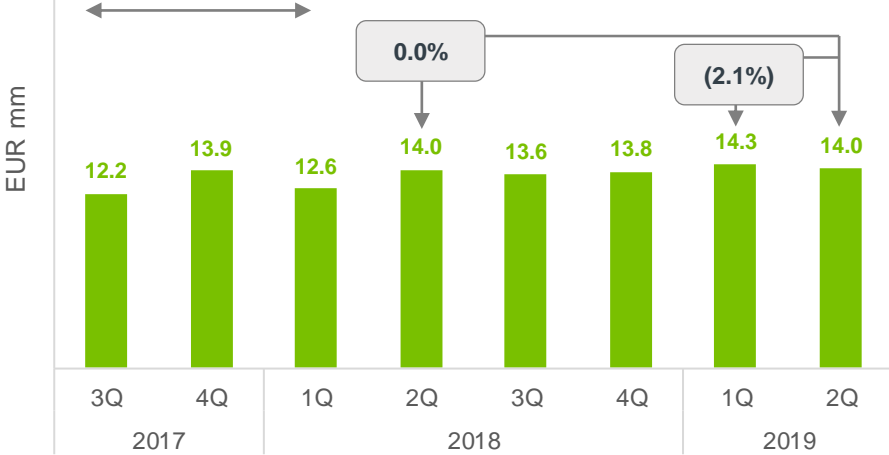
Uruguay - HRU

Uruguay – Carrasco Nobile

Revenue

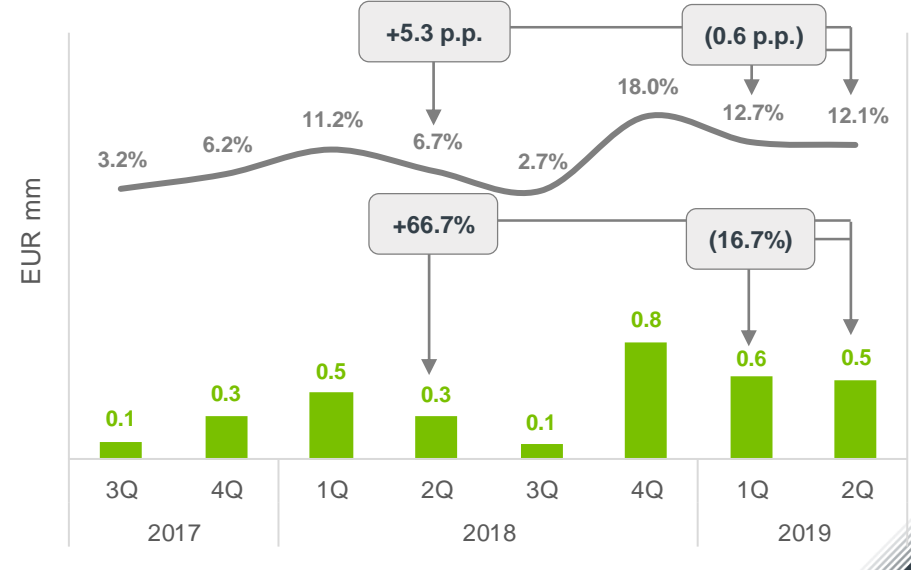
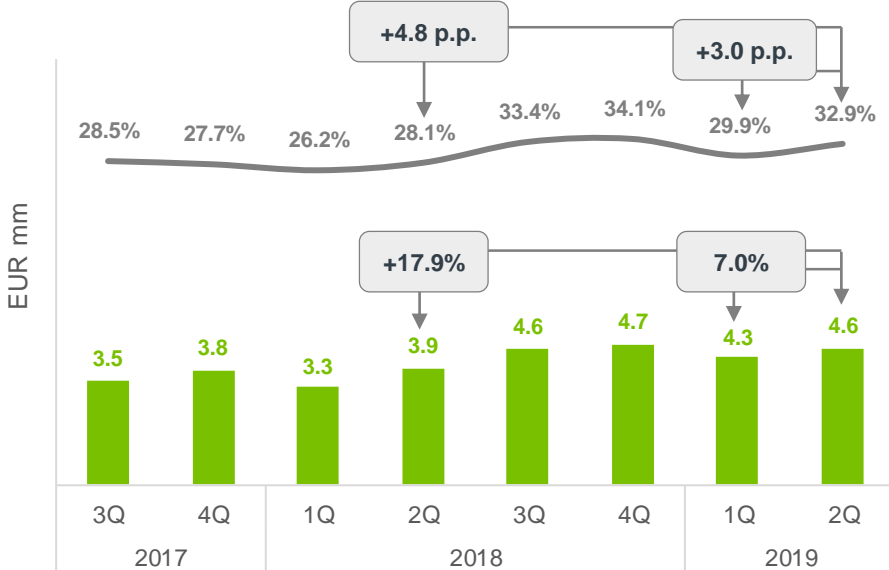
Revenue

Impacted by appreciation of UYU vs. USD



Uruguay – HRU Adjusted EBITDA

Uruguay – Carrasco Nobile Adjusted EBITDA



1) Figures calculated Pre-IFRS16.

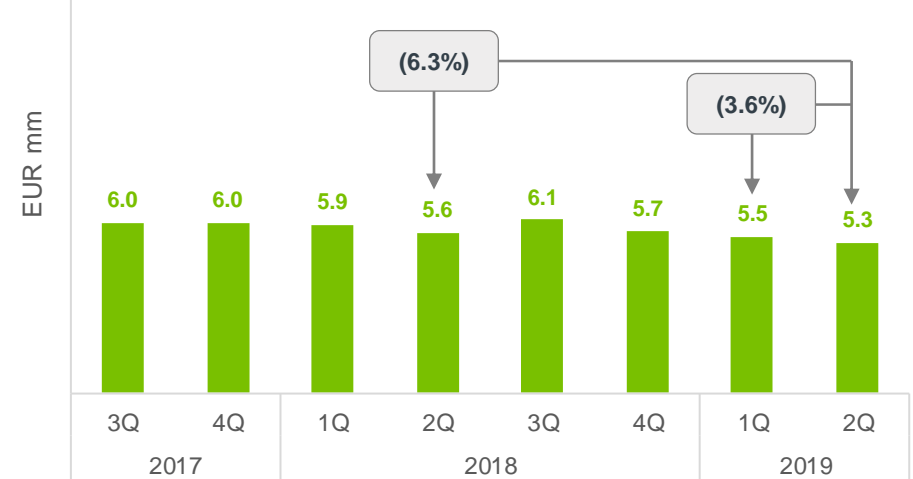
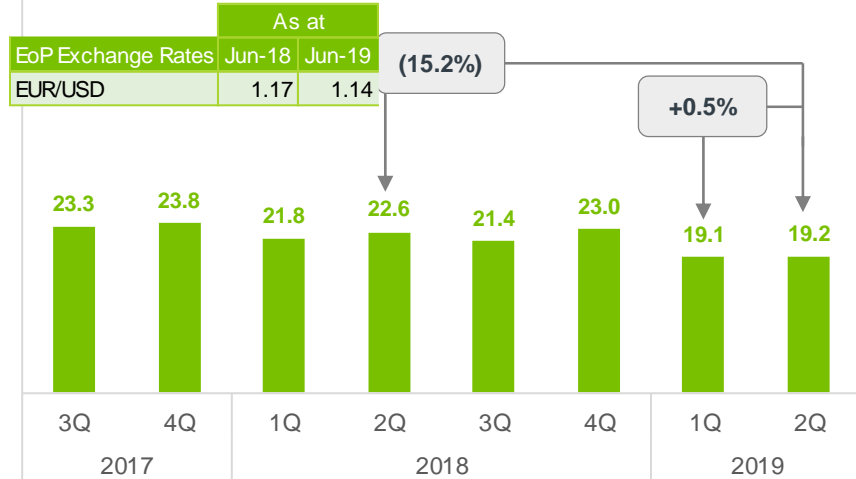
# Other Operations(1, 2)

## Panama Quarter

## Colombia Quarter

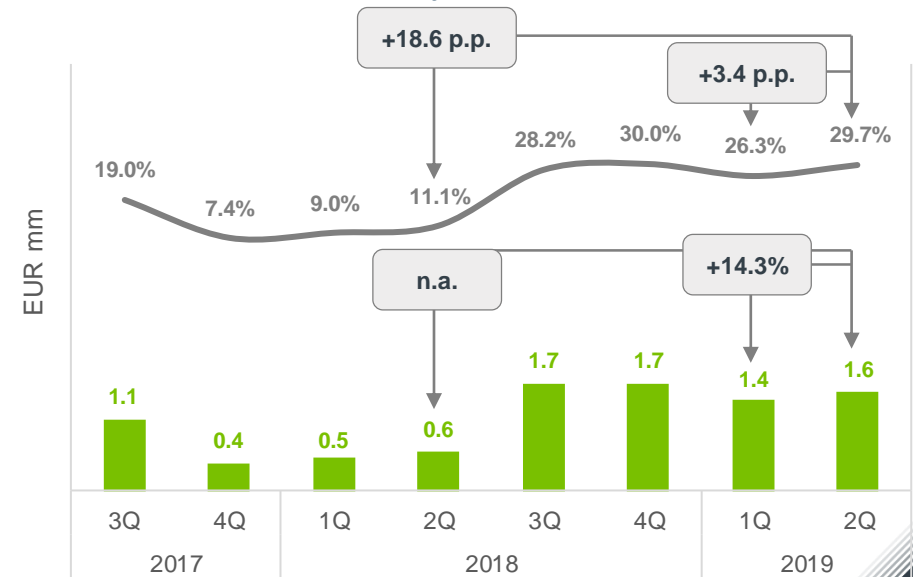
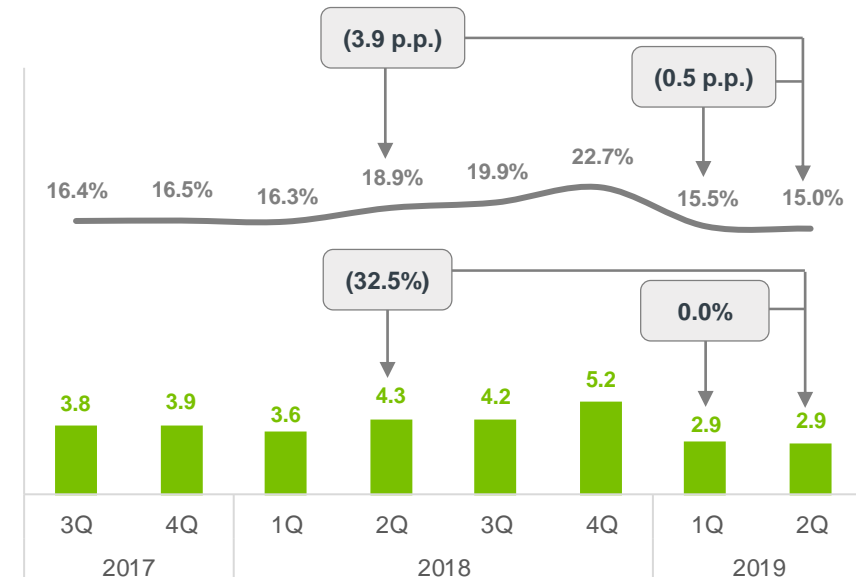
### Revenue

### Revenue



### Adjusted EBITDA

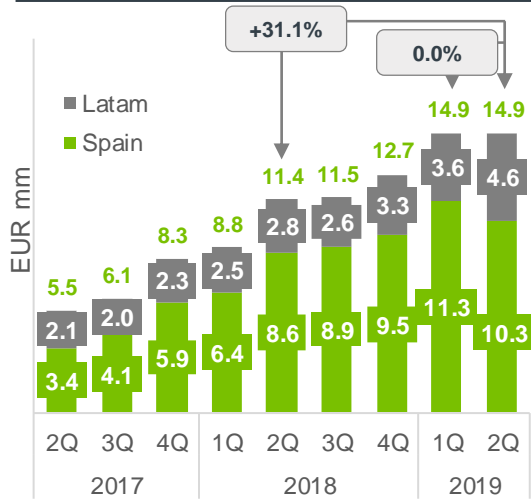
### Colombia Adjusted EBITDA



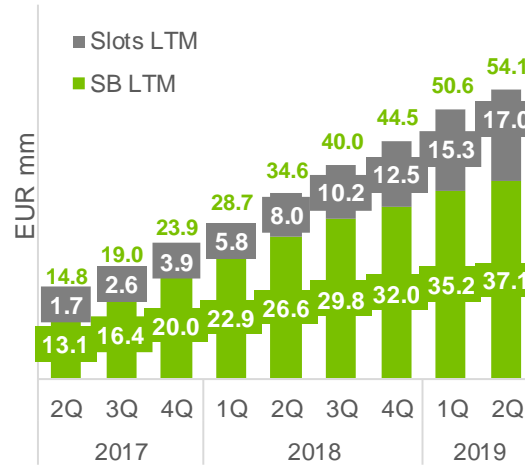
1) 2018 figures will vary from prior presentations given that now we only include Retail Business.  
 2) Figures calculated Pre-IFRS16.

# Online Activity by Codere<sup>(1)</sup>

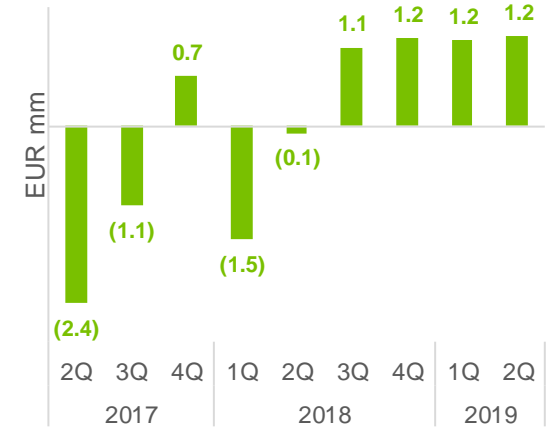
### Revenue Quarterly



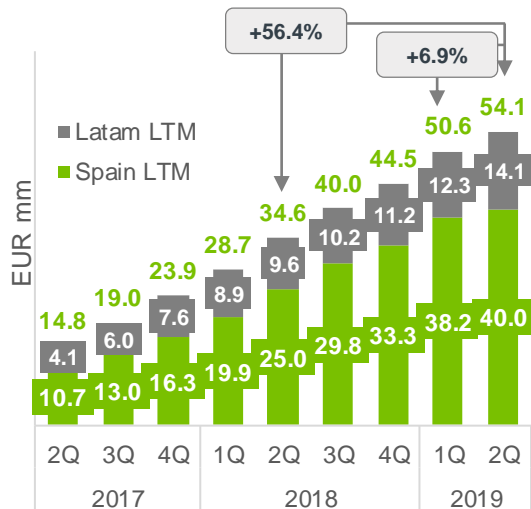
### LTM Revenue Mix



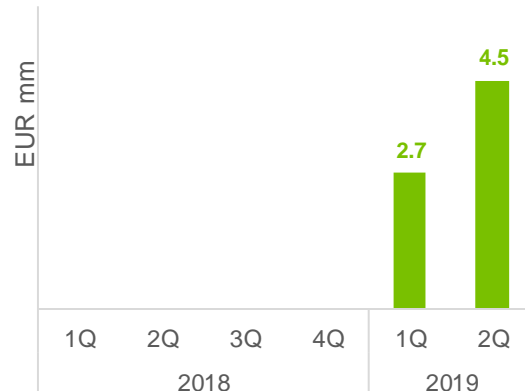
### Adjusted EBITDA Quarterly



### Revenue LTM



### Quarterly Growth Marketing Expenses<sup>(2)</sup>



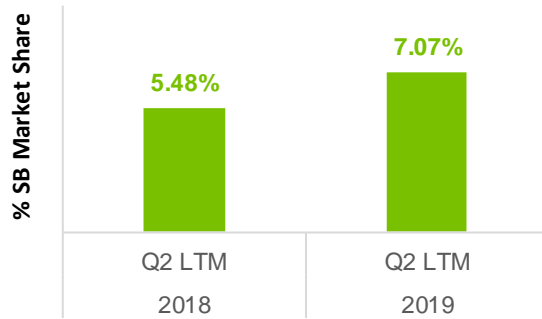
### Adjusted EBITDA LTM<sup>(3)</sup>



1) Figures calculated Pre-IFRS16.  
 2) Reported as non recurring.  
 3) Online EBITDA starts to be traceable in January 2017.

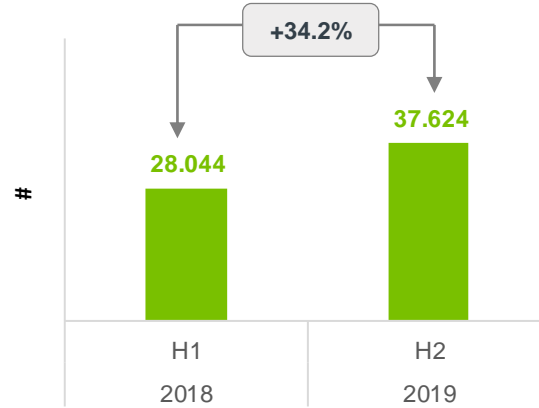
# KPIs Online – Spain and Mexico

## Spain Codere SB Market

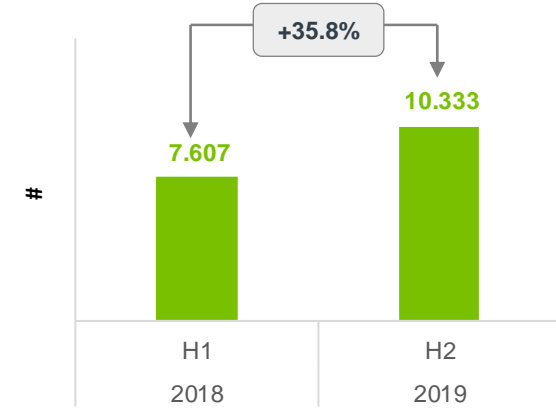


EUR mm	Q2 LTM 18	Q2 LTM 19	% Var
Total Market	346.2	386.1	11.5%
Codere	19.0	27.3	43.9%

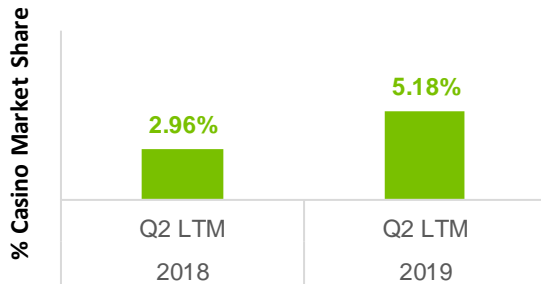
## Spain SB Active Users



## Mexico SB Active Users

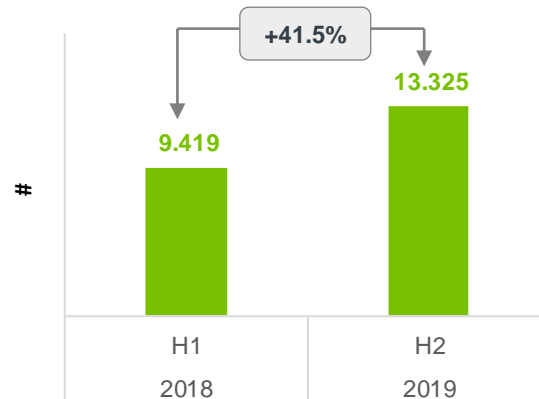


## Spain Codere Casino Market

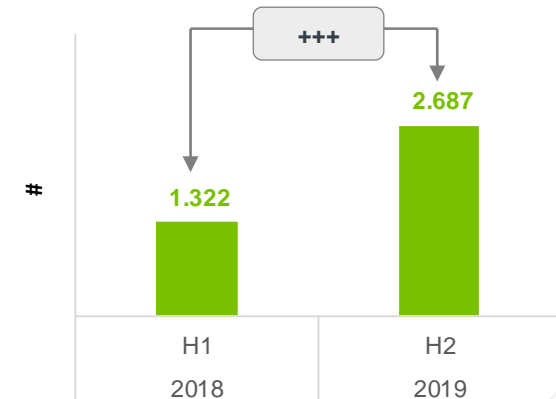


EUR mm	Q2 LTM 18	Q2 LTM 19	% Var
Total Market	204.9	261.0	27.4%
Codere	6.1	13.5	122.7%

## Spain Casino Active Users



## Mexico Casino Active Users



## 2. Credit Overview



Consolidated Free Cash Flow<sup>(1, 2, 3, 4)</sup>

Figures in EUR mm, except where noted otherwise.

	2016	2017			2018					2019	
	FY	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
<b>Adjusted EBITDA<sup>(4)</sup></b>	<b>270.2</b>	<b>68.4</b>	<b>73.6</b>	<b>273.6</b>	<b>67.9</b>	<b>65.0</b>	<b>70.8</b>	<b>79.2</b>	<b>282.9</b>	<b>68.0</b>	<b>70.3</b>
(-) Corporate Income Tax Paid <sup>(6)</sup>	(49.9)	(12.5)	(15.5)	(70.9)	(10.9)	(18.3)	(11.4)	(11.2)	(51.8)	(10.6)	(12.7)
(-) Maintenance Capex <sup>(7)</sup>	(80.4)	(17.4)	(29.5)	(78.4)	(16.4)	(27.1)	(11.9)	(26.7)	(82.1)	(15.6)	(17.6)
(-) Increase in Net Working Capital	18.9	(15.4)	(1.4)	(13.8)	(9.0)	9.5	(2.7)	(2.5)	(4.8)	(27.3)	9.9
<b>FCF before Growth Capex</b>	<b>159.1</b>	<b>23.2</b>	<b>27.3</b>	<b>110.6</b>	<b>31.6</b>	<b>29.1</b>	<b>44.8</b>	<b>38.8</b>	<b>144.2</b>	<b>14.5</b>	<b>49.9</b>
(-) Growth Capex <sup>(8)</sup>	(8.4)	(11.8)	(12.3)	(39.8)	(7.8)	(5.8)	(43.6)	(24.1)	(81.3)	(0.8)	(3.6)
<b>FCF</b>	<b>150.7</b>	<b>11.4</b>	<b>15.0</b>	<b>70.8</b>	<b>23.8</b>	<b>23.3</b>	<b>1.2</b>	<b>14.7</b>	<b>62.9</b>	<b>13.7</b>	<b>46.3</b>
(-) Cash Interest Expense	(32.6)	(12.5)	(57.4)	(80.5)	(3.9)	(30.0)	(3.8)	(31.1)	(68.8)	(3.8)	(31.0)

## Quarter – FCF before Growth Capex



## LTM - FCF before Growth Capex



1) Consolidated free cash flow, as defined herein, reflects consolidated adjusted EBITDA Pre-IFRS16 less i) corporate income taxes paid, ii) total capital expenditures and iii) increases in net working capital.

2) Figures will vary from prior reports as investments related to our online and sports betting platform in Spain have been reclassified from maintenance to growth capex retroactively since 1Q 2016.

3) Inflation accounting adjustments are non-cash items with no impact on cash flow generation.

4) Figures include a positive adjustment of €2.5 mm which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.

5) Figures shown do not include capex resulting from capitalization of leases derived from IFRS 16 (which is a non cash element).

6) Figure for 4Q 2016 includes €1.0 mm in additional CIT paid related to the €2.5 mm EBITDA adjustment in Argentina (@ 41.5% CIT rate).

7) Figure for 3Q and 4Q 2017 excludes €7.1 mm and €1.7 mm respectively from license renewals in Panama.

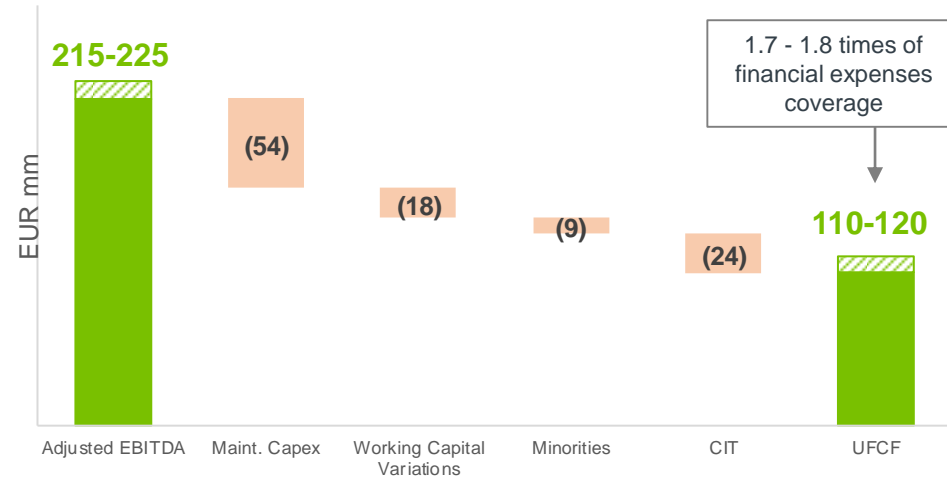
8) Figures for 4Q 2016 excludes €31 mm purchase of 50% of HRU and for 1Q 2017 excludes €24.5 mm purchase of 32.7% of Codere Caliente.

# UFCF Generation<sup>(1)</sup>

## Adjusted EBITDA Evolution – Rest of the Group



## 2019 Estimation: Cash Conversion – Rest of the Group



## UFCF Evolution – Rest of the Group<sup>(2,3)</sup>



- Argentina expected to generate only 20% to 25% of the UFCF in 2019 (vs. approximately 60% in 2016 when senior notes were issued).
- €26 million of the expected distributions to HQ have already been done by September 9<sup>th</sup>.
- Cash generation outside Argentina well above corporate service levels.

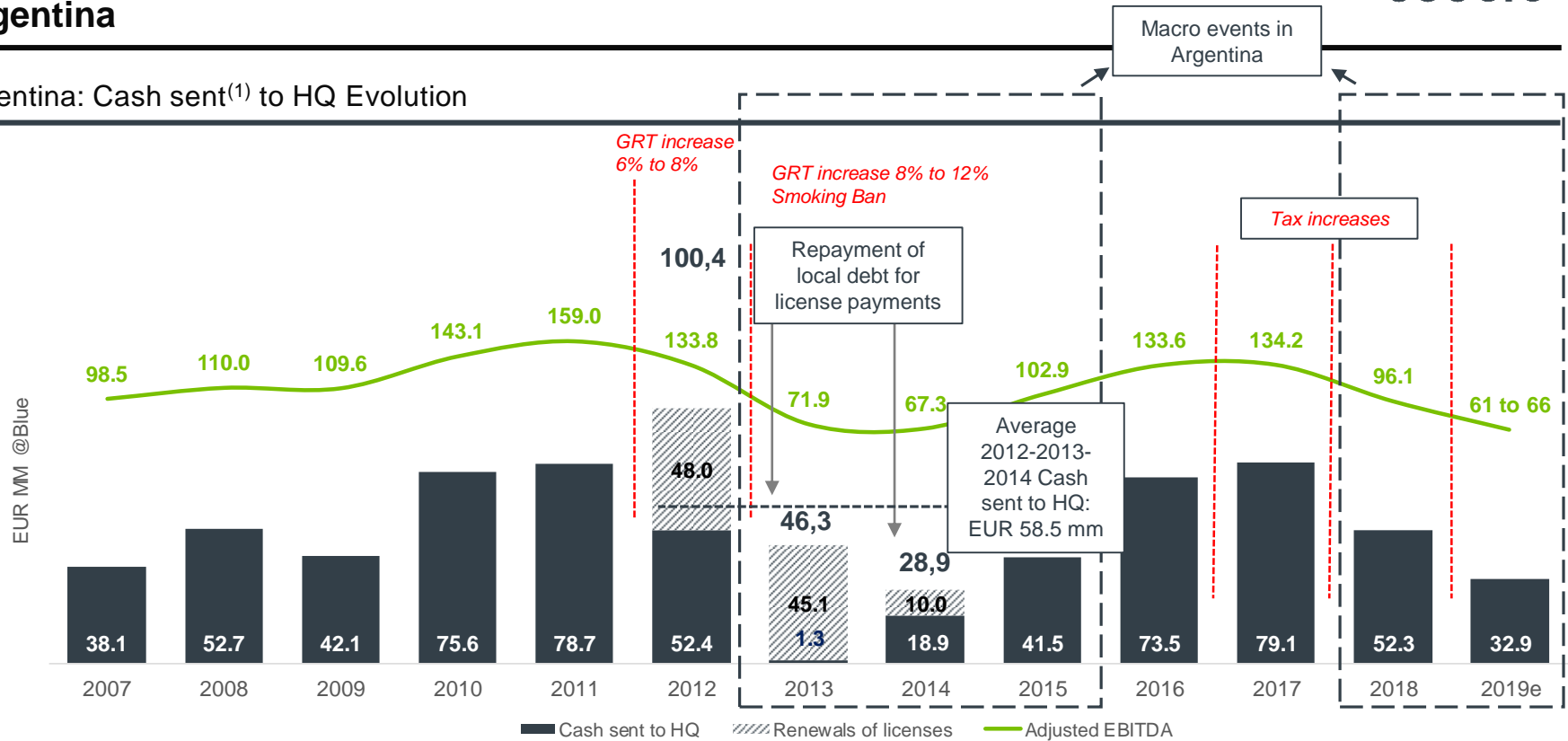
1) On November 30, 2016 we completed the acquisition of our partner's 50% interest (and prior to such date, reported our 50% interest pursuant to the equity method); thereafter, we own and consolidate 100% of HRU.

2) UFCF (Unlevered Free Cash Flow) defined as Adjusted EBITDA – Maintenance Capex – Chg. In Working Capital – Minorities – Corporate Income Taxes Paid.

3) Figure for 4Q 2016 includes €1.0 mm in additional CIT paid related to the €2.5 mm EBITDA adjustment in Argentina (@ 41.5% CIT rate).

# Argentina

## Argentina: Cash sent<sup>(1)</sup> to HQ Evolution



% of global Adj. EBITDA in Argentina*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e
	49.2%	48.0%	49.8%	55.0%	56.1%	46.7%	36.1%	33.8%	39.4%	49.5%	49.1%	34.0%	22.8%

- More than 74% of cash to be repatriated in 2019 already in Madrid.
- Argentina has always contributed cash flows to headquarters, no matter the circumstances.
- Codere has a long term presence in Argentina and has successfully operated under different political parties and economic situations, including capital controls.
- Today, Codere has the lowest exposure to Argentina ever (23% of LTM to June Adjusted EBITDA).

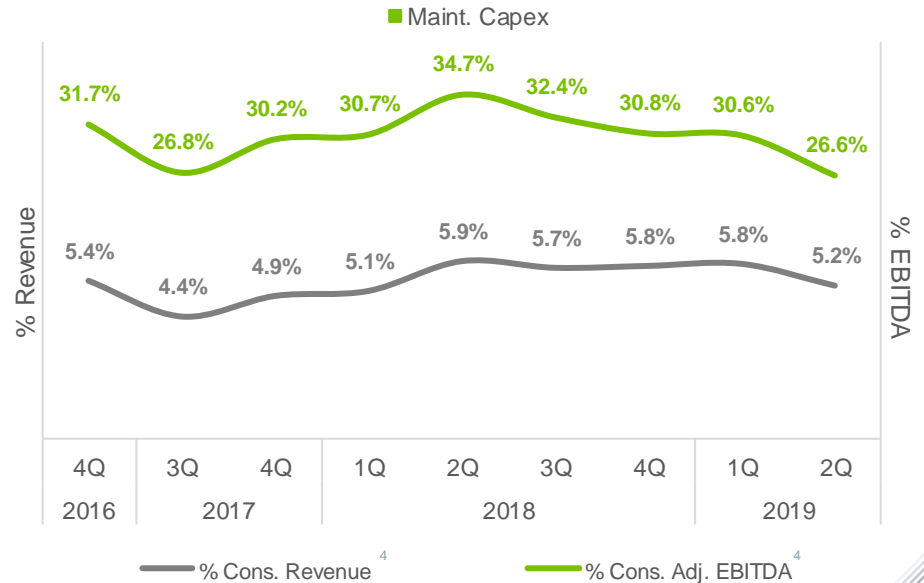
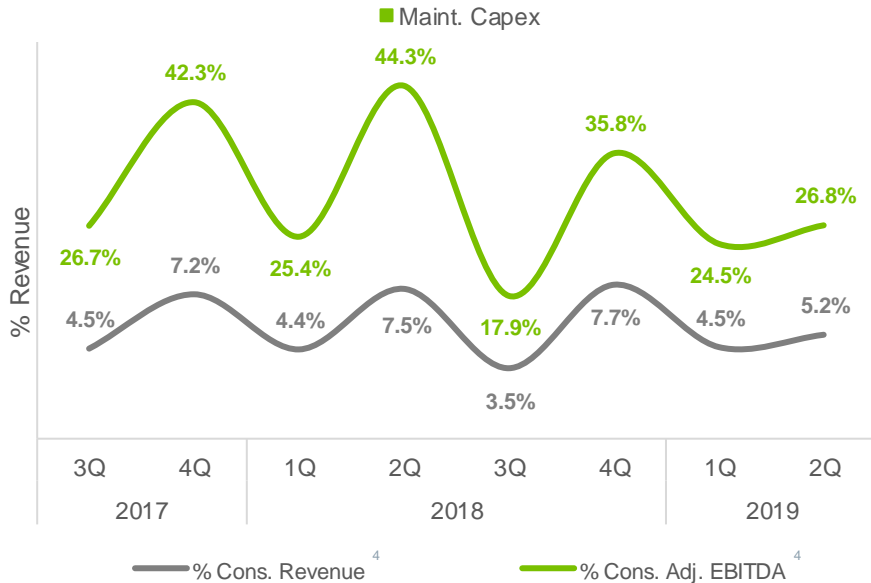
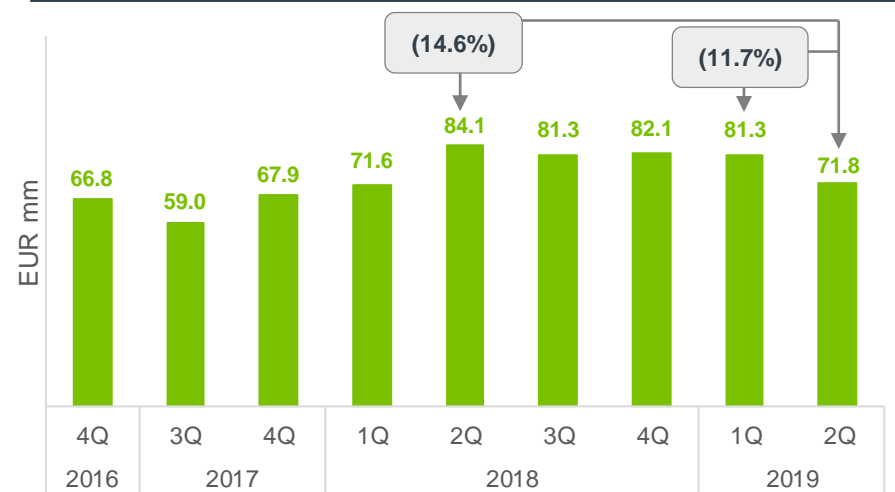
1) 2012-2013 Cash sent to HQ proforma to include the payments to banks associated to the financing obtained for the renewal of Licenses.  
 \* Figures from 2007 until 2015 reflect Company consolidated adjusted EBITDA plus 50% of HRU (unconsolidated joint venture accounted for under equity method) adjusted EBITDA. From 2015, 100% of HRU Adjusted EBITDA.

# Maintenance Capital Expenditures<sup>(1, 2, 3)</sup>

Quarter



LTM

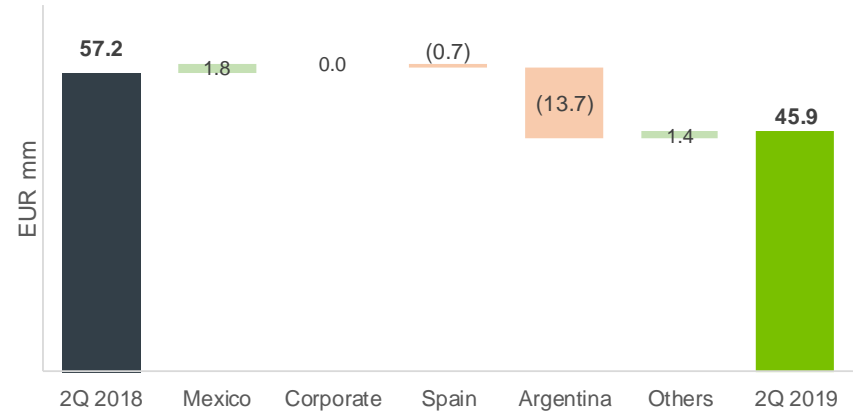
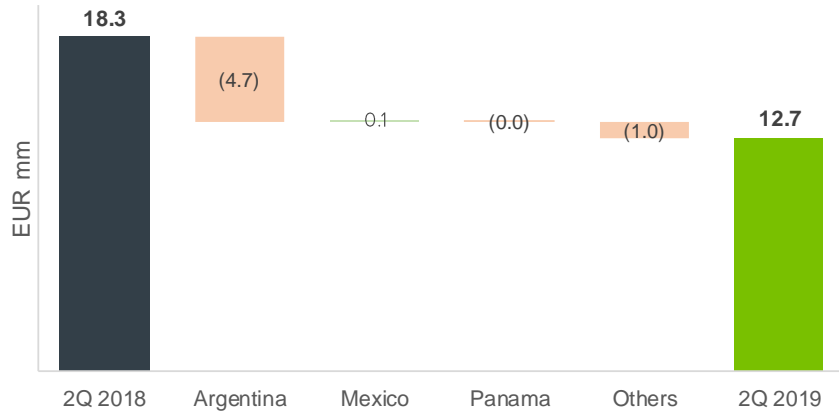
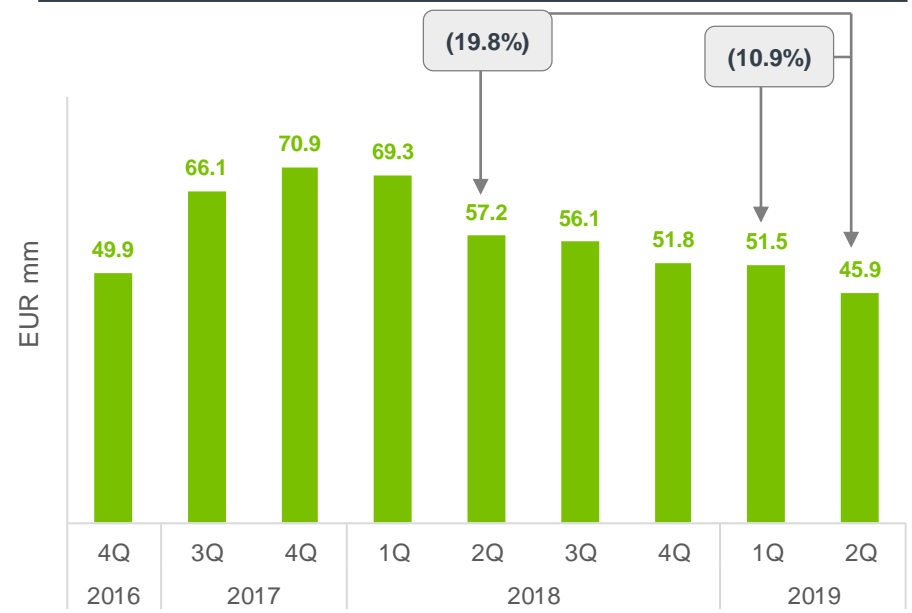
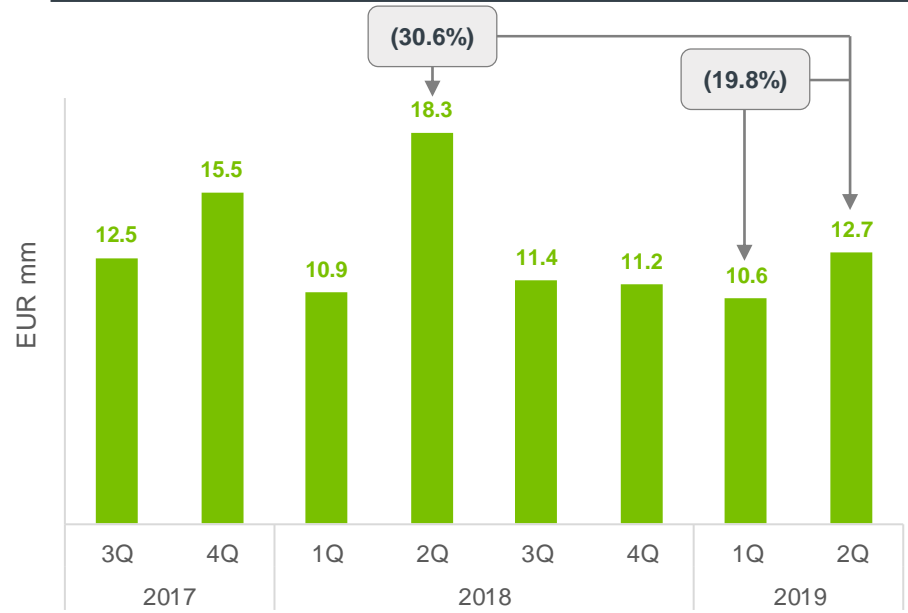


1) Maintenance Capex excludes the renewal of licenses in Panama (€7,1 mm in 3Q 2017 and €1.7 mm in 4Q 2017).  
 2) Figures will vary from prior reports as investments related to our online and sports betting platform in Spain have been reclassified from maintenance to growth capex retroactively since Q1 2016.  
 3) Figures shown do not include capex resulting from capitalization of leases derived from IFRS 16 (which is a non cash element).  
 4) Does not consider inflation accounting adjustments in Argentina.

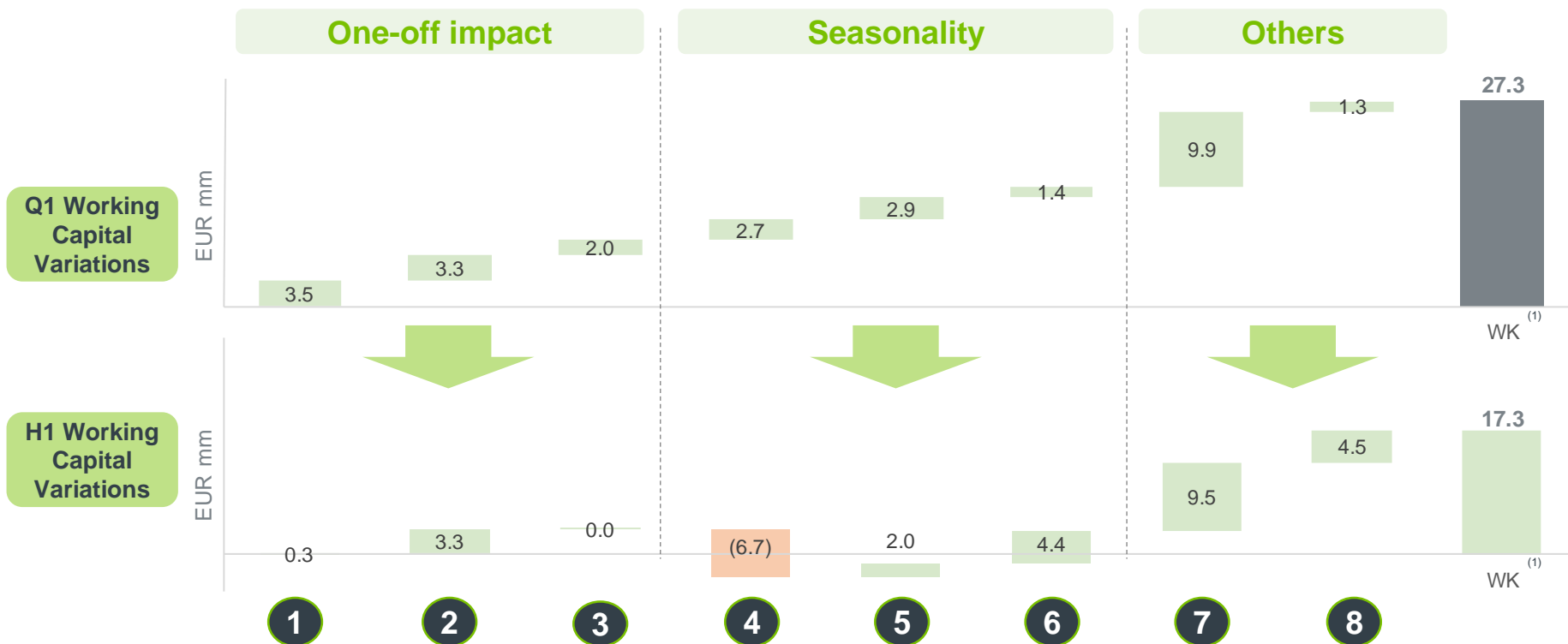
# Corporate Income Taxes Paid<sup>(1, 2)</sup>

Quarter

LTM



1) Figure for 4Q 2016 includes €1.0 mm in addition to CIT paid related to the €2.5 mm EBITDA adjustment in Argentina (@ 41.5% CIT rate).  
 2) Does not consider inflation accounting adjustments in Argentina.

Working Capital evolution<sup>(1)</sup>

1 Uruguayan government's payments were received in May

2 Revenues in Mexico from the transfer of the lease of a closed hall (to be received in Q1 2020) and certain sponsorships that will be cashed in progressively in 2H 2019.

3 Increase in PREU in Italy caused negative variations in the first quarter that will reappear at the end of the year.

4 Net variations related to 0.5% network canon (working capital is reduced due to the payment of the 2018 canon).

5 Uruguay horse-racing prizes collected. Panama still pending.

6 Related to annual administrative fees and leases in Mexico paid for in Q1 2019 and Q2 2019 Banamex receivables outstanding.

7 Other operational outflows (reduction of operational debt and others)<sup>(2)</sup>

- Suppliers' payables increased in Q4 2018 and have reverted to standard levels.

8 Net repayment of deferred taxes in Spain.

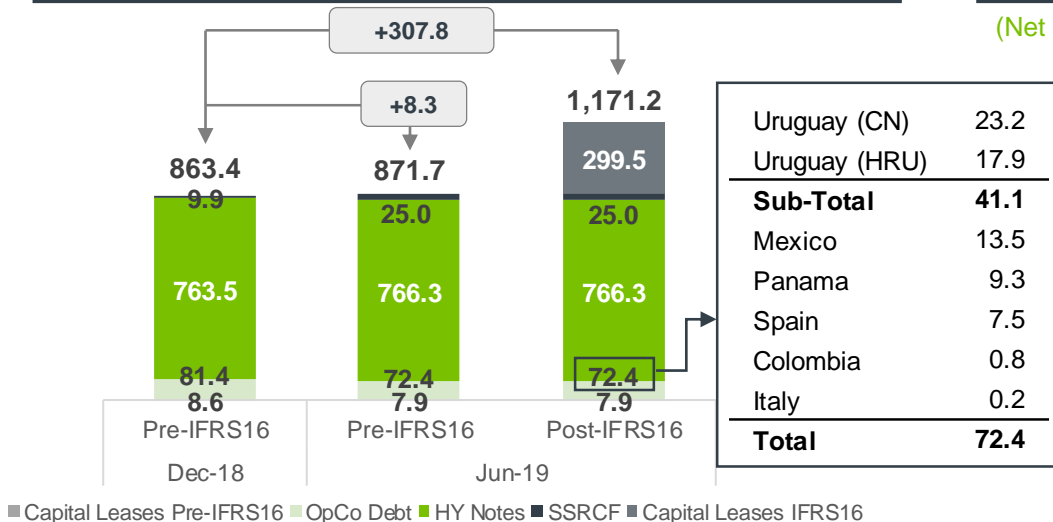
1) Working capital includes Deferred taxes in Spain.

2) Includes EUR 1.6 mm payment of non recurring litigation advisors from 2018 in Corporate.

# Credit Profile<sup>(1)</sup>

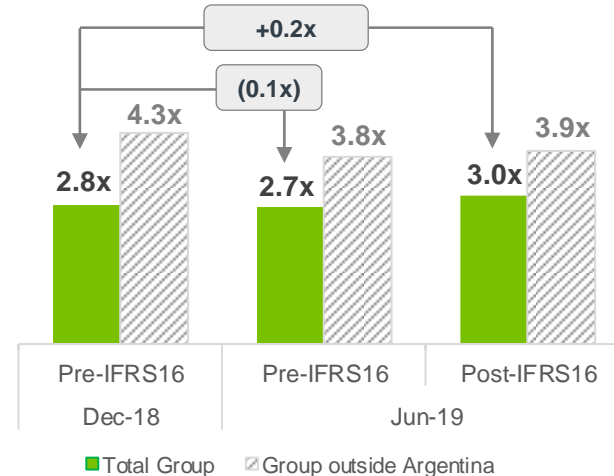
Figures in EUR mm, except where noted otherwise.

## Total Gross Debt<sup>(2)</sup>

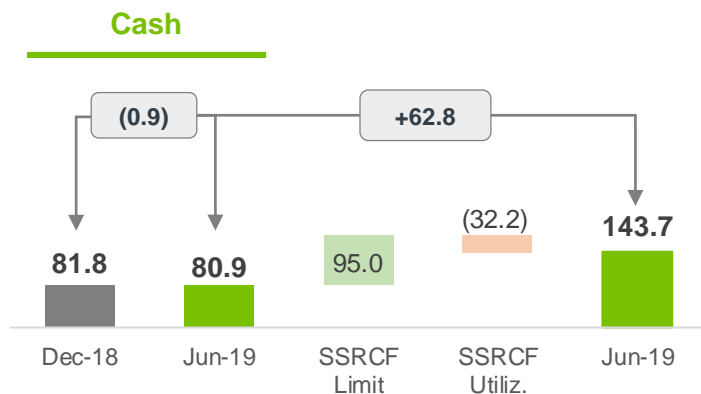


## Leverage Ratio

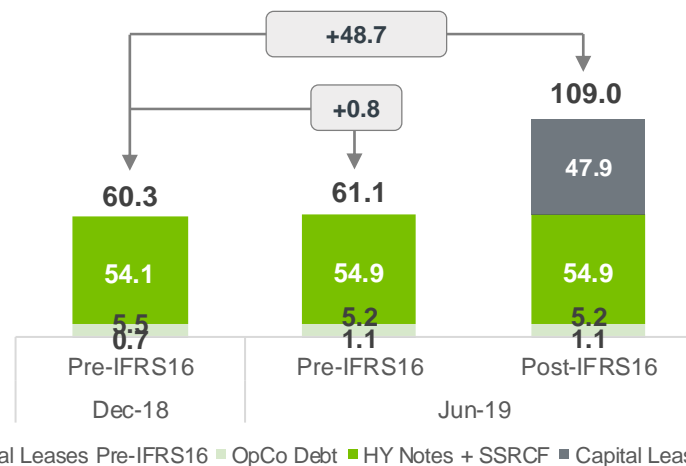
(Net Debt<sup>(3)</sup> / LTM Adjusted EBITDA)



## Total Liquidity



## Interest Expense<sup>(4)</sup>



1) Figures reflect consolidated accounts, except where noted otherwise.

2) Figures include accrued interest and impact of deferred financing fees.

3) As per corporate financing documents, figures reflect total outstanding principal amounts net of cash and cash equivalents. Figures include accrued interest and impact of deferred financing fees, which, for covenant calculation purposes, would be excluded (i.e. financial debt and leverage would be lower). Likewise, covenants are calculated prior to IFRS16 (i.e. Capitalized Operating Leases are not included in Gross Debt nor Adjusted EBITDA).

4) Figures based on end of period financial debt outstanding and interest rates; excludes fees on unused revolver availability and amortization of deferred financing fees.

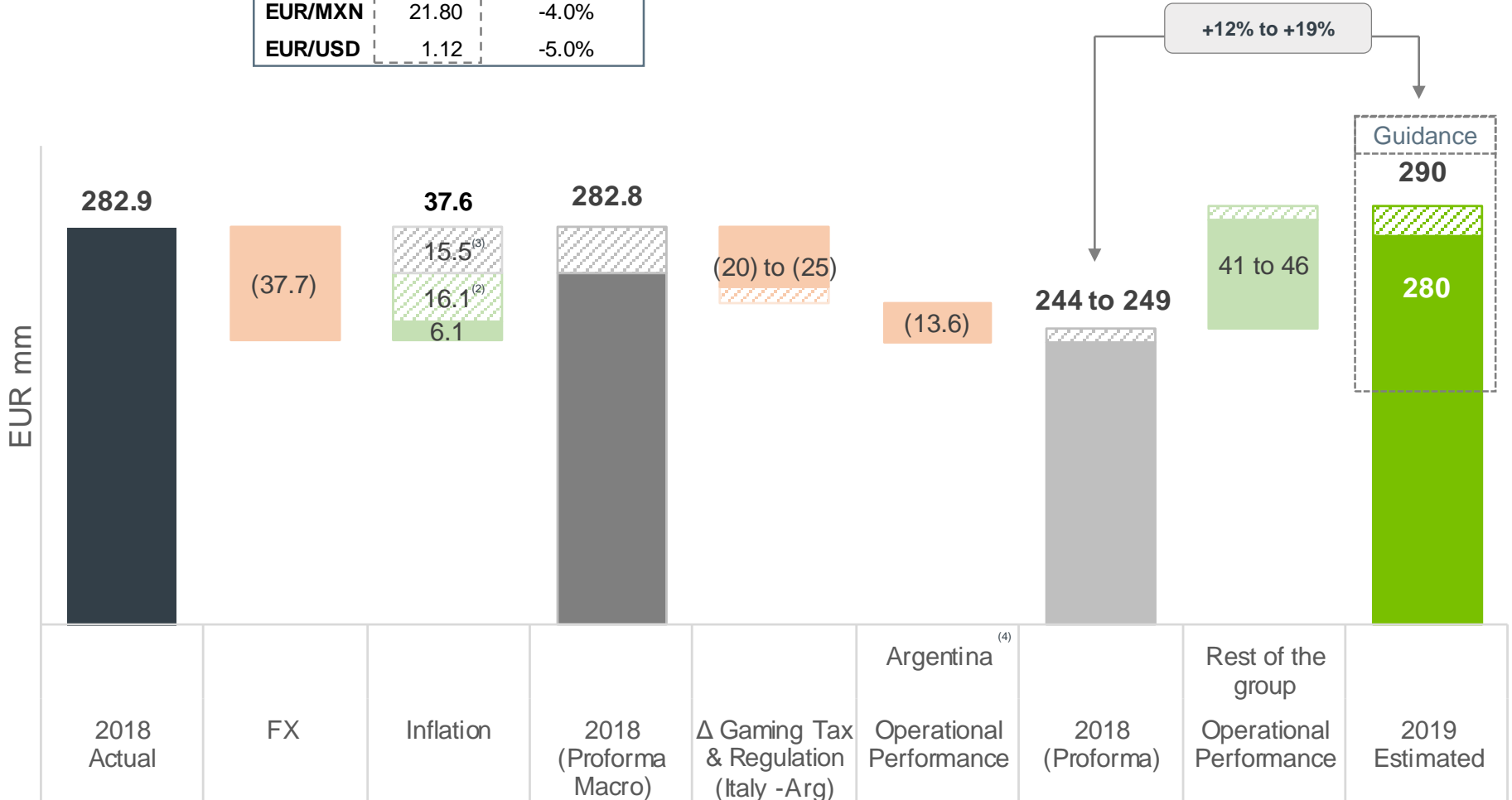
## 3. Company Outlook



# 2019 Total Adjusted EBITDA Pre-IFRS16 Guidance<sup>(1)</sup>

Avg. Exchange Rates

	Estimated	Chg. versus
	2019	2018
EUR/ARS	56.94	72.7%
EUR/MXN	21.80	-4.0%
EUR/USD	1.12	-5.0%

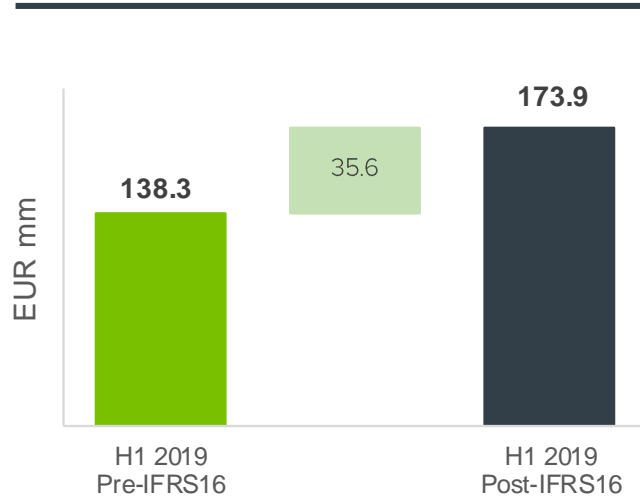


1) Figures based on consensus estimates for 2019 average inflation and exchange rate forwards (source: Bloomberg) as at August 20, 2019.  
 2) Argentina year on year growth considering gaming market growth in the period.  
 3) Argentina considering differential between Core Inflation versus market growth.  
 4) Inflation in Argentina does not reflect evolution of disposable income producing a significant gap between revenue and inflation (25% in H1'19 decreasing in H2'19). It is important to note that the slot gaming market in Argentina has grown a 27% on the period and we have managed to maintain market share.

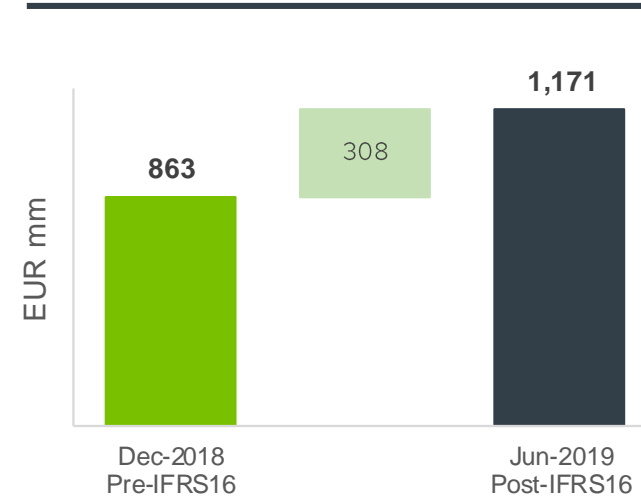
## 4. Appendix

# Impact of IFRS16 on H1 2019 accounts

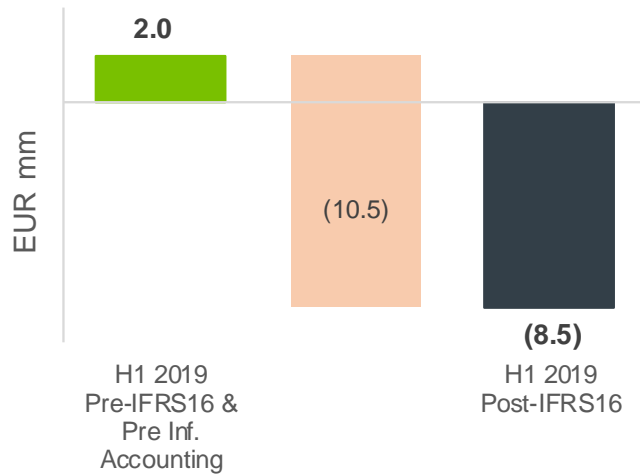
Adjusted EBITDA<sup>(1)</sup>



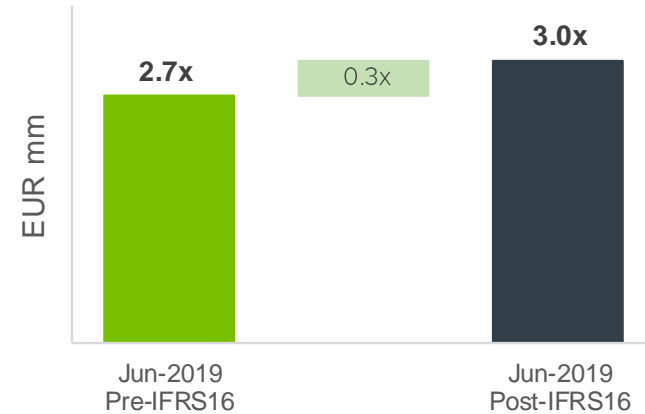
Total Gross Debt<sup>(2)</sup>



Net Profit



Leverage<sup>(3)</sup>



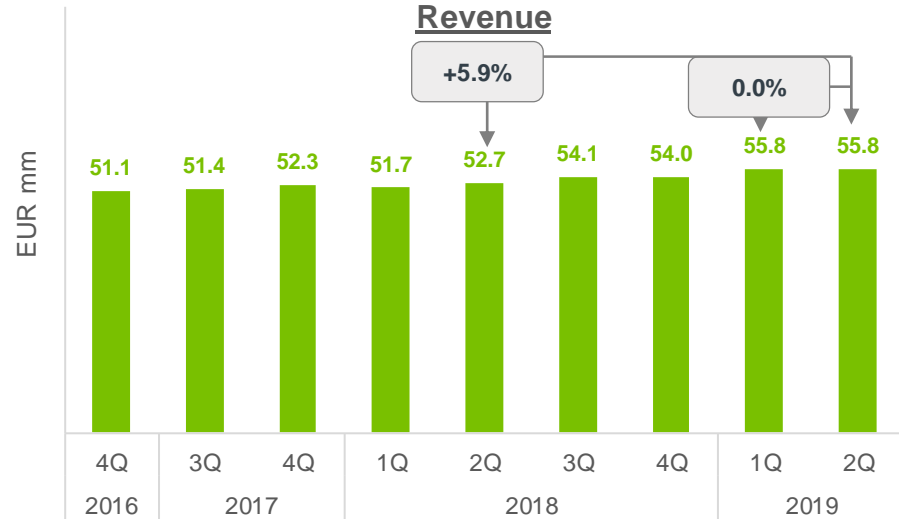
1) Based on Q2 2019 results.

2) Includes OpCo debt and capital leases, HY Notes and drawn amount under the SSRCF. Figures include accrued interest and impact of deferred financing fees.

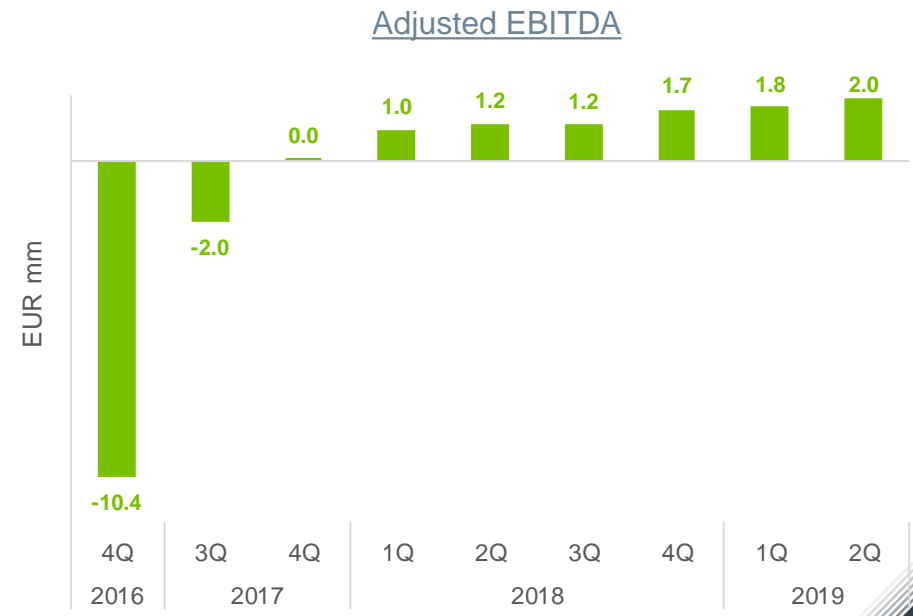
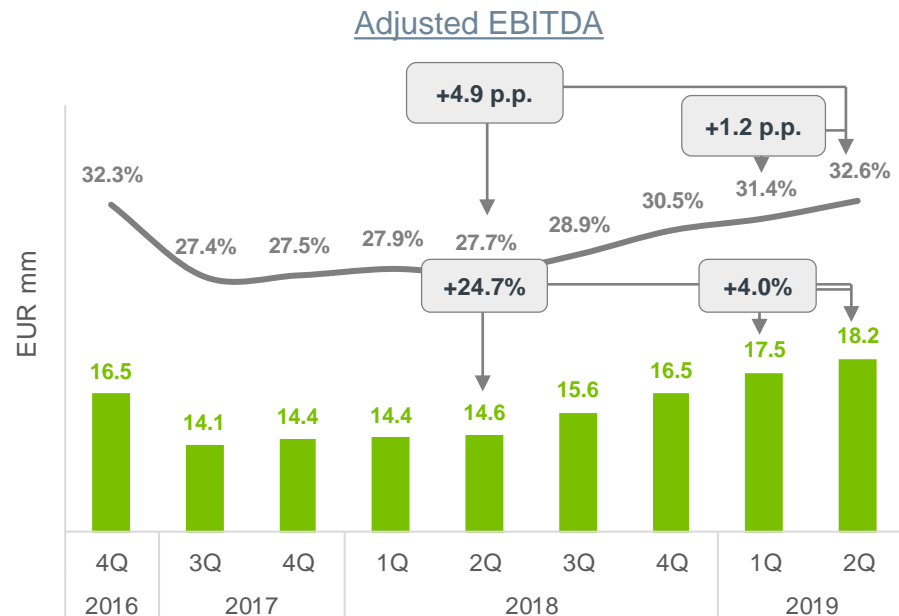
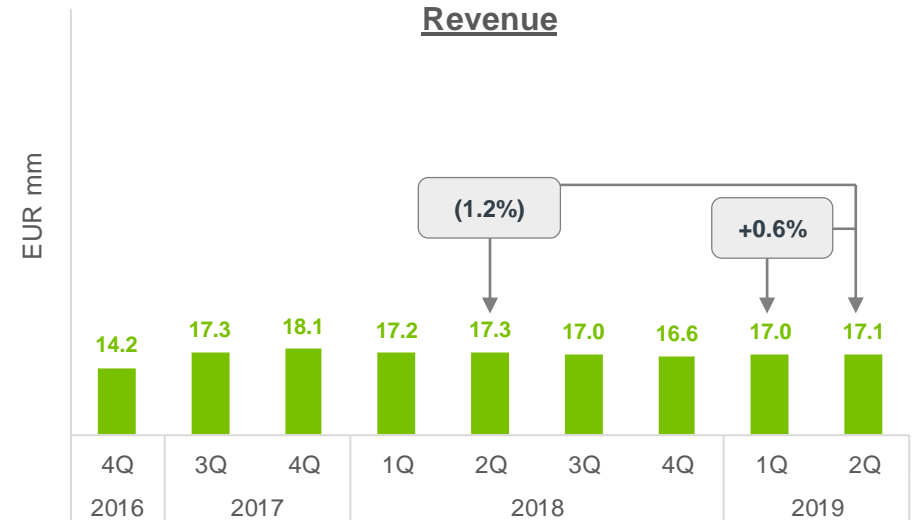
3) Total Gross Debt as defined above minus Cash on balance, EUR 80.9 mm, as of 30-06-2019.

# Other Operations<sup>(1)</sup>

## Uruguay - HRU LTM



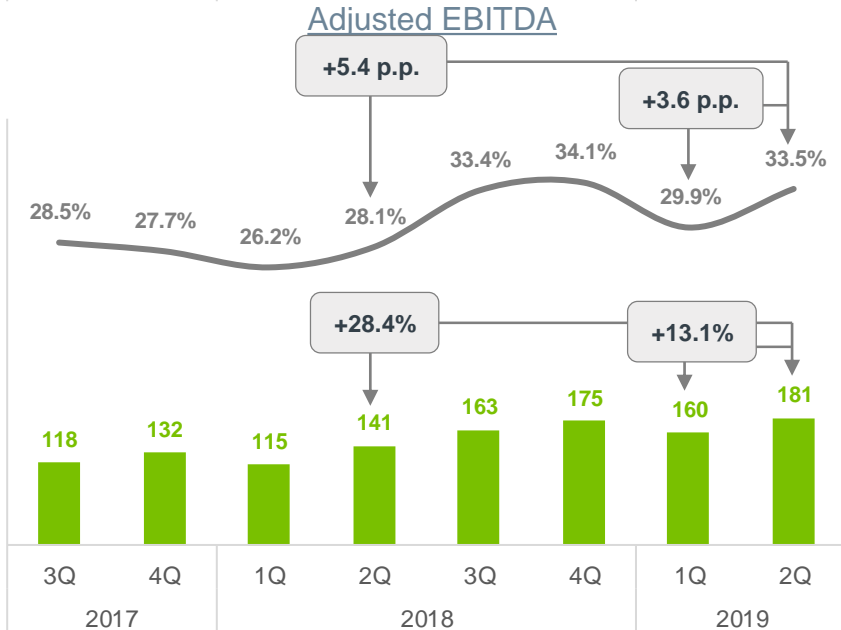
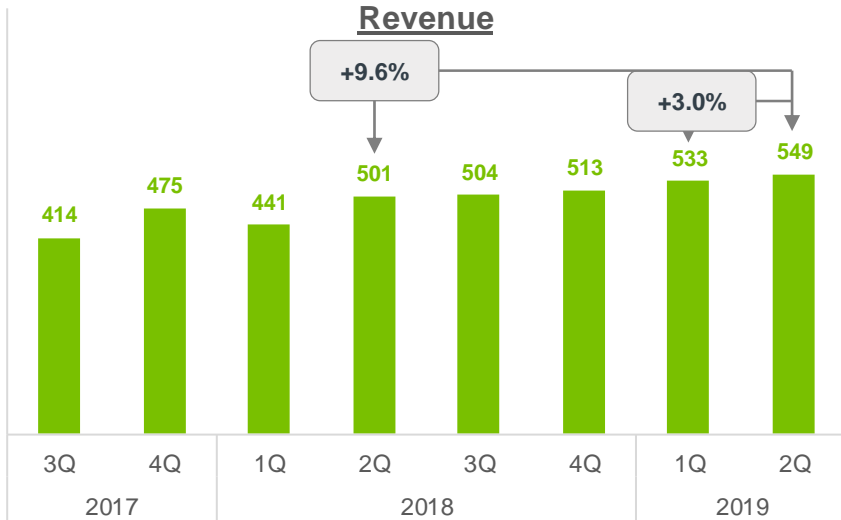
## Uruguay – Carrasco Nobile LTM



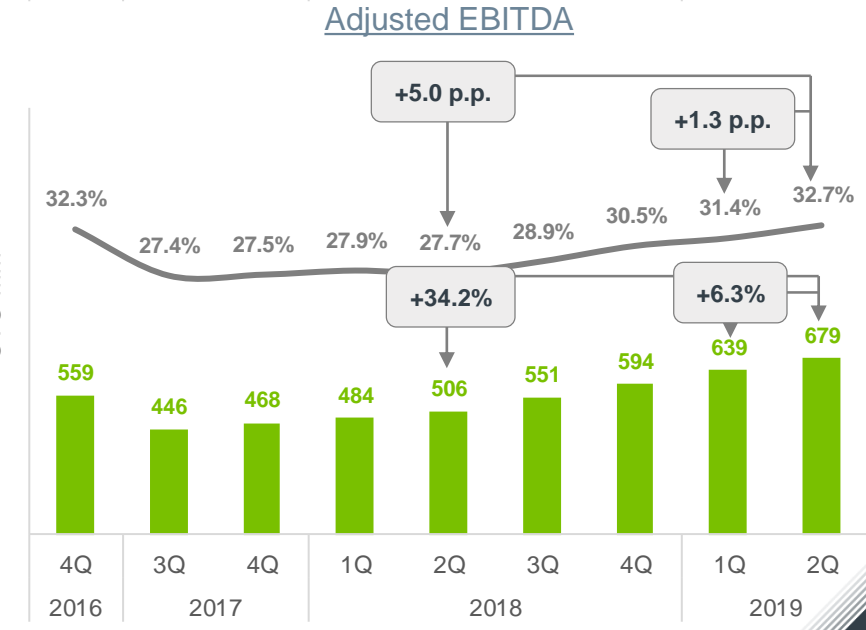
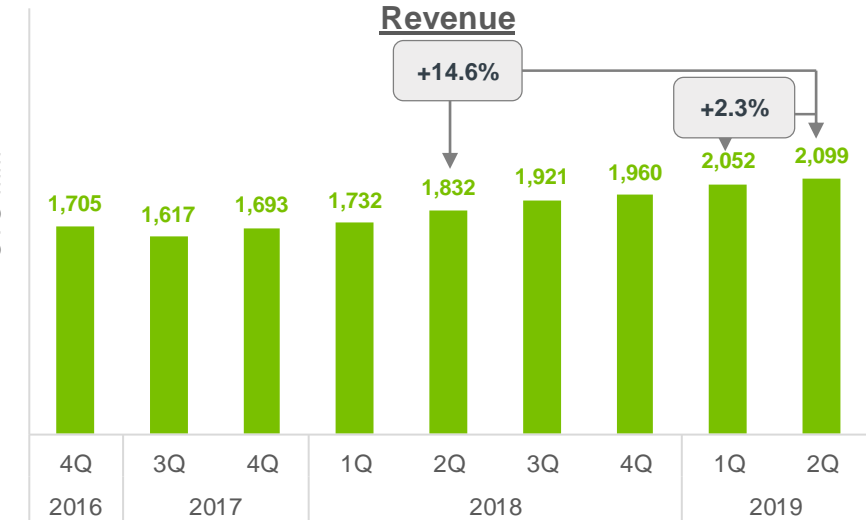
1) Figures calculated Pre-IFRS16.

# Uruguay – HRU (Local Currency)<sup>(1)</sup>

## Quarter



## LTM



1) Figures calculated Pre-IFRS16.

# Uruguay – Carrasco Nobile (Local Currency)<sup>(1)</sup>

Quarter

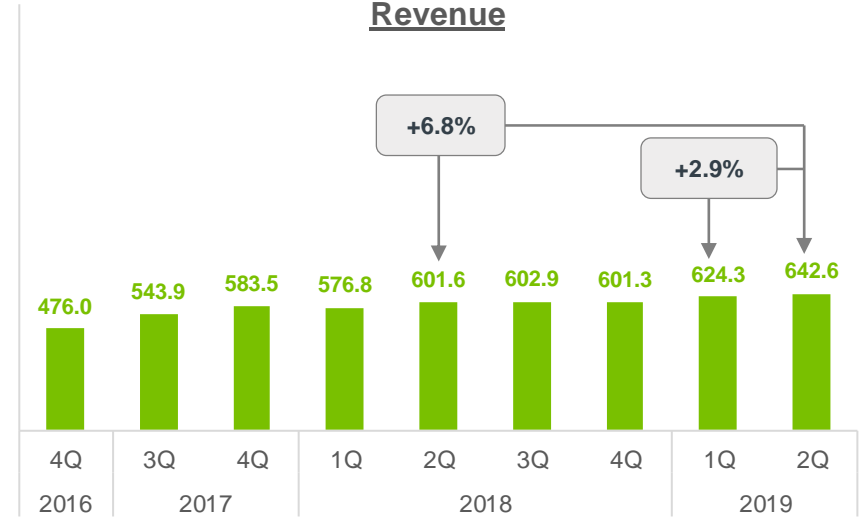
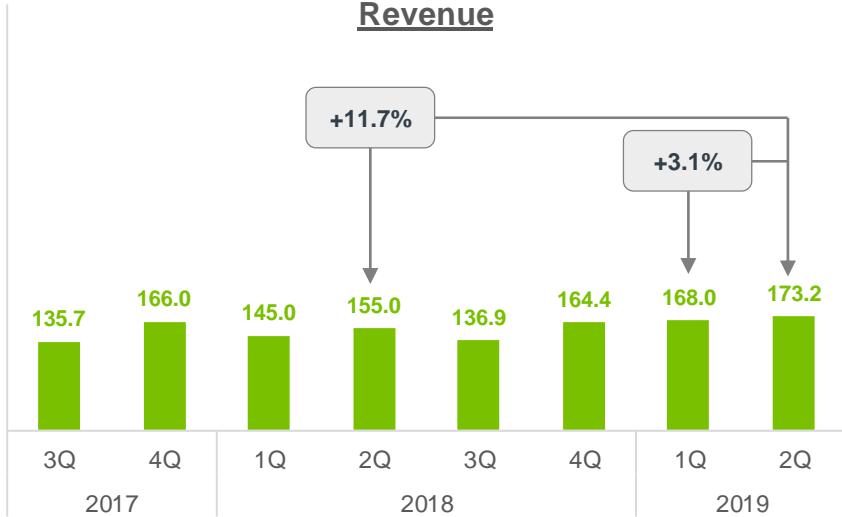
LTM

## Revenue

## Revenue

UYU mm

UYU mm



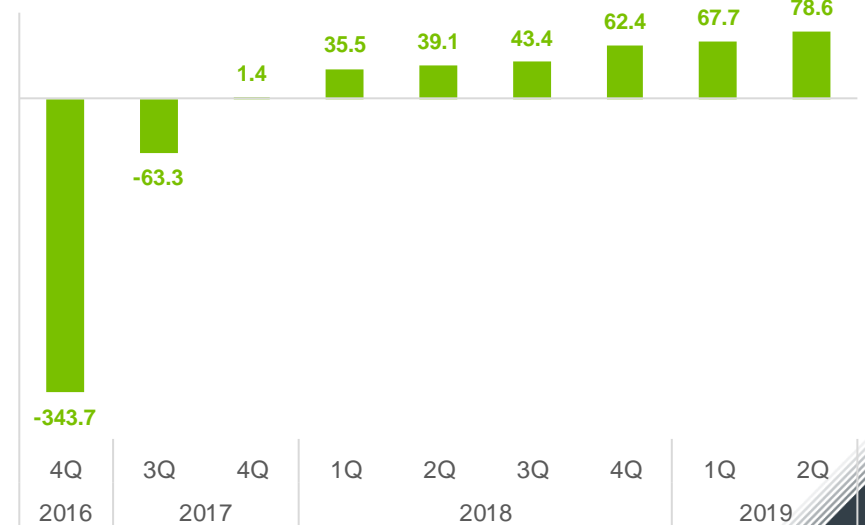
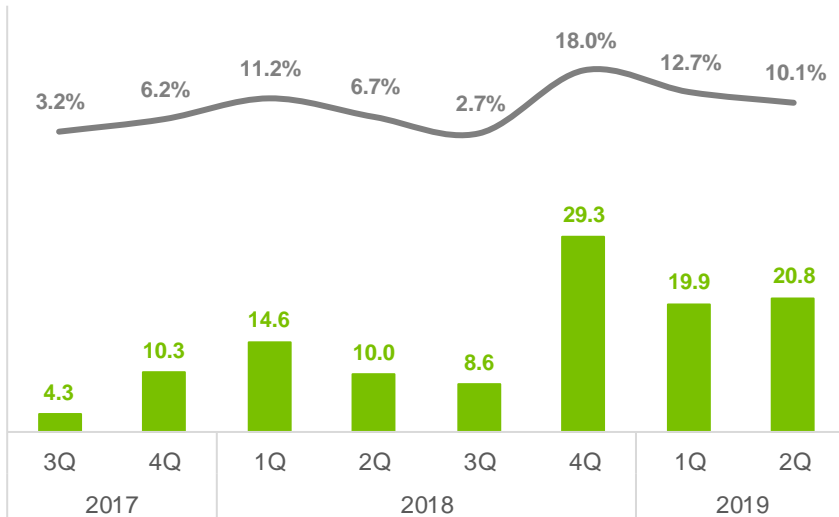
## Adjusted EBITDA

## Adjusted EBITDA

UYU mm

Margin (%)

UYU mm



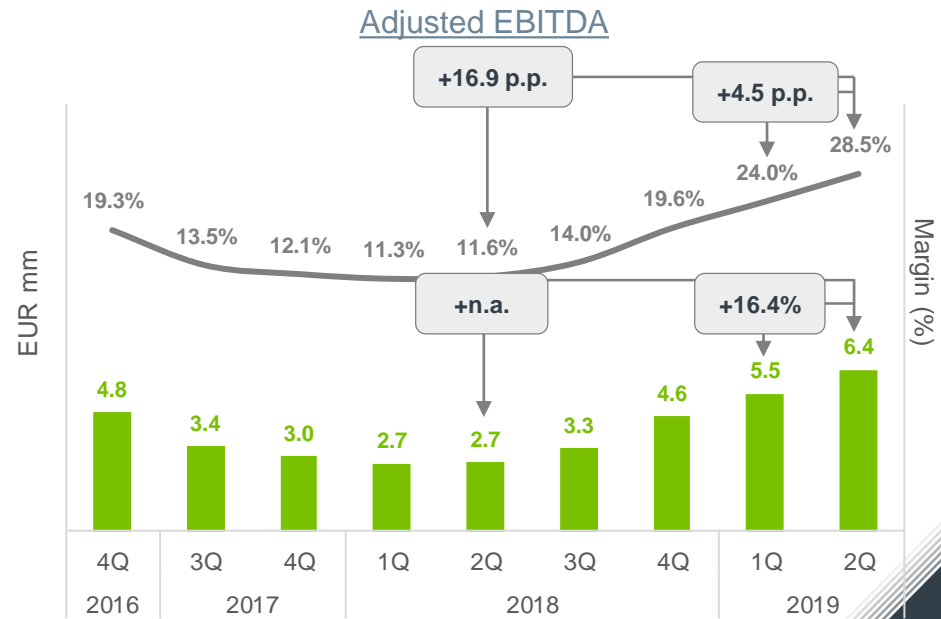
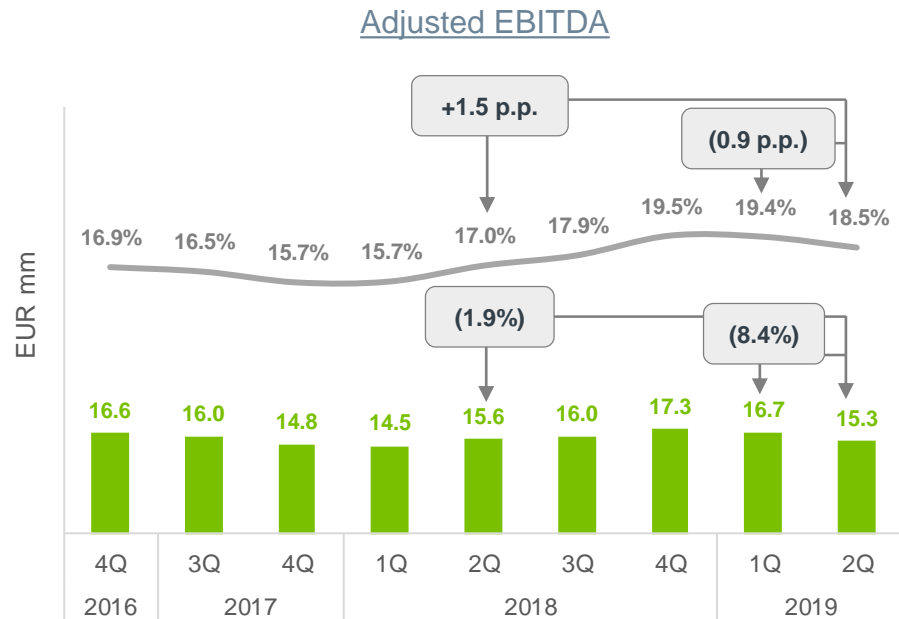
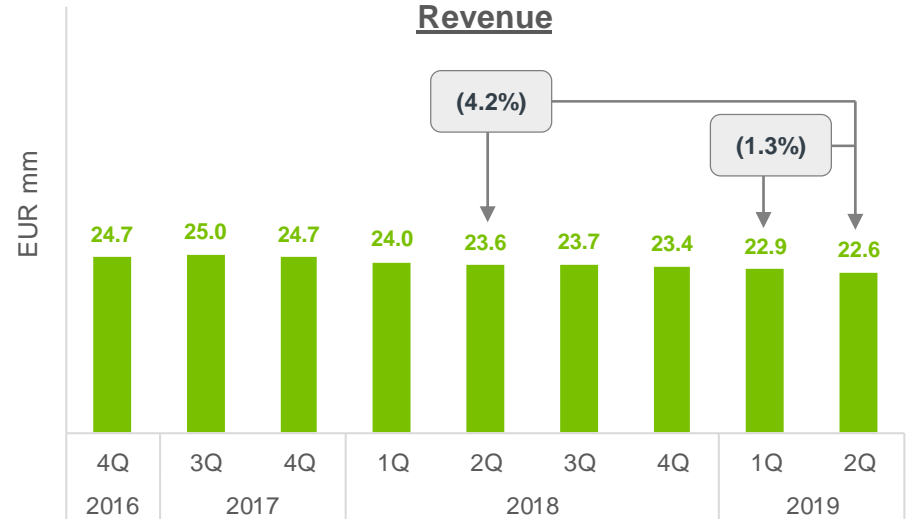
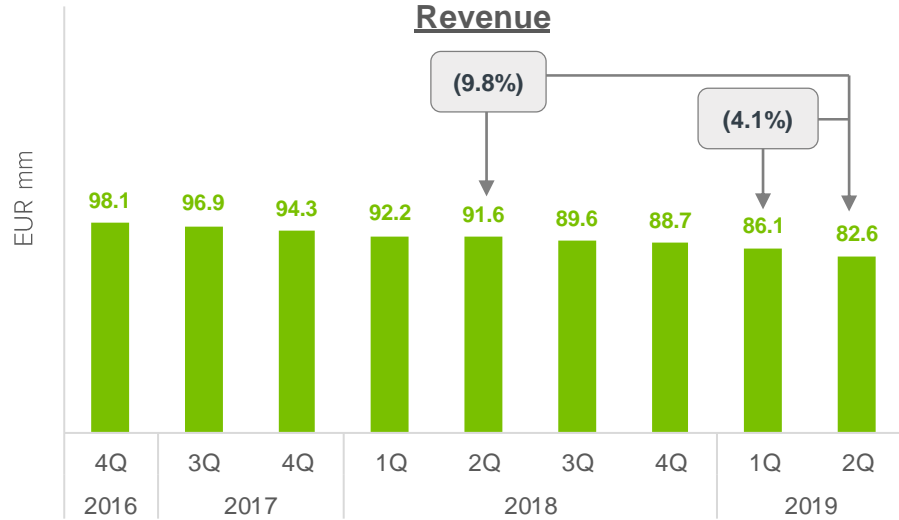
1) Figures calculated Pre-IFRS16.

# Other Operations<sup>(1)</sup>



## Panama LTM

## Colombia LTM



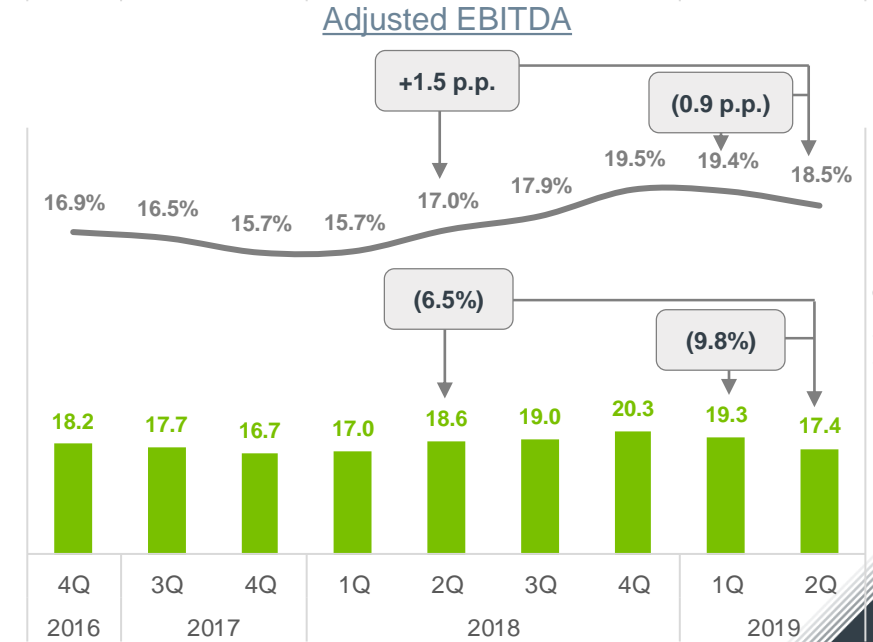
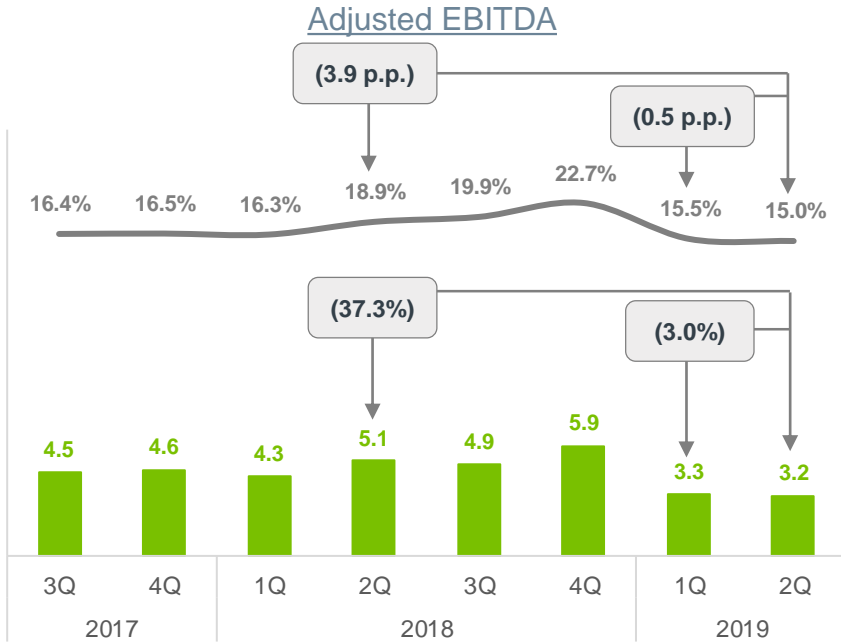
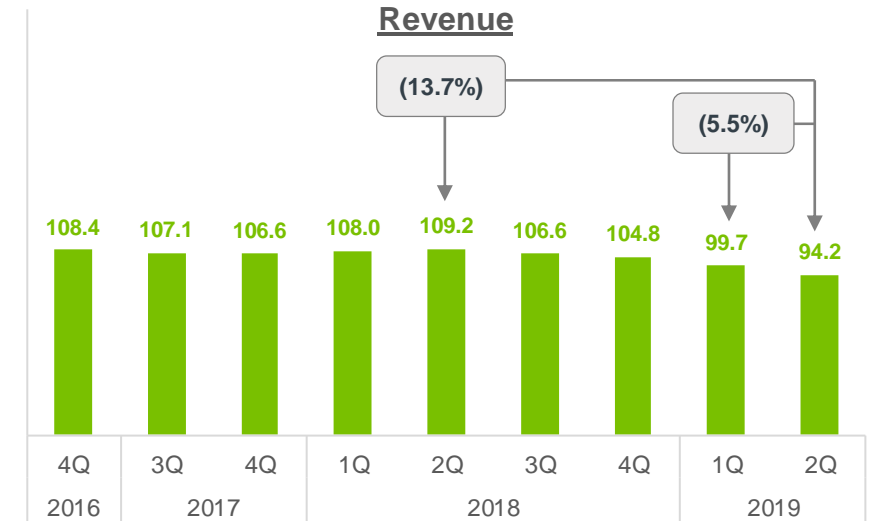
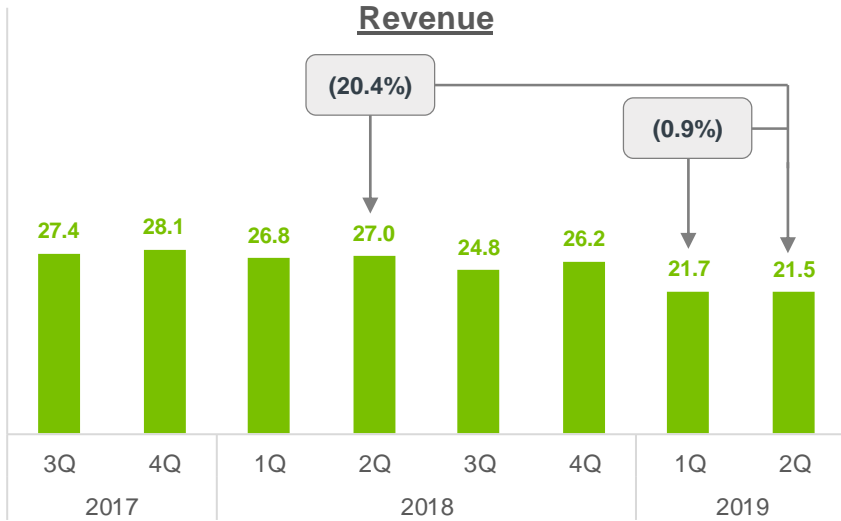
1) Figures calculated Pre-IFRS16. 2018 figures will vary from prior presentations given that now we only include Retail Business.

# Panama (Local Currency)<sup>(1)</sup>



Quarter

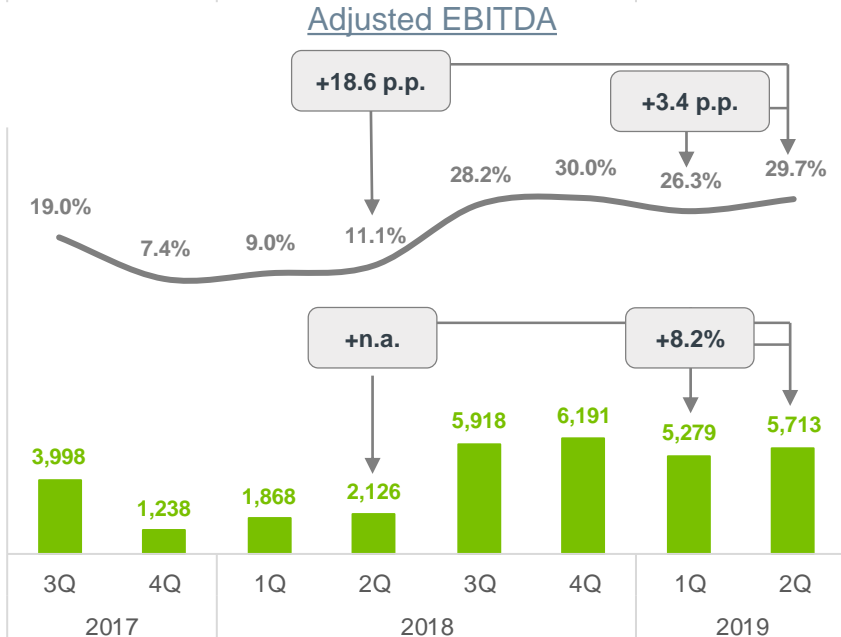
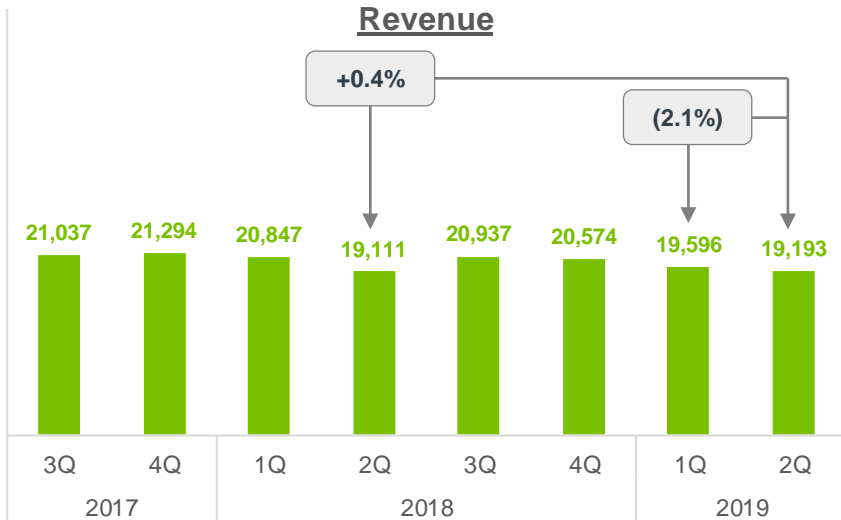
LTM



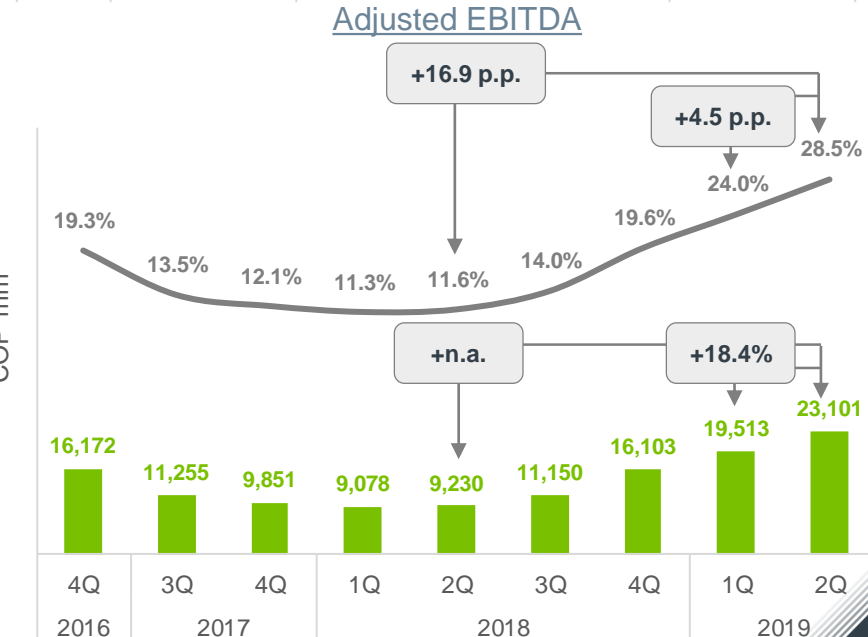
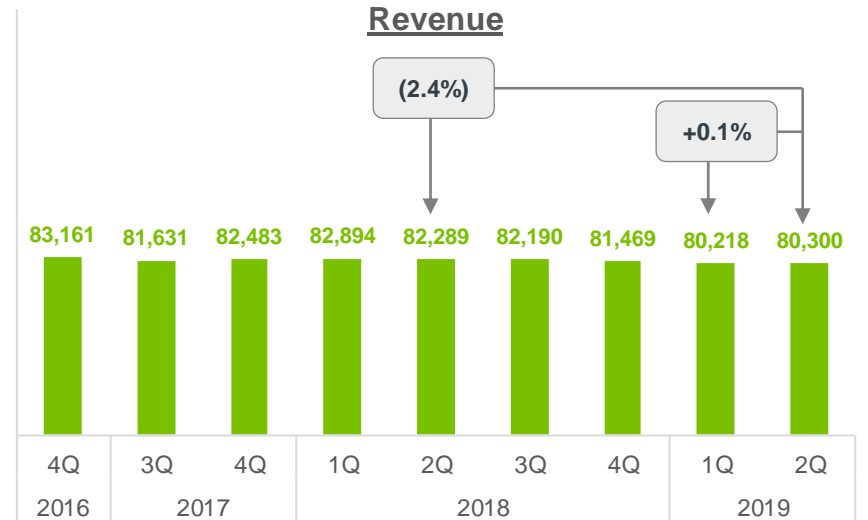
1) Figures calculated Pre-IFRS16.



## Quarter



## LTM

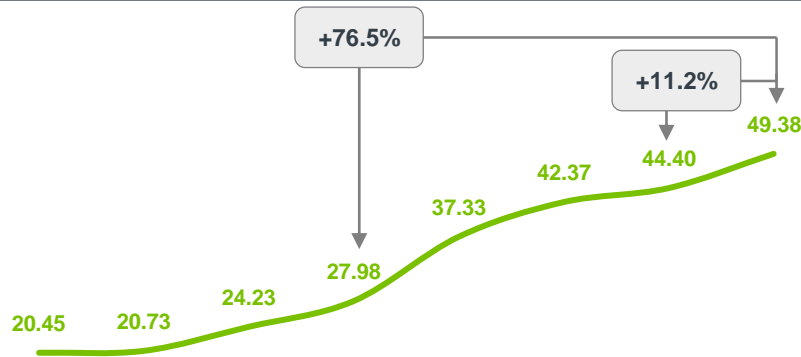


1) 2018 figures will vary from prior presentations given that now we only include Retail Business.

2) Figures calculated Pre-IFRS16.

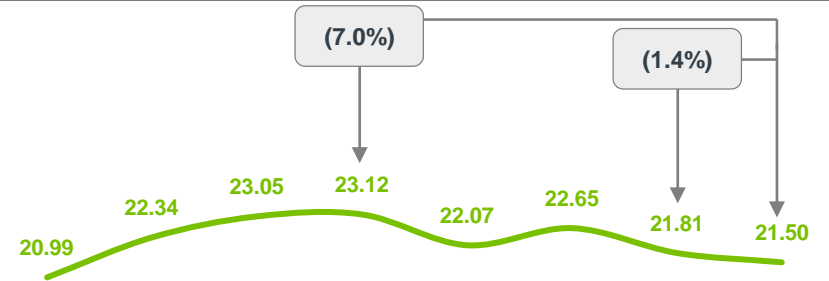
## Exchange Rate Evolution (Period Average)

### EUR / ARS



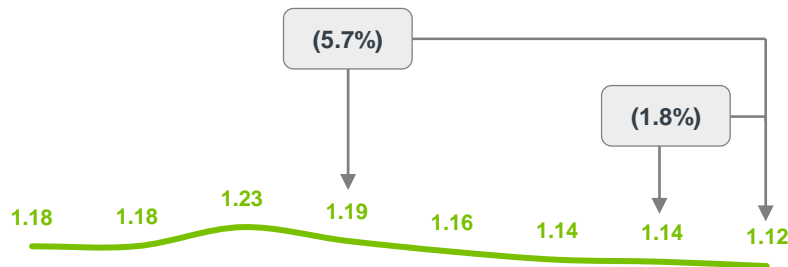
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

### EUR / MXN



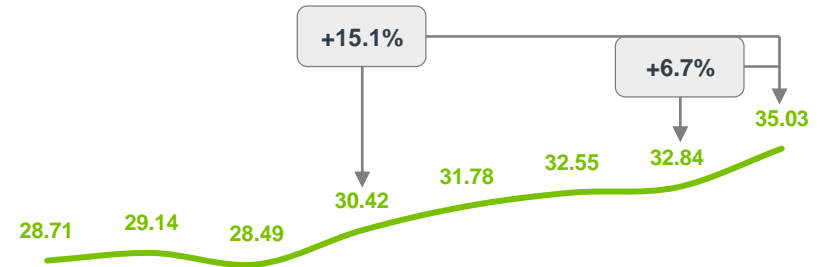
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

### EUR / USD



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

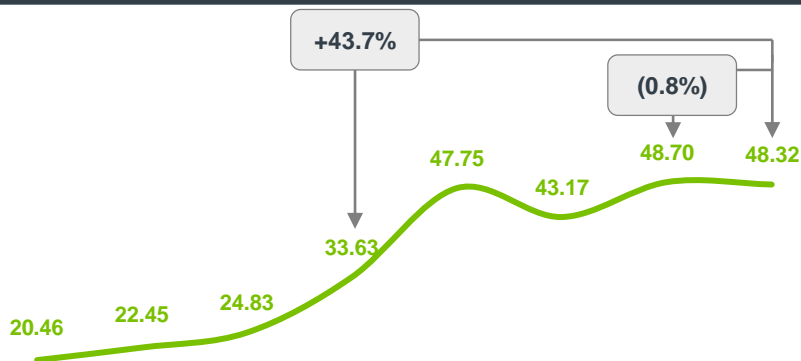
### USD / UYU



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

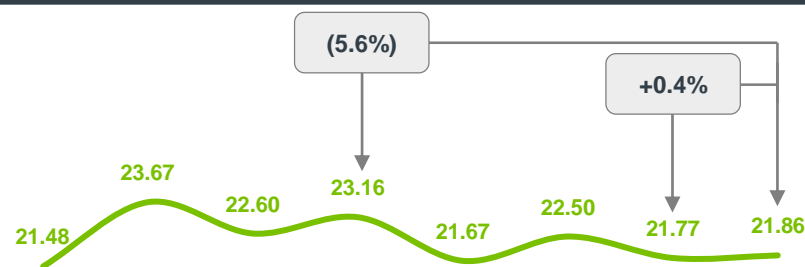
# Exchange Rate Evolution (End of Period)

## EUR / ARS



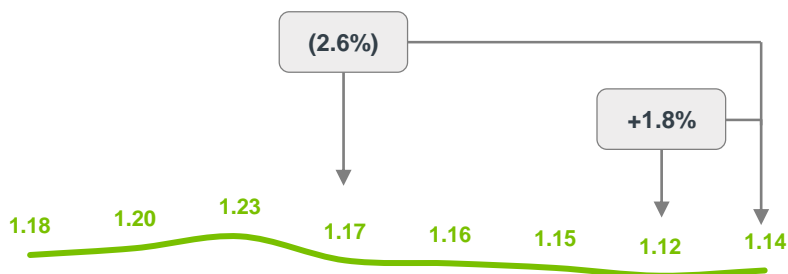
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

## EUR / MXN



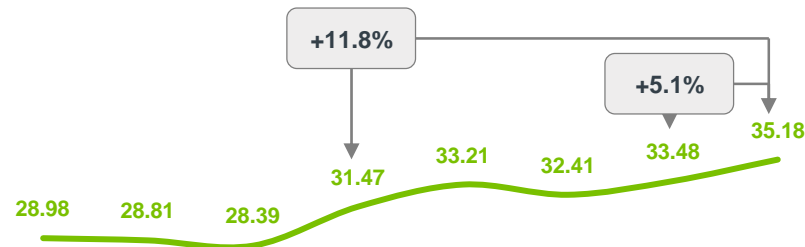
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

## EUR / USD



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

## USD / UYU



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2017		2018				2019	

For additional information, please contact:

**codere** Investor Relations

[inversor@codere.com](mailto:inversor@codere.com)

+34 91 354 2819

