

# 2Q 2020 Earnings Results

September 9, 2020



codere

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<b>1. Operating Results</b>	<b>5</b>
<b>2. Operational Update</b>	<b>19</b>
<b>3. Credit Overview</b>	<b>25</b>
<b>3. Appendix</b>	<b>32</b>

## Highlights of the second quarter

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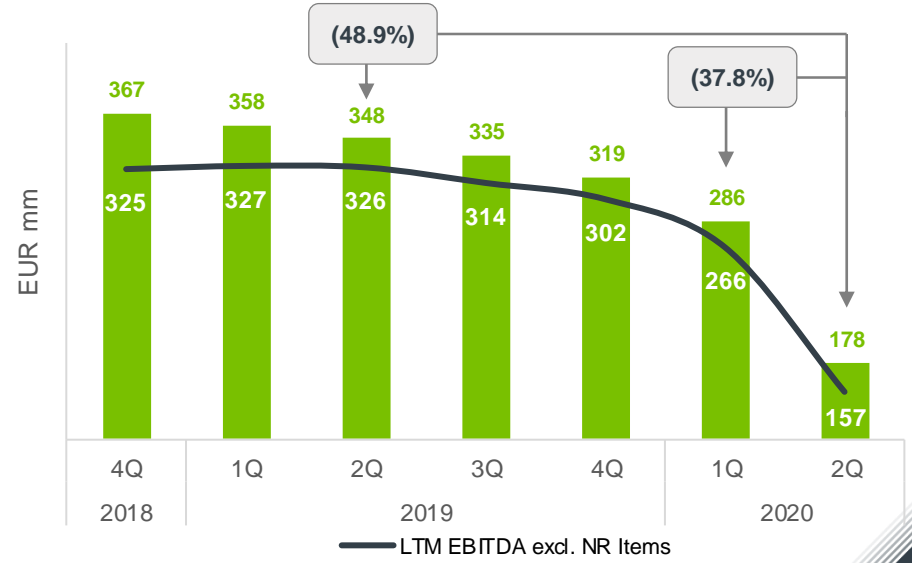
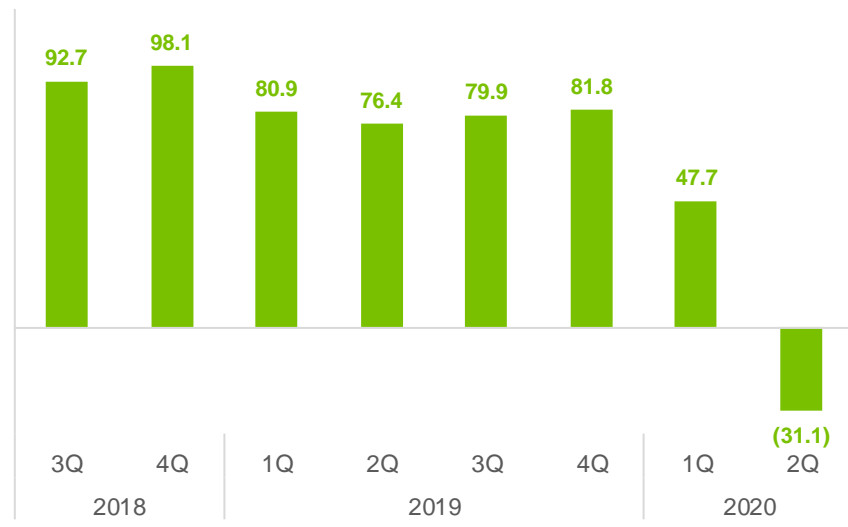
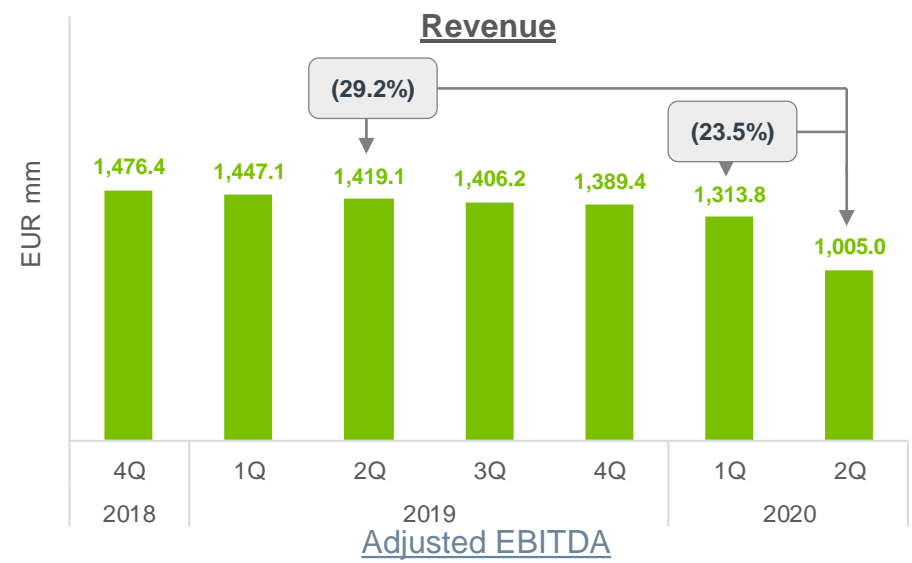
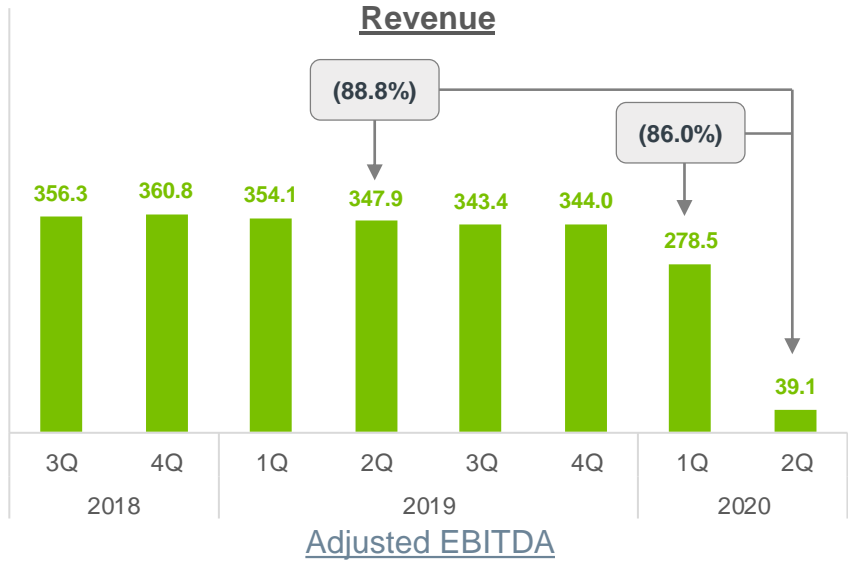
1. Our entire retail footprint remained closed for most of the quarter due to Covid-19 mandatory lockdowns. Our only activity generating revenues during the full quarter was online, with Spain and Italy reopening during June.
2. The Company continued to work on different initiatives to maximize available liquidity and reduce fixed costs for as long as these closings lasted. As a result, we reduced our fixed costs further (by more than 60%) and our cash burn to c.€20 mm per month.
3. The Company is in intermediate stages of operational recovery, with:
  1. Italy, Spain, Uruguay, Colombia (except Bogota) and around 30 halls in Mexico, are already operating and, in most cases, above the initial expectations we set out in our 1Q results in May.
  2. Argentina, most of its halls in Mexico (notably those of Mexico City and State of Mexico), halls in Bogota and Panama are still pending to be reopened. The evolution of the pandemic across these markets has generated numerous delays and extensions of lockdowns from their respective Governments. Based on current information available, we expect them to reopen within the next 4 to 8 weeks.
4. On July 13, the company entered into a Lock-Up Agreement with a group of noteholders who collectively held 55,5% of our existing notes to implement a refinancing transaction that included the issuance of 85m interim notes by the end of July and, subject to Scheme of Arrangement approval, the issuance of 165m further notes and the extension of the maturities of the existing notes to 2023. In addition, the company signed a standstill agreement with its senior lenders to waive any potential leverage ratio default in 2Q 2020 that brought forward the maturity of the instrument to November 15, 2020.
5. On July 29, upon reaching more than 80% noteholder support for the transaction, the interim notes were issued, and the company initiated the steps towards applying for an Scheme of Arrangement procedure to issue the further notes and extend the bonds. The first hearing of the Scheme took place from September 3 to 7. The company expects to complete the process before the end of October.
6. As a result, our liquidity position today stands at c. €156.4 mm, up from €73 mm at June 30th. During September, we will face significant cash outflows, including accrued and deferred gaming taxes in Italy and Spain. This, in addition to transaction costs and launching operations in Colombia, Argentina, Panama and the rest of Mexico together with our commitments to start facing extended payables will reduce rapidly our liquidity position in the next 60 days.

# 1. Operating Results

# Consolidated Revenue and Adjusted EBITDA<sup>(1,2)</sup>

Quarter

LTM



1) Figures reflect Company consolidated Adj. EBITDA. Does not consider inflation accounting adjustments in Argentina. Figures calculated Post-IFRS16.  
 2) All countries are affected in March by the closure of halls and previous restrictions for the COVID 19 pandemic.

Quarter

LTM

2Q-20 Inflation Rate: 2.8%.  
2Q-20 MXN Devaluation vs EUR: 19.4%

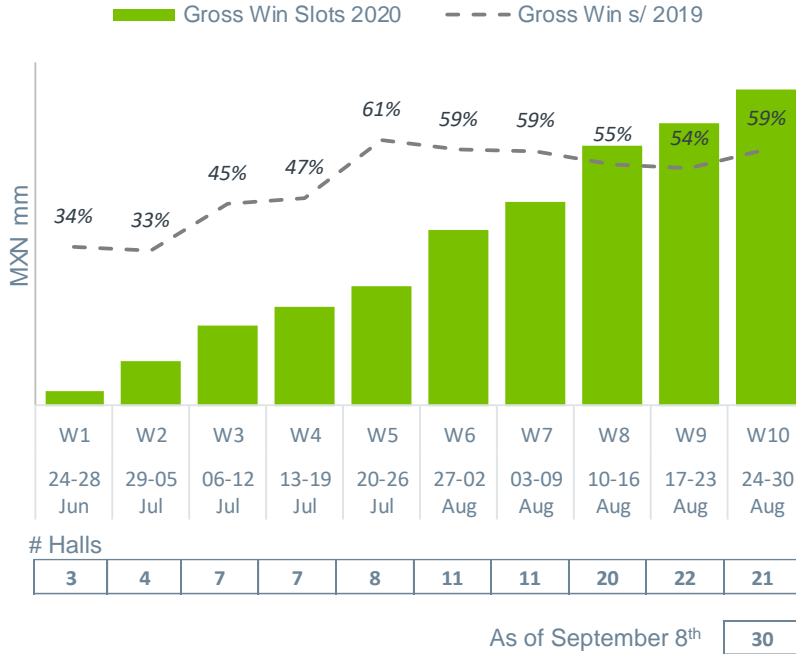


1) Figures calculated Post-IFRS16.

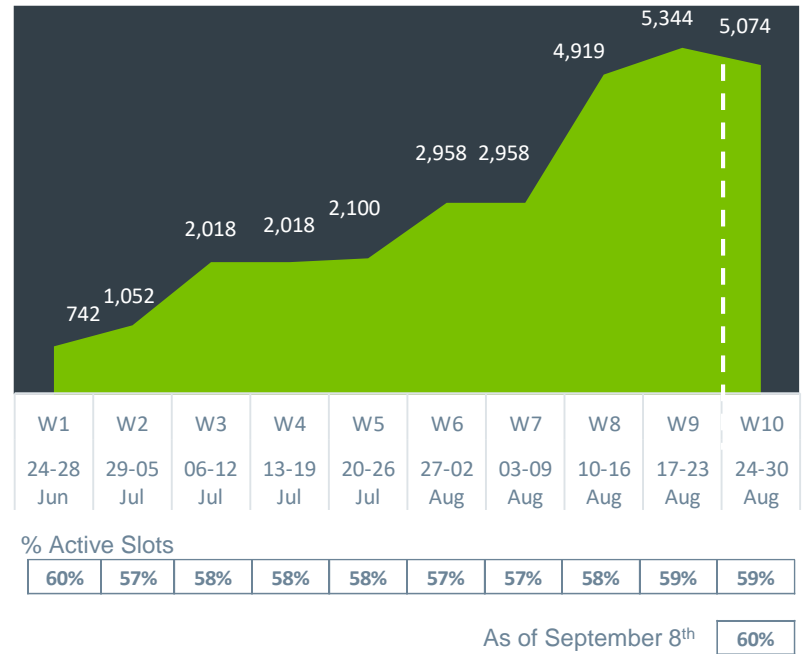
2) All countries are affected in March by the closure of halls and previous restrictions for the COVID 19 pandemic.

# Mexico – Re-opening

## Opened geographies – Gross Win Slots



## Opened geographies – Active Slots



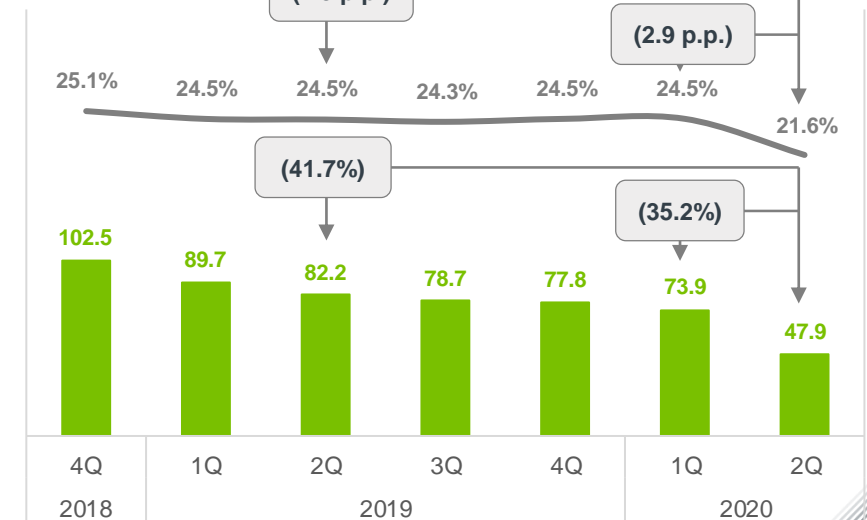
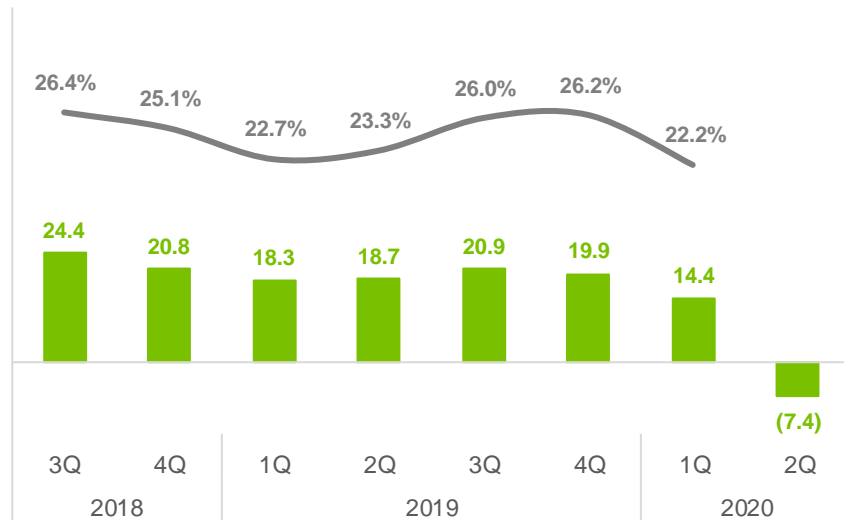
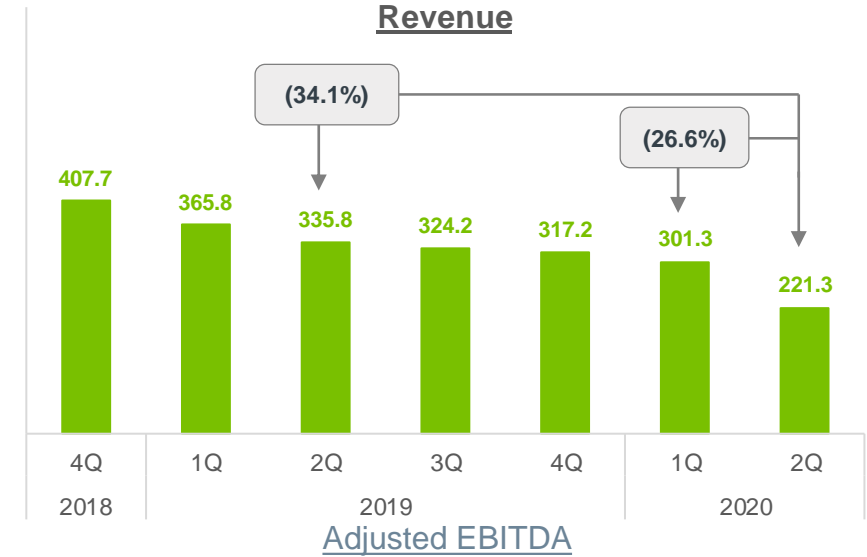
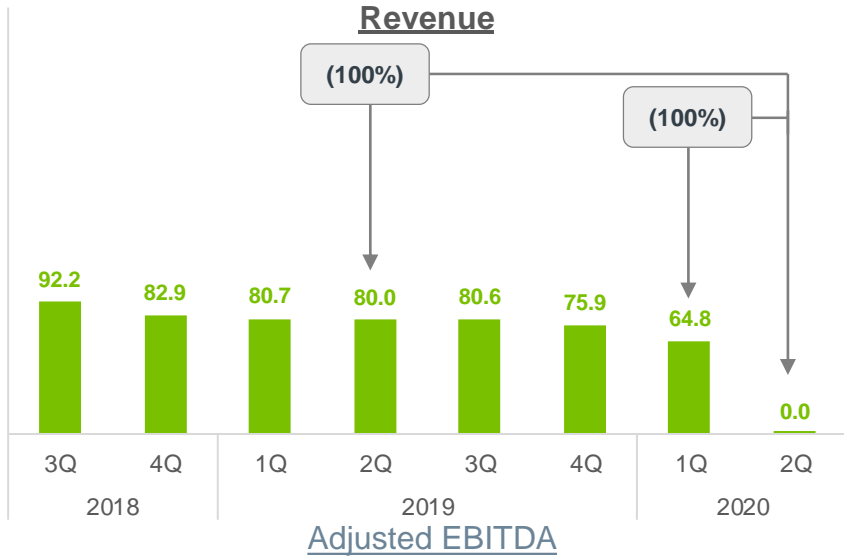
- Mexico shows a positive trend of recovery since the reopening of the first halls by the end of June despite the restrictions implemented in the halls (affecting mainly to opening days and hours and slots seat capacity to assure social distance).
- There have been some delays in the reopening compared to initial calendar mainly derived from the pandemic evolution in some of the states.
- Since the reopening, the business has suffered two mandatory closures (one hall in June two days after the reopening that was again opened in August, and one the last week of August two months after the reopening).
- In the last days the cycle of openings has accelerated and we have reopened 9 halls in the last week.



Quarter

LTM

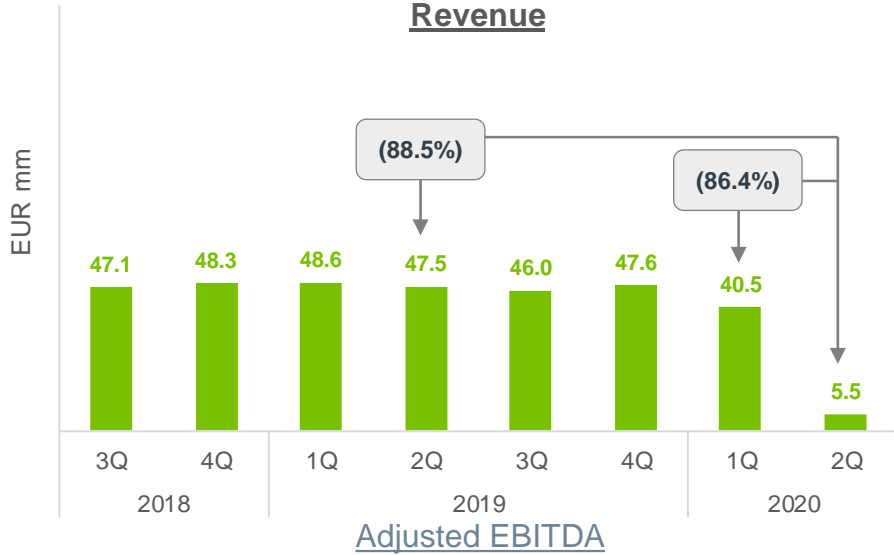
2Q-20 Inflation Rate: 43.9%  
2Q-20 ARS Devaluation vs EUR: 50.9%



1) Does not consider inflation accounting adjustments in Argentina. Figures calculated Post-IFRS16.  
2) All countries are affected in March by the closure of halls and previous restrictions for the COVID 19 pandemic.

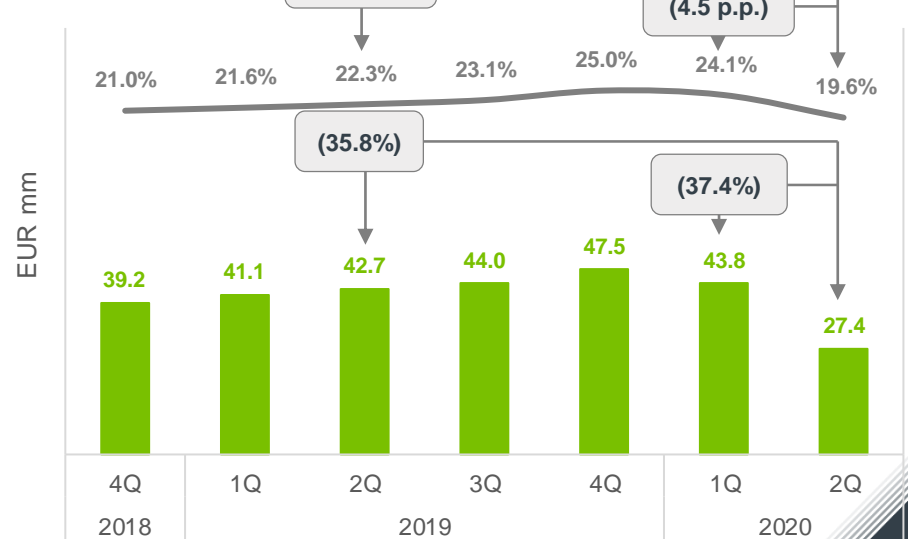
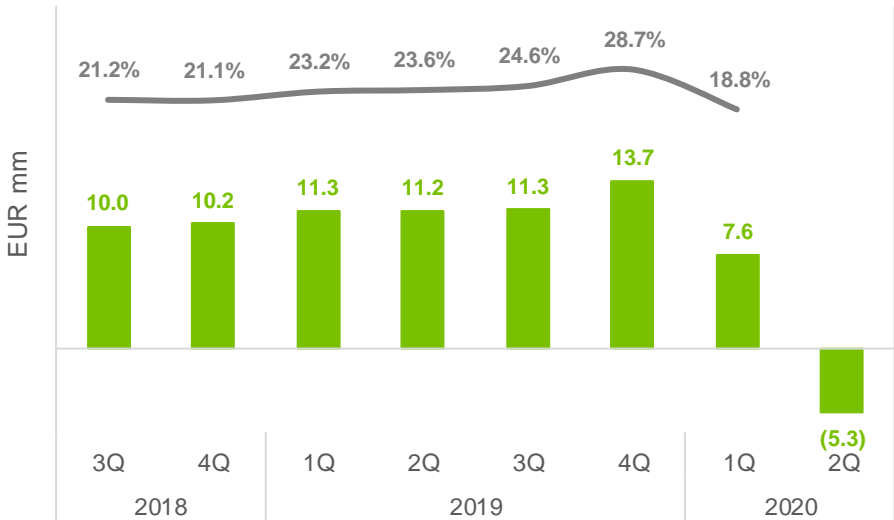
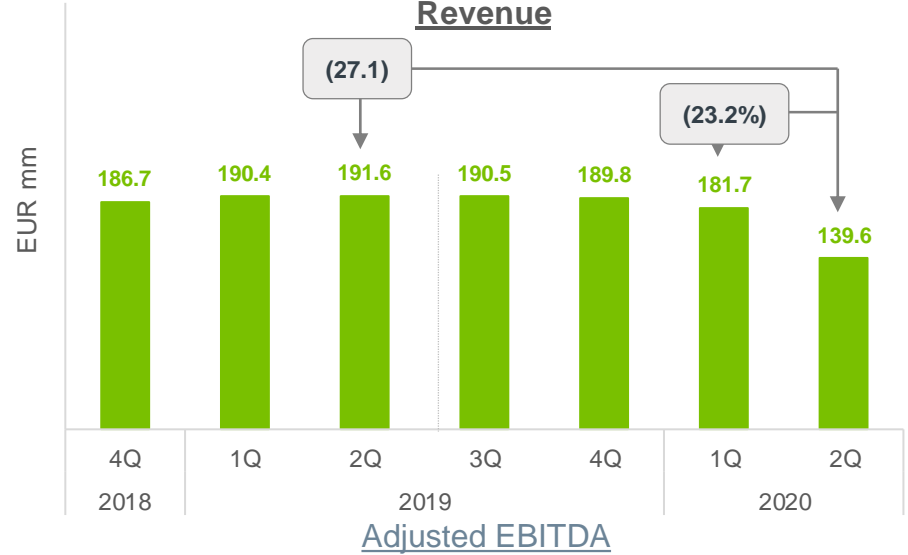
Quarter

Revenue



LTM

Revenue

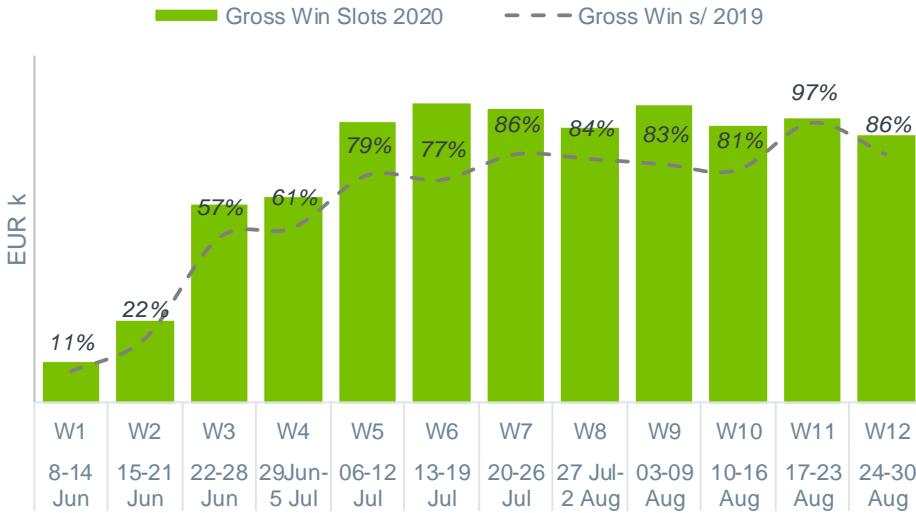


1) Figures calculated Post-IFRS16.

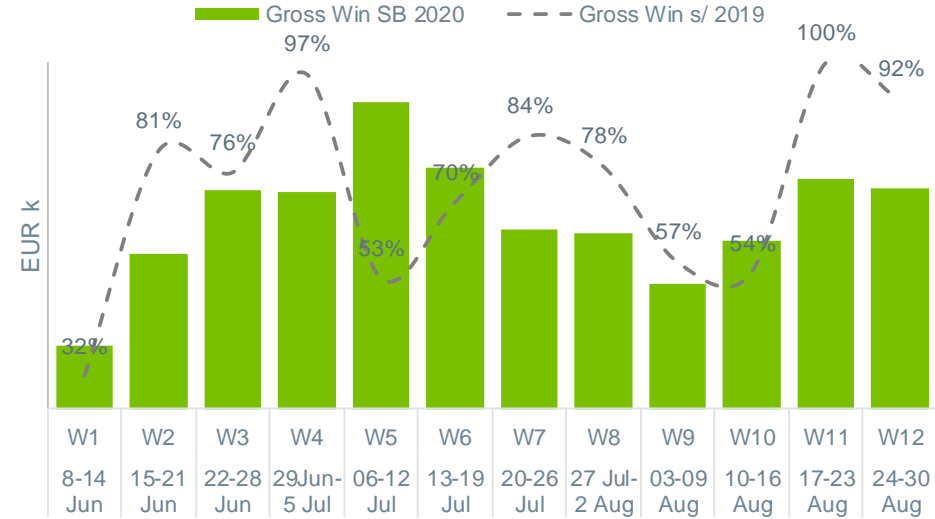
2) All countries are affected in March by the closure of halls and previous restrictions for the COVID 19 pandemic.

## Spain – Re-opening

### Opened – Gross Win Slots



### Opened – Gross Win Sports Betting

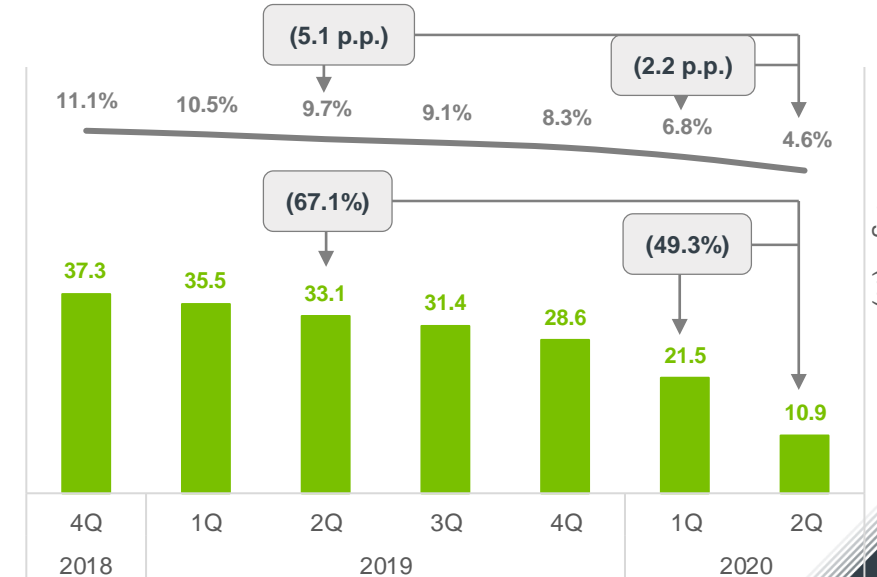
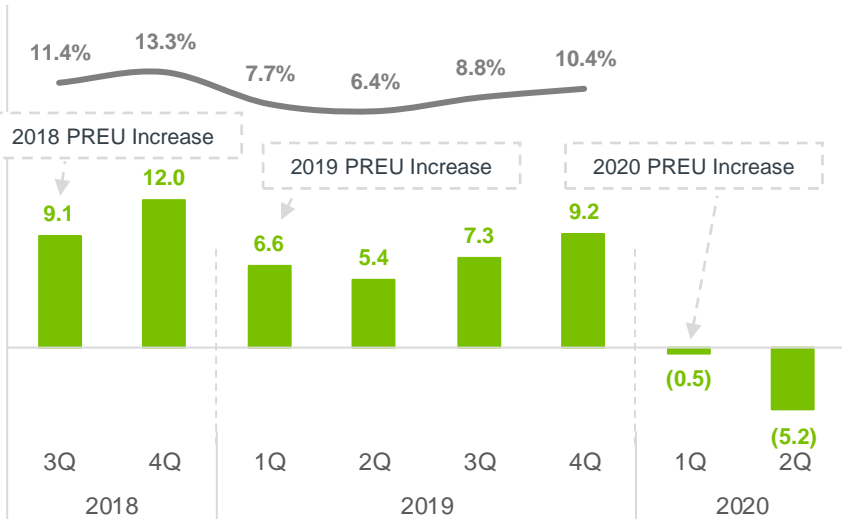
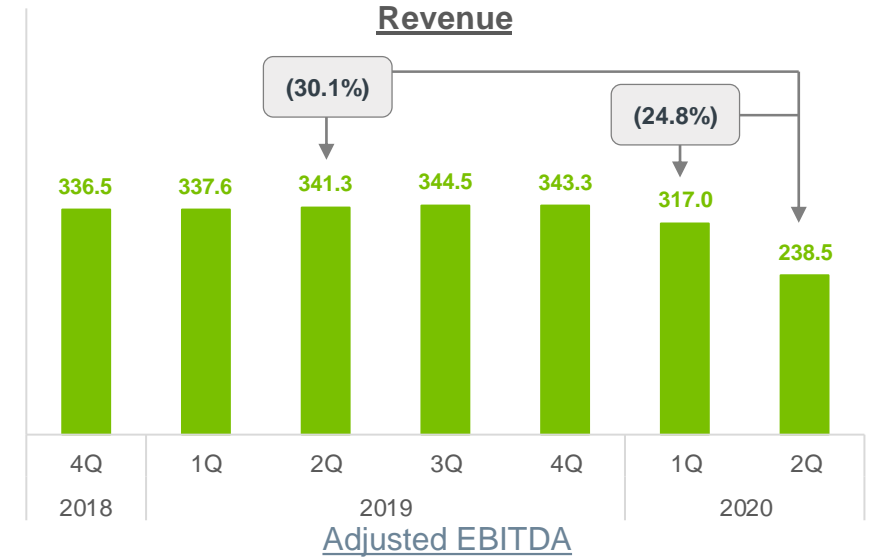
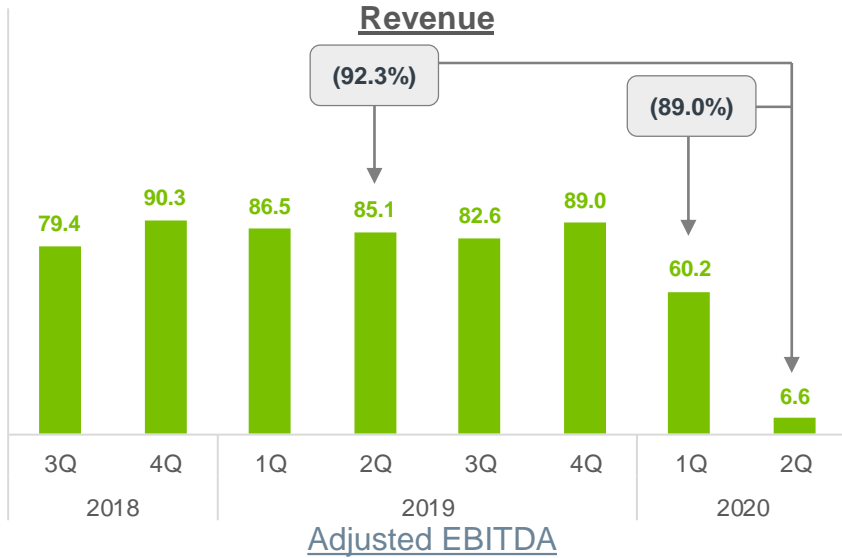


- Slots business shows a positive trend since the gradual reopening (affected by when the Government was reopening commercial activities, and deactivating restrictions to attendance, in each of the regions).

- The Sports Betting business has shown a recovery since reopening, driven by the re-activation of sporting events (domestic and international), despite the cancellation of the Eurocup and the Olympic games.
- The % of take has been positive vs previous year, since reopening has been 1.8 p.p. higher than 2019 in cumulative terms (but slightly weaker in August).

Quarter

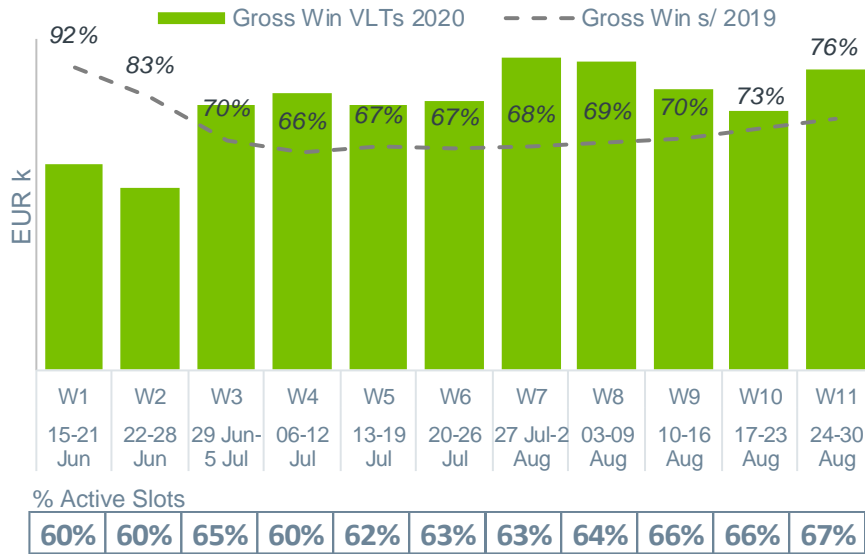
LTM



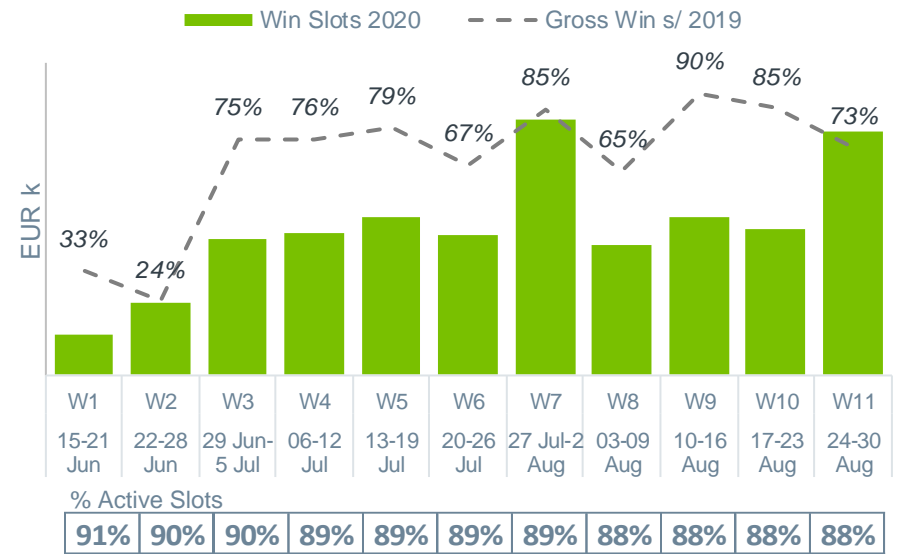
1) Figures calculated Post-IFRS16.  
2) All countries are affected in March by the closure of halls and previous restrictions for the COVID 19 pandemic.

## Italy – Re-opening

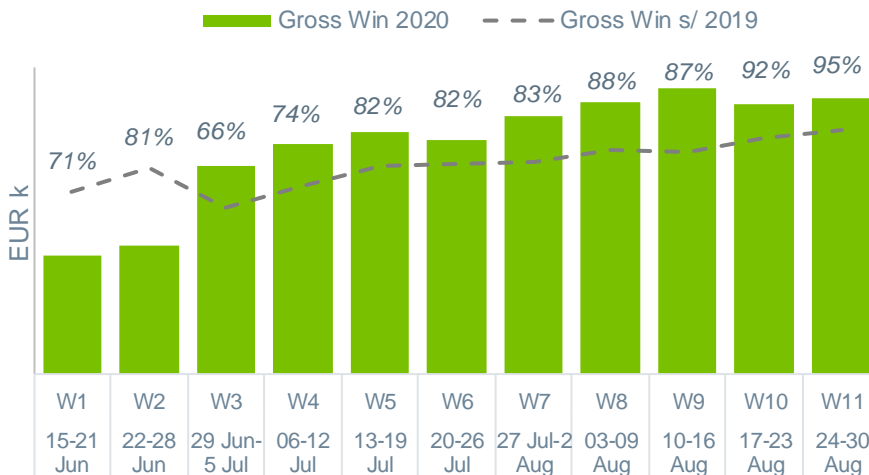
### Opened geographies – Gross Win VLTs Bingo Halls



### Opened geographies – Gross Win AWP's Route operators



### Opened geographies – Gross Win Bingo Halls

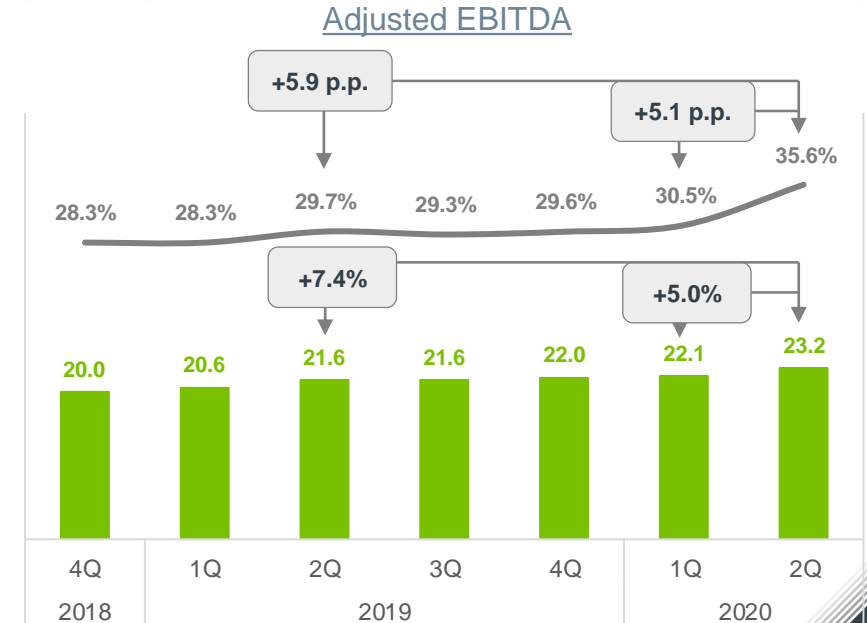
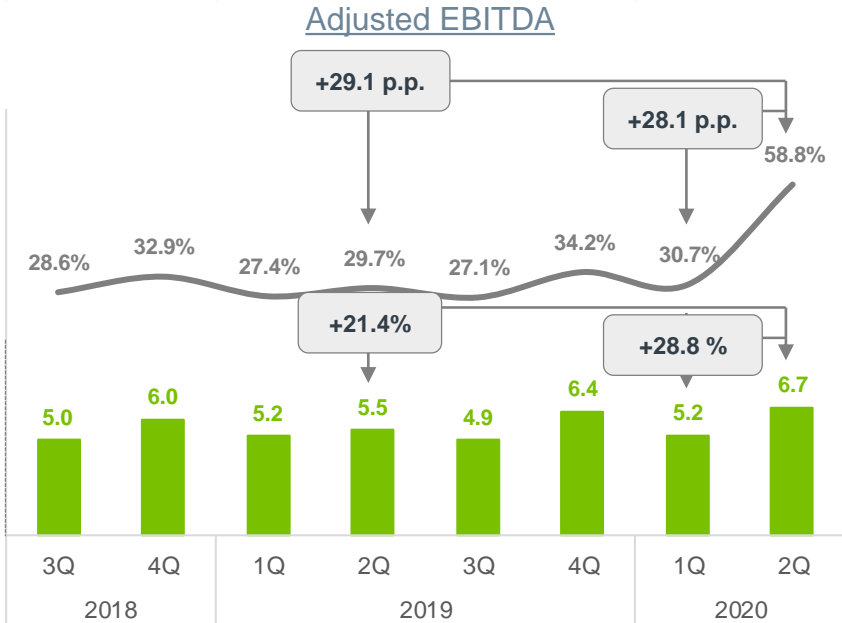
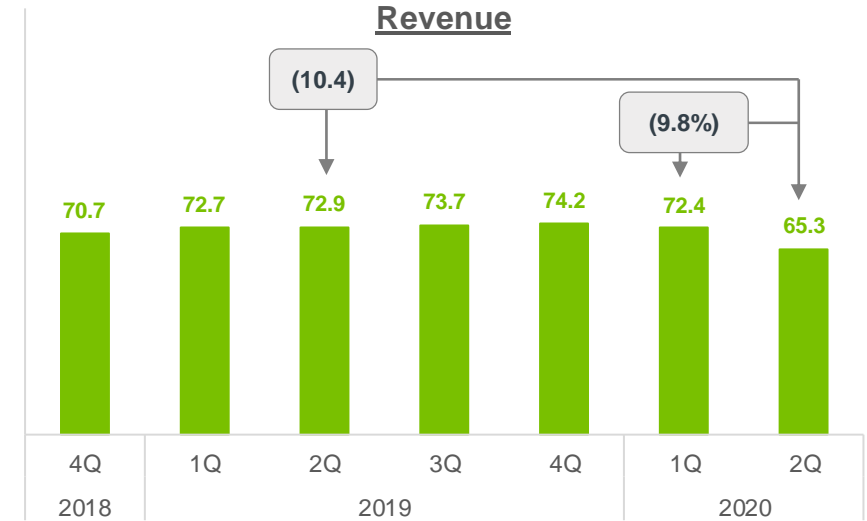
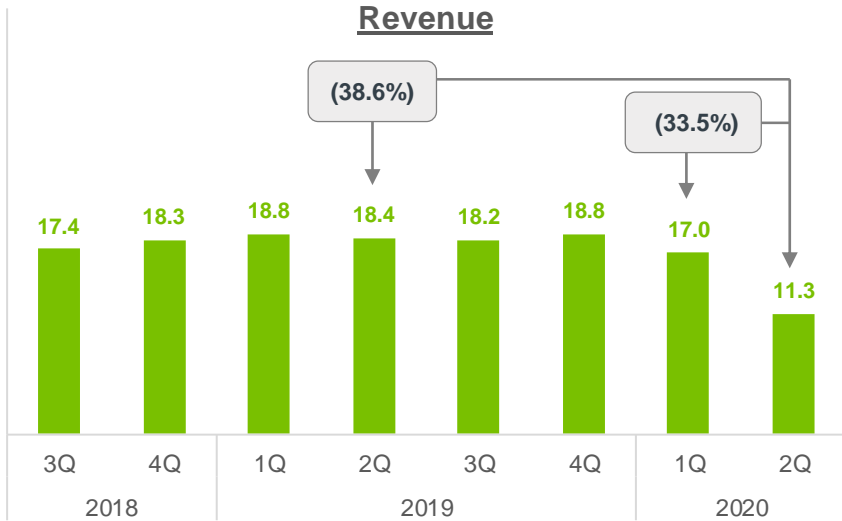


- Reopening's by region since the 15 of June, with strict health measures. The Bingo halls in Roma reopened on July 1<sup>st</sup>.
- Bingo halls shows strong and progressive recovery, mainly at the end of August when bingo revenues achieved c.95% versus 2019.
- Trend in VLTs revenues represents c.75% versus last year, with a lower number of active machines.
- Please bear in mind that VLT and AWP revenue comparison vs. last year is also affected by higher gaming taxes, higher retention on prizes and the need to present the ID Card to operate VLTs.
- Italian Government provided two extensions of the deadlines to pay the Gaming tax (PREU) as well as the concession fees that were due during the Coronavirus Crisis (as per Decree so-called "Cura Italia" (decreto-legge 17.03.2020) and Decree so-called "Liquidity" (decreto-legge 08.04.2020).

# Other Operations – Uruguay<sup>(1,2)</sup>

Quarter

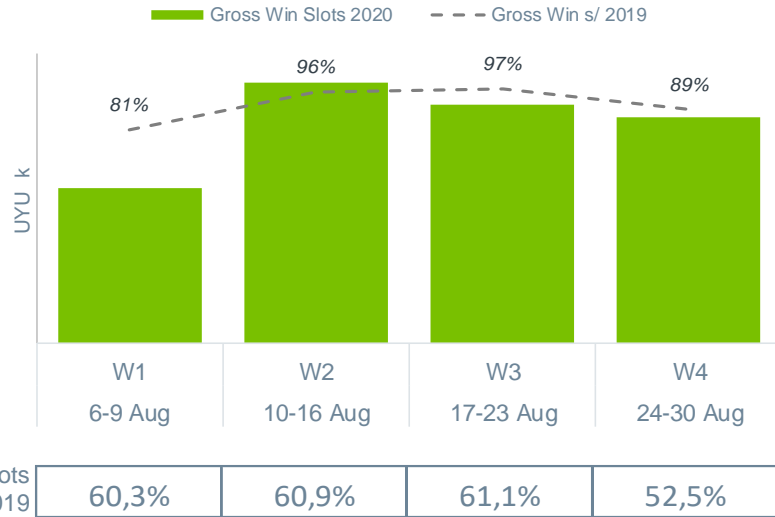
LTM



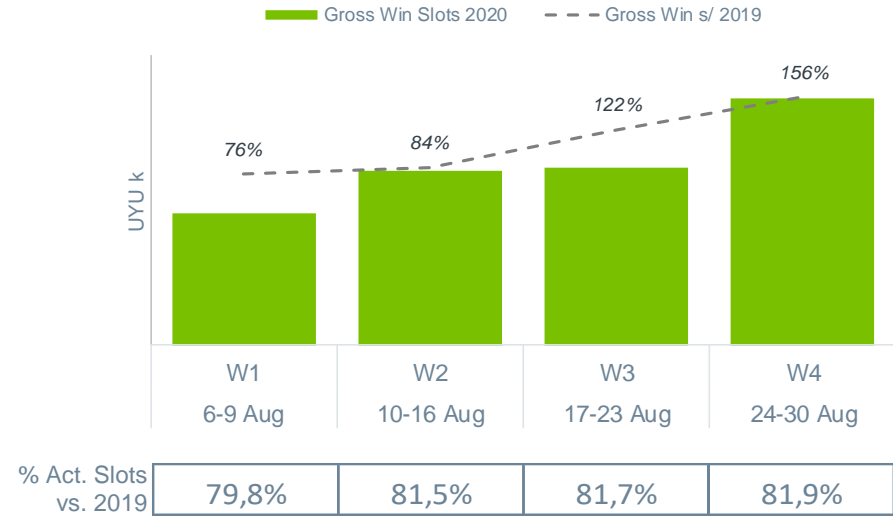
1) Figures calculated Post-IFRS16.  
 2) All countries are affected in March by the closure of halls and previous restrictions for the COVID 19 pandemic.

## Other Operations – Uruguay – Re-opening

### Opened geographies – Gross Win Slots HRU<sup>(1)</sup>



### Opened geographies – Gross Win Slots CN<sup>(1)</sup>



- Maroñas and Las Piedras Racetrack were opened on May 16<sup>th</sup> and May 18<sup>th</sup> respectively. Racing is taking place under strict supervised health measures dictated by the Health Care Ministry, adhering to health protocols and permitting only essential personnel on-site. Wagers are only being accepted through the Call Center, Maroñas On-line and third-party run OTBs and ADWs locally and internationally.
- On August 6<sup>th</sup>, the five gaming halls of HRU and Casino Carrasco reopened reducing their capacity (1 person per 5m<sup>2</sup>) to guarantee social distancing (2 meters), which derived in a reduction of the number of active slots in halls and in a new layout.
- Customers and Personnel have to wear protective mask when staying in the hall.

1) Comparable revenues per day - Week 1 both 2019 and 2020 includes only 4 days for comparative purposes.

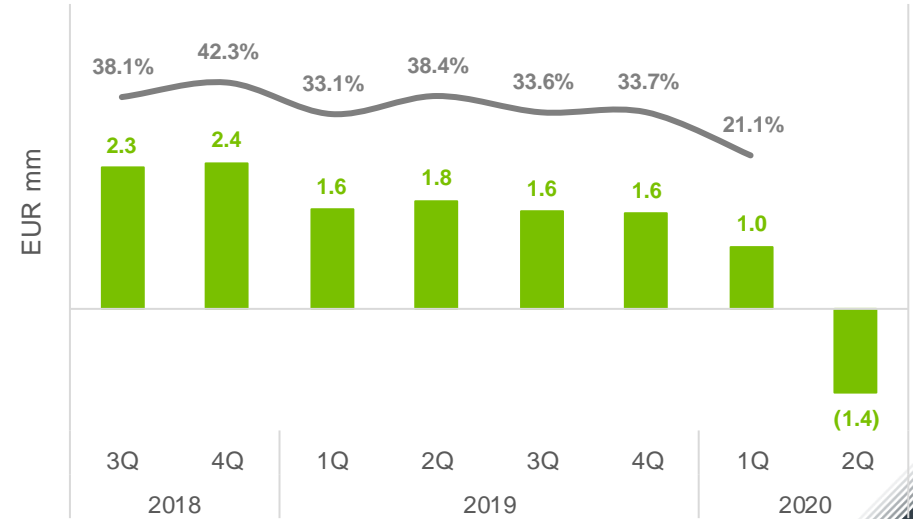
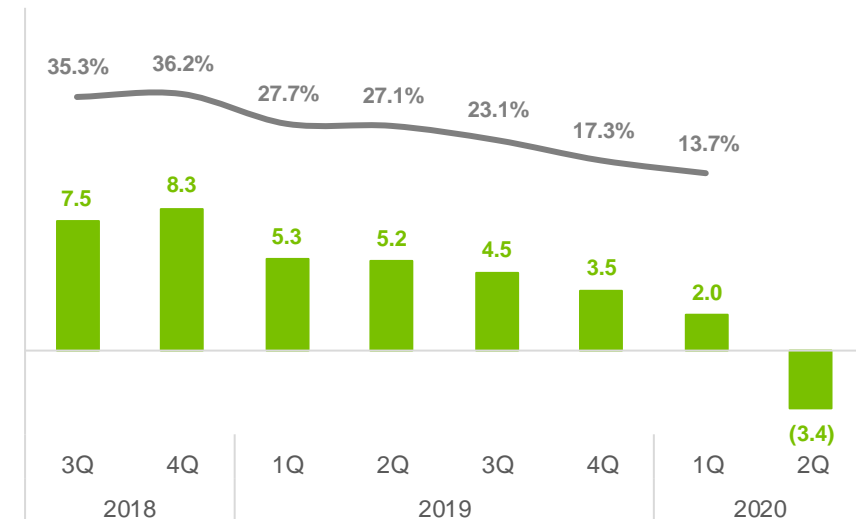
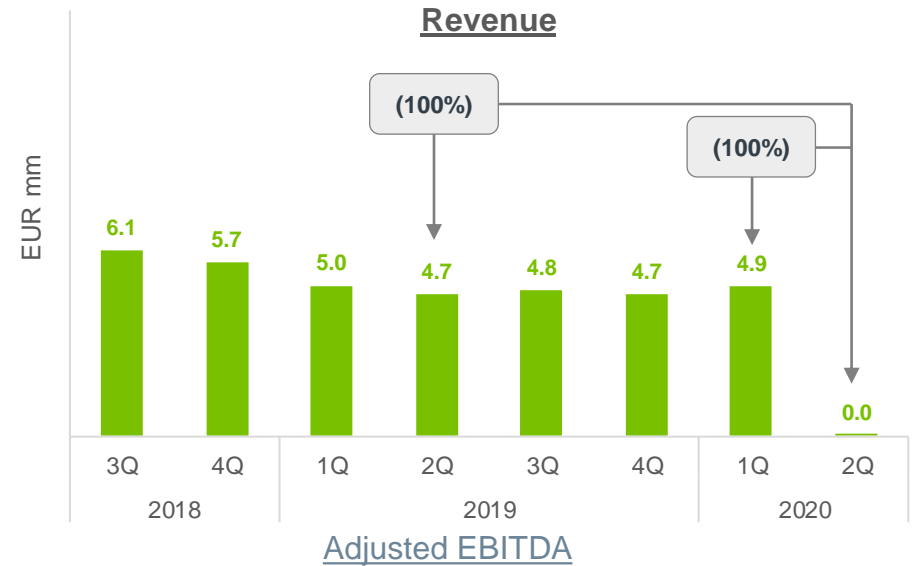
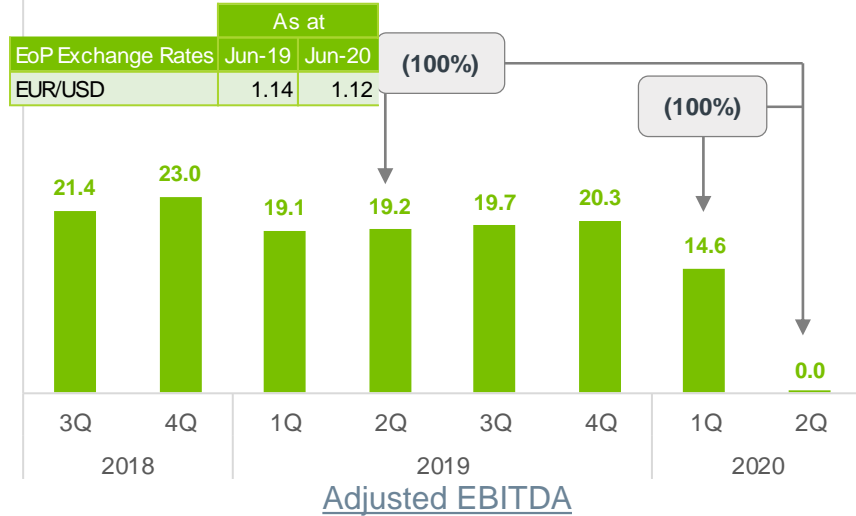
# Other Operations<sup>(1,2)</sup>

## Panama Quarter

## Colombia Quarter

### Revenue

### Revenue

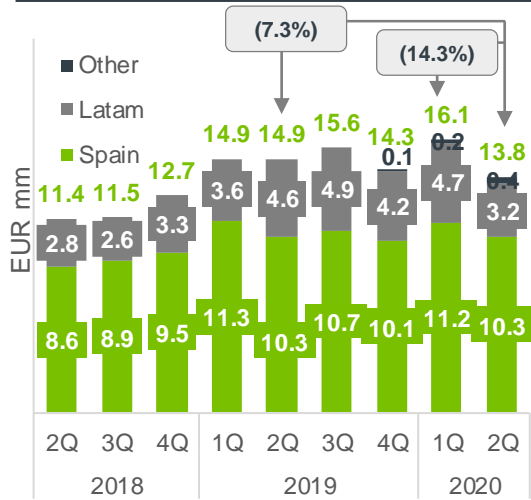


1) Figures calculated Post-IFRS16.  
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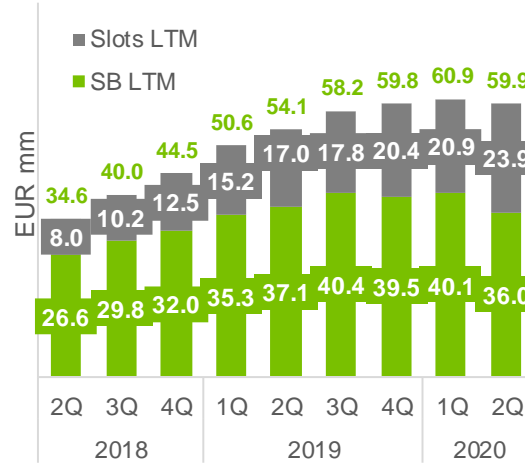


# Online Activity by Codere<sup>(1,2)</sup>

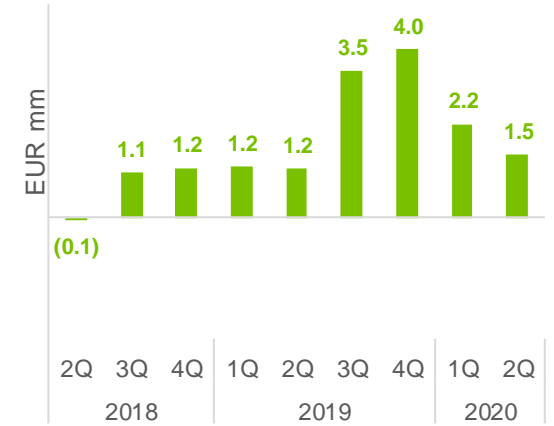
### Revenue Quarterly



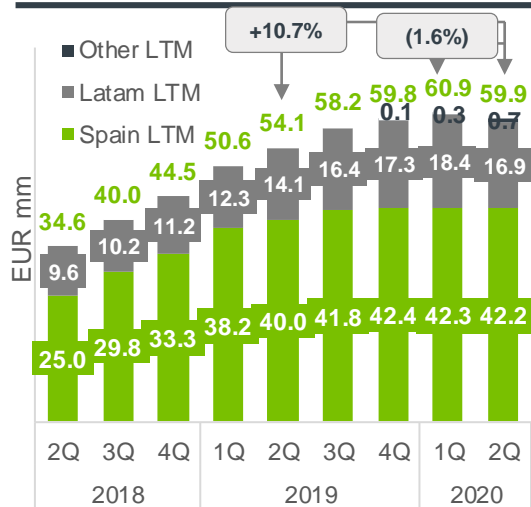
### LTM Revenue Mix



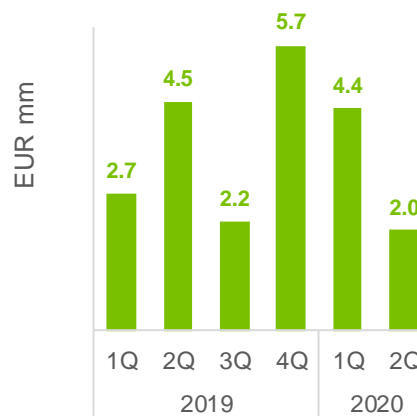
### Adjusted EBITDA Quarterly



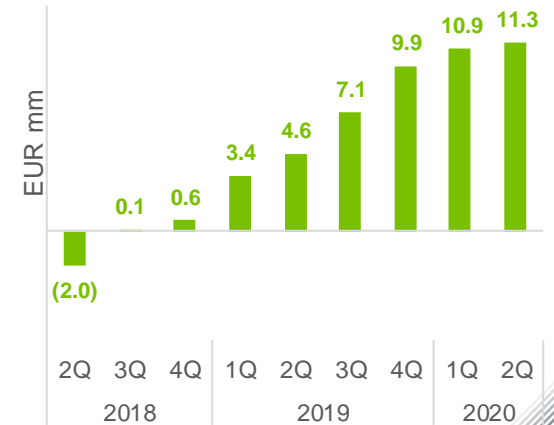
### Revenue LTM



### Quarterly Growth Marketing Expenses<sup>(3)</sup>



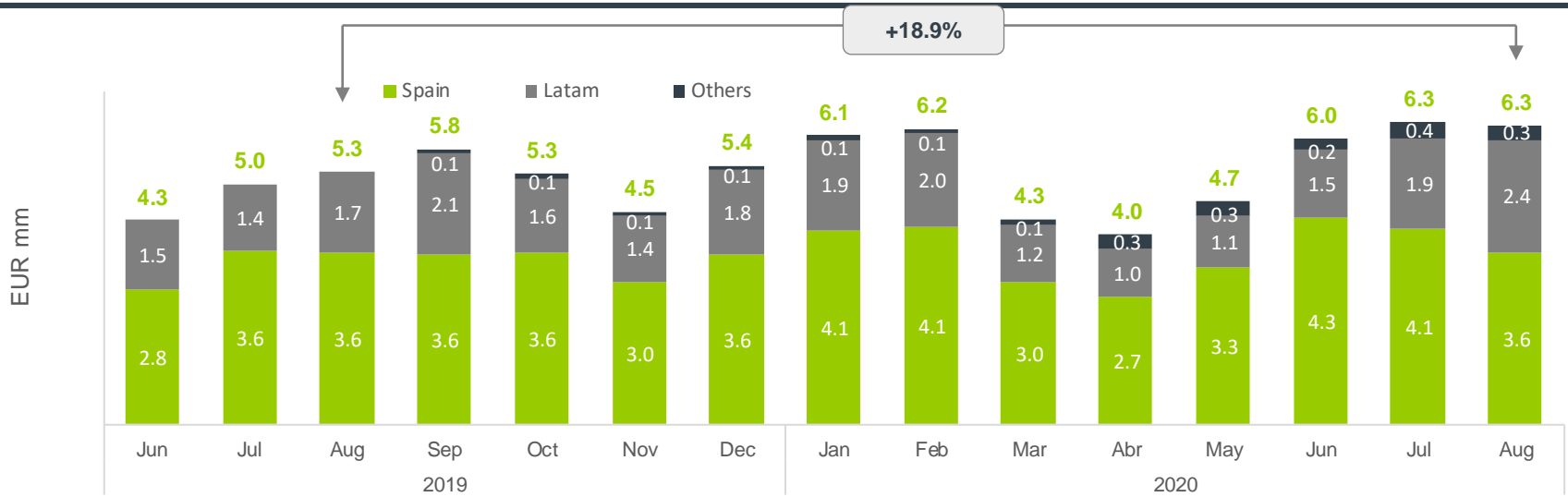
### Adjusted EBITDA LTM



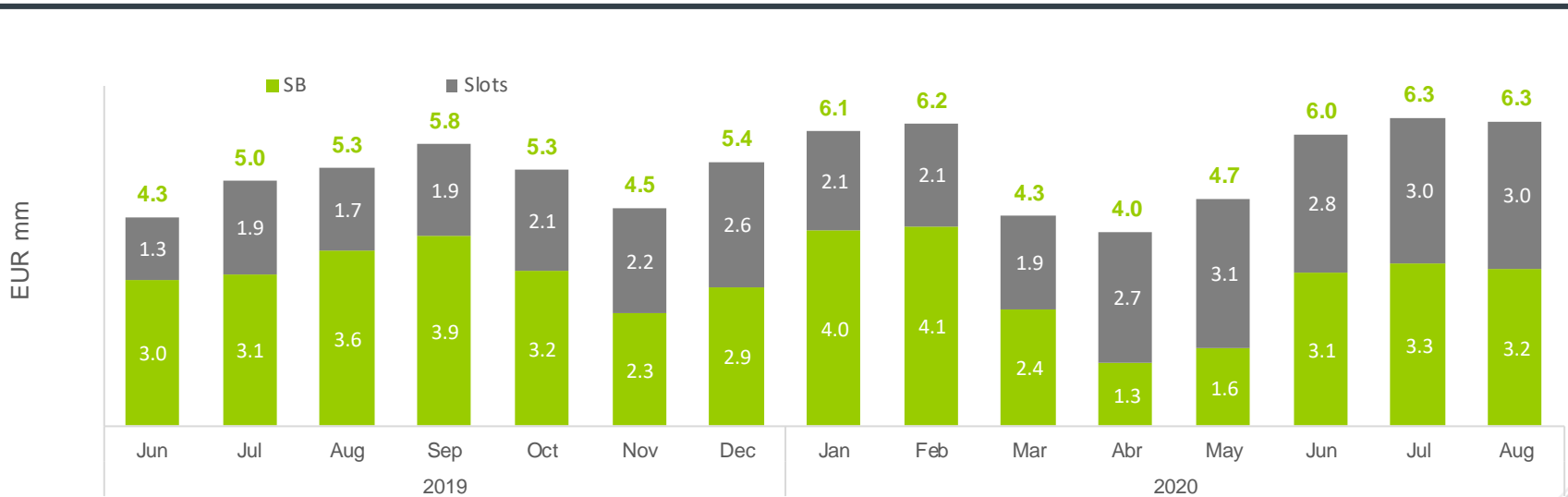
1) Figures calculated Post-IFRS16.  
 2) All countries are affected in March by the closure of halls and previous restrictions for the COVID 19 pandemic.  
 3) Excluded from Adjusted EBITDA definition.

# Online – Evolution

## Gross Win Monthly by Region

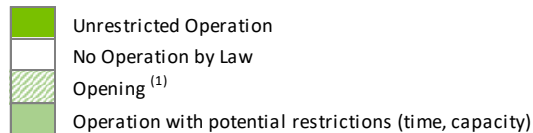
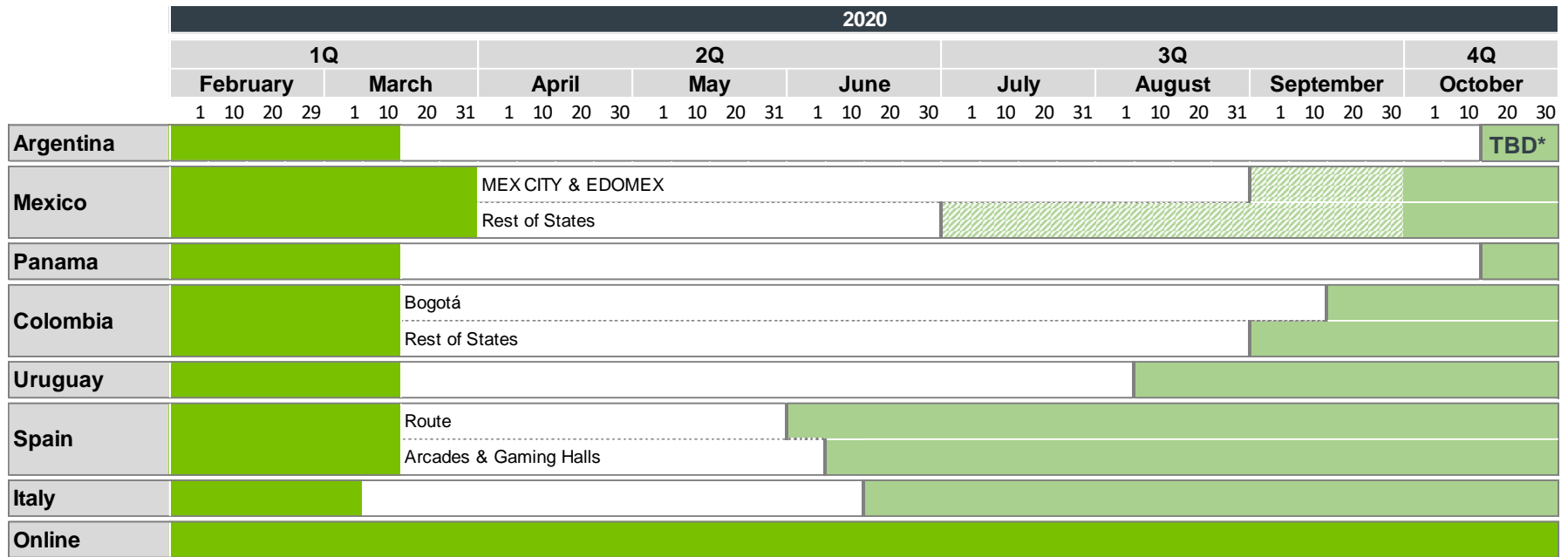


## Gross Win Monthly Mix



## 2. Operating Update

## Closings by country and reopening expectations



- **Spain** – Since June 1st, Bars, Restaurants, Casino and Arcades were able to open gradually throughout the different Regions.
- **Italy** – Progressive openings since June 15<sup>th</sup> (different dates per region) for Bingo Halls, Arcades, and Betting shops.
- **Mexico** has 30 halls open as of today.
- **Uruguay** - HRU Racetracks were opened on May 15<sup>th</sup> and since August 6<sup>th</sup> Gaming Halls were able to open.
- **Colombia** – Authorization to open outside Bogota already in place (openings in progress).
- **Panama** – Racetrack to start hosting races on September 28<sup>th</sup> (no attendance).
- The online offer remained operative but affected in previous months by the suspension or delay of sporting events, the lack of cash deposits in our retail network, and the ban of advertising or any promotion of the business during the emergency period in Spain (our main online market).

1) Expected dates, subject to variations based on existing or new government regulations or decisions.

(\*) To Be Determined – as per management expectations

## Points of Sale in Operation

### Gaming Capacity by Venue 4Q 2019

Region	Gaming Venues 4Q-2019					Total
	Gaming Halls	Arcades	Bars	Sports Betting Shops	Racetracks	
<b>Latin America</b>						
Argentina	13	-	-	-	-	13
Mexico	96	-	-	93	1	97
Panama	11	-	-	8	1	12
Colombia	9	136	-	70	-	215
Uruguay (CN)	1	-	-	-	-	1
Uruguay (HRU)	5	-	-	29	2	31
<b>Total</b>	<b>135</b>	<b>132</b>	<b>-</b>	<b>187</b>	<b>4</b>	<b>369</b>
<b>Europe</b>						
Italy	11	-	2,198	-	-	2,209
Spain	3	1,026	7,147	61	-	8,237
<b>Total</b>	<b>14</b>	<b>1,026</b>	<b>9,345</b>	<b>61</b>	<b>-</b>	<b>10,446</b>
<b>Total Group</b>	<b>149</b>	<b>1,162</b>	<b>9,345</b>	<b>261</b>	<b>4</b>	<b>10,815</b>

### Gaming Capacity by Venue 2Q 2020

Region	Gaming Venues 2Q-2020					Total
	Gaming Halls	Arcades	Bars	Sports Betting Shops	Racetracks	
<b>Latin America</b>						
Argentina						
Mexico	4	-	-	4	-	4
Panama						
Colombia						
Uruguay (CN)						
Uruguay (HRU)	-	-	-	17	2	19
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>2</b>	<b>23</b>
<b>Europe</b>						
Italy	6	-	2,067	-	-	2,073
Spain	3	937	6,780	47	-	7,767
<b>Total</b>	<b>9</b>	<b>937</b>	<b>8,847</b>	<b>47</b>	<b>-</b>	<b>9,840</b>
<b>Total Group</b>	<b>13</b>	<b>937</b>	<b>8,847</b>	<b>68</b>	<b>2</b>	<b>9,863</b>

### Gaming Capacity by Venue (Sep 2020 Update)

Region	Gaming Venues September 6, 2020					Total
	Gaming Halls	Arcades	Bars	Sports Betting Shops	Racetracks	
<b>Latin America</b>						
Argentina	-	-	-	-	-	-
Mexico	30	-	-	30	-	30
Panama	-	-	-	-	-	-
Colombia	4	22	-	16	-	42
Uruguay (CN)	1	-	-	-	-	1
Uruguay (HRU)	5	-	-	20	2	27
<b>Total</b>	<b>40</b>	<b>22</b>	<b>-</b>	<b>66</b>	<b>2</b>	<b>100</b>
<b>Europe</b>						
Italy	9	-	2,044	-	-	2,053
Spain	3	1,041	7,091	47	-	8,182
<b>Total</b>	<b>12</b>	<b>1,041</b>	<b>9,135</b>	<b>47</b>	<b>-</b>	<b>10,235</b>
<b>Total Group</b>	<b>52</b>	<b>1,041</b>	<b>9,135</b>	<b>101</b>	<b>2</b>	<b>10,297</b>

- As of June 30, only Europe, Mexico and Racetracks in Uruguay were operating in Retail.
- Since then the operation update is the following:
  - Mexico closed 1 hall in July and 1 hall in August and reopened 6 halls in July, 15 in August and 7 in September.
  - Colombia reopened one hall on September 1<sup>st</sup> and three more on September 5<sup>th</sup>. This week reopened 22 arcades.
  - Uruguay reopened its 5 halls and Casino Carrasco on August 6
  - Italy reopened the remaining 3 halls in Rome in July.
  - Spain increased the number of arcades and bars achieving nearly 100% of gaming capacity in arcades and bars by the end of August.

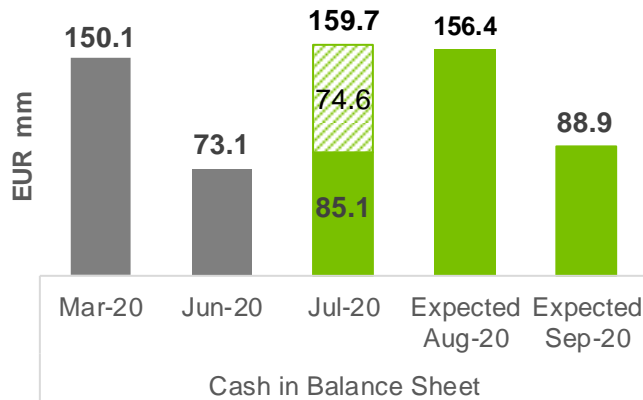
## Contingency Plan (i of ii): Commercial Strategy

### Key Drivers of our operational performance upon reopening

	Mexico	Spain	Italy
Marketing and promotions	We are improving our value proposition by targeting promotions to recover customers and on existing VIPs. In these early stages of reopening, we are making significant marketing efforts to increase attendance and recover market share.	Marketing spend in July and August below pre-Covid levels.	In Italy the regulations are very restrictive in terms of promotions, so our spending has historically been limited. We are currently adjusting this cost and focusing our efforts on the halls that face higher competition or revenues below the global average.
Cost reduction and margin expansion	We are progressively improving margins as revenues increase, but based on the marketing efforts described above and the inability to reduce further our personnel costs (we continue to support staff on temporary leave) our margins have not improved upon reopening.	We are generating substantial cost savings on personnel as part of the workforce is still under government backed temporary leave (ERTE), as well as lower marketing, operating, travel and taxes. These are having a positive impact on margins in these early stages after reopening.	We are making great efforts to contain costs, mainly those of personnel, taking advantage of the government subsidies (similar to ERTes in Spain). This is helping us generate good results in terms of EBITDA despite the reduction in revenues and therefore improving our margins over historical levels.
Operational restrictions	They vary by hall, but in general terms, attendance is restricted across the entire portfolio, with the least restrictive measures being related to social distancing of 2 meters and the most restrictive limiting capacity to 30%. In some halls we cannot operate table games, smoking is not allowed and food and beverage offer is limited. In certain halls in Puebla we must close on weekends.	Most restrictions apply to gaming venues, mainly in bingo, where we have to ensure social distancing, limit seats per table and the mandatory use of masks and hand sanitizer. In very exceptional cases some venues had closed for one day while they are sanitized after a Covid positive is reported by an employee but these have not been material within our portfolio. In some regions there are capacity restrictions for sports betting locations. Such is the case of Madrid where it was reduced from 75% to 60% on September 7, 2020.	The restrictions focus on maintaining the social distance of 1 meter which limits hall capacity and the mandatory use of masks. In some regions we have to carry out a registry of clients for traceability purposes, which represents a barrier to the entry of some clients. For the time being, we have not had any closures nor do we expect to have them in the short term.

## Contingency Plan (ii of ii): Liquidity Management

### Cash Evolution



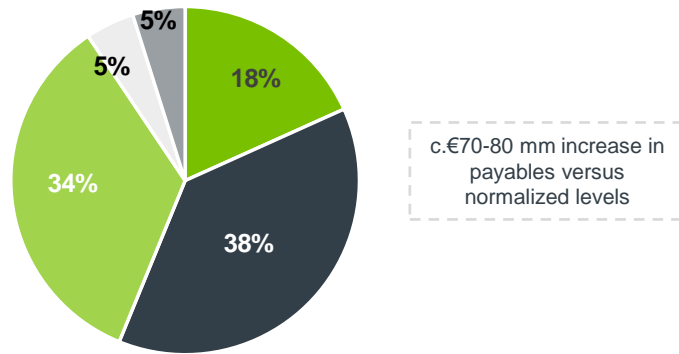
- End of August group cash amounted to €156,4 mm is including the new €85 mm notes issued at the end of July. A second issuance of €165 mm is to be issued when the Scheme is completed in October. Then the maturity of our bonds will be extended to 2023 as per the Lock-Up Agreement.
- During this quarter, the company is burning less cash than in previous periods per month (c.€15-20 mm) thanks to the strict measures in place and to specific plans detailed below and despite transaction costs and related expenses and the fact that we are already starting to face extended payables (in operating markets).
- The main components of these extended payables are personnel (26%), and taxes, mostly from prior periods (25%).

#### To mitigate use of cash the company during the closing period:

- Has reduced fixed operational expenses for more than 60% and reduced to a minimal amount capex expenditures in the period.
- Has negotiated successfully with mayor suppliers and is still negotiating deferrals and payment plans with operational, systems and CAPEX suppliers.
- Has used available instruments provided by the different authorities to defer gaming taxes and other payments.
- We have also negotiated deferrals on principal payments from our main local loans.
- The c.€70-80 mm increase in normalized levels of payables will be progressively reduced in the next three to four quarters as per individual payment plan negotiations with major suppliers.

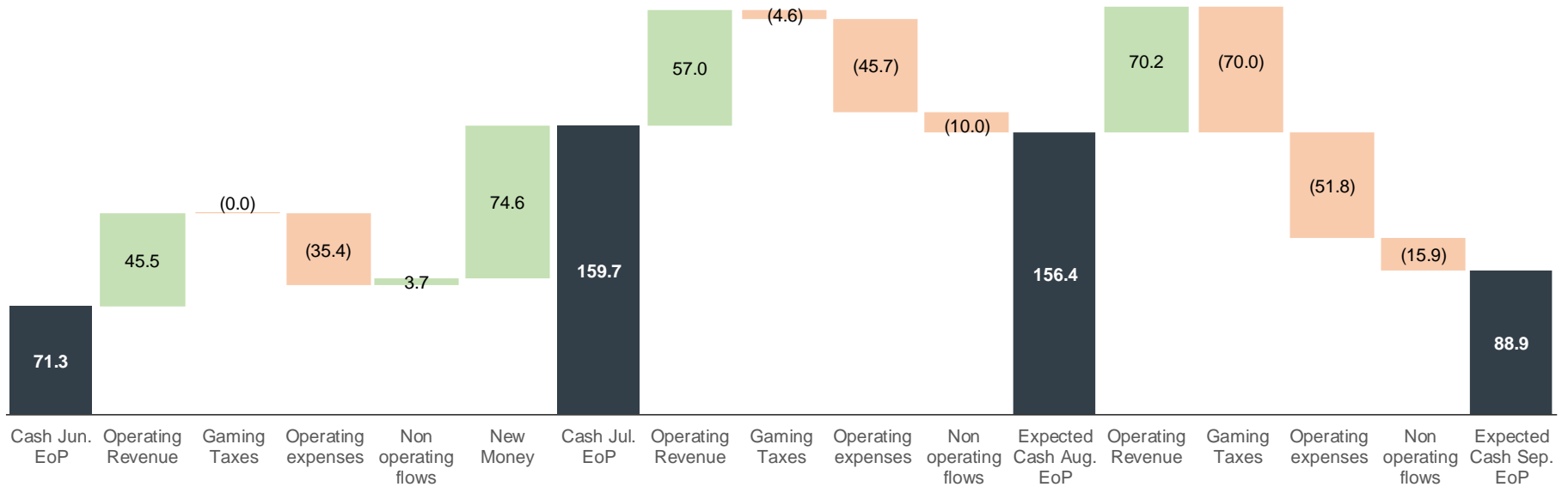
### Payables Breakdown

#### Increase over normalized levels of payables per category by September 30<sup>th</sup>



■ Taxes ■ Operation Suppliers ■ Capex financings ■ Others ■ Rentals

## Cash evolution by month



- Operating revenues are increasing month by month thanks to new openings with a better performance than expected in Spain and Italy where the operating revenues are actually at 78% vs. pre-COVID period.
- Net New Money inflows have arrived at the end of July to allow the company to operate in a partially closed scenario, where LATAM is still closed in our main locations.
- Taxes in September are higher than in previous months as 1) the Italian government suspended accrued July and August PREU payments and accumulated them in September, 2) most gaming tax payments in Spain are paid quarterly, 3) we are starting to pay deferred gaming taxes from 1Q and 2Q both in Spain and Italy.
- The progressive reopenings across the Group are leading not only to higher operating expenses, but to higher outflows as it usually implies we have to reduce extended payables materially (typically by executing an upfront payment and committing to a payment plan for the rest of the extended payables).



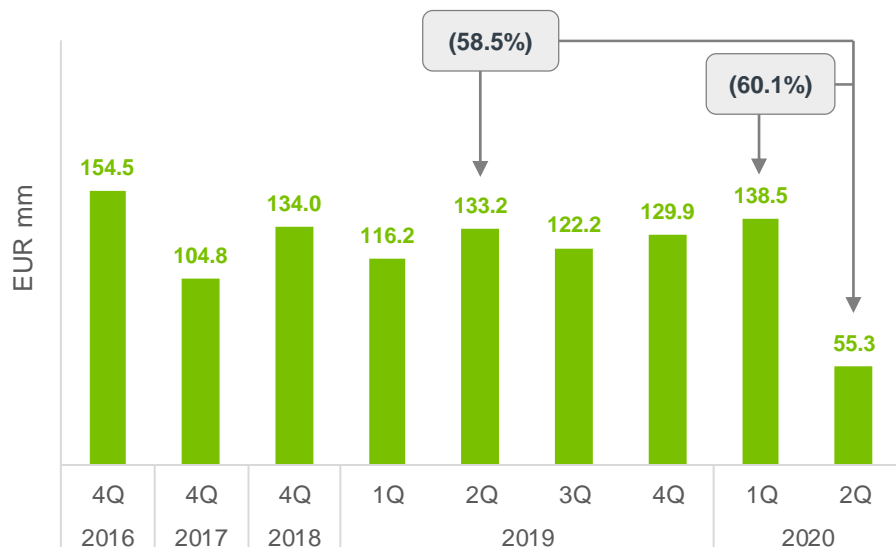
## 3. Credit Overview

## Consolidated Free Cash Flow<sup>(1,2)</sup> – Focus on cash generation

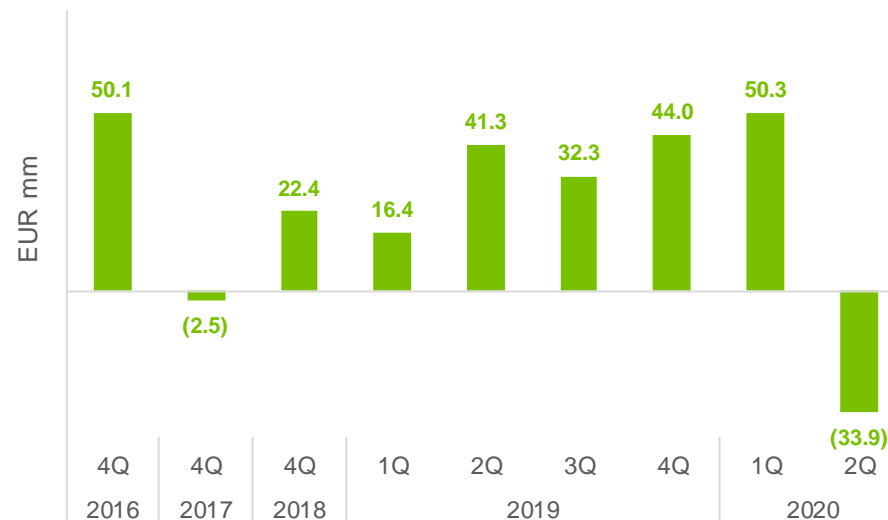
Figures in EUR mm, except where noted otherwise.

	2016	2017	2018			2019					2020	
	FY	FY	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
<b>Adjusted EBITDA</b>	<b>270.2</b>	<b>273.6</b>	<b>92.7</b>	<b>98.1</b>	<b>367.4</b>	<b>80.9</b>	<b>76.4</b>	<b>79.9</b>	<b>81.8</b>	<b>319.0</b>	<b>47.7</b>	<b>(31.1)</b>
(-) Capitalized Operating Leases	0.0	0.0	(21.9)	(18.9)	(84.5)	(17.9)	(17.6)	(17.3)	(17.1)	(69.9)	(17.0)	(7.9)
(-) Corporate Income Tax Paid	(49.9)	(70.9)	(11.4)	(11.2)	(51.8)	(10.6)	(12.7)	(7.8)	(9.7)	(40.8)	(5.4)	(1.0)
(-) Maintenance Capex	(80.4)	(78.4)	(11.9)	(26.7)	(82.1)	(15.6)	(17.6)	(14.6)	(25.1)	(72.9)	(11.4)	(6.7)
(-) Increase in Net Working Capital	18.9	(13.8)	(3.3)	(7.0)	(7.5)	(21.6)	17.0	(7.6)	13.2	1.0	9.9	8.3
(-) Dividends Paid, net	(4.6)	(5.8)	(2.4)	(1.3)	(7.5)	(2.2)	(1.0)	(0.9)	(2.4)	(6.5)	(2.2)	(0.4)
<b>FCF before Growth Capex</b>	<b>154.5</b>	<b>104.8</b>	<b>41.8</b>	<b>33.0</b>	<b>134.0</b>	<b>13.1</b>	<b>44.4</b>	<b>31.7</b>	<b>40.7</b>	<b>129.9</b>	<b>21.6</b>	<b>(38.8)</b>
(-) NNRR Items (Exc. Growth Online)	(71.8)	(26.8)	(7.0)	(11.9)	(42.7)	(0.3)	(3.0)	(5.9)	(7.8)	(17.1)	(3.3)	(4.7)
(-) Cash Interest Expense	(32.6)	(80.5)	(3.8)	(31.1)	(68.8)	(3.8)	(31.0)	(2.8)	(31.2)	(68.8)	(3.2)	(30.3)
<b>Discretionary Cash Flow</b>	<b>50.1</b>	<b>(2.5)</b>	<b>31.0</b>	<b>(10.0)</b>	<b>22.4</b>	<b>9.0</b>	<b>10.4</b>	<b>23.0</b>	<b>1.7</b>	<b>44.0</b>	<b>15.1</b>	<b>(73.8)</b>
(-) Growth Capex	(8.4)	(39.8)	(43.6)	(24.1)	(81.3)	(0.8)	(3.6)	(6.4)	(7.1)	(17.9)	(2.4)	(0.5)
(-) Online Marketing growth spend <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0	(2.7)	(4.5)	(2.2)	(5.7)	(15.1)	(4.4)	(2.0)

### LTM FCF before Growth Capex



### LTM Discretionary Cash Flow



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

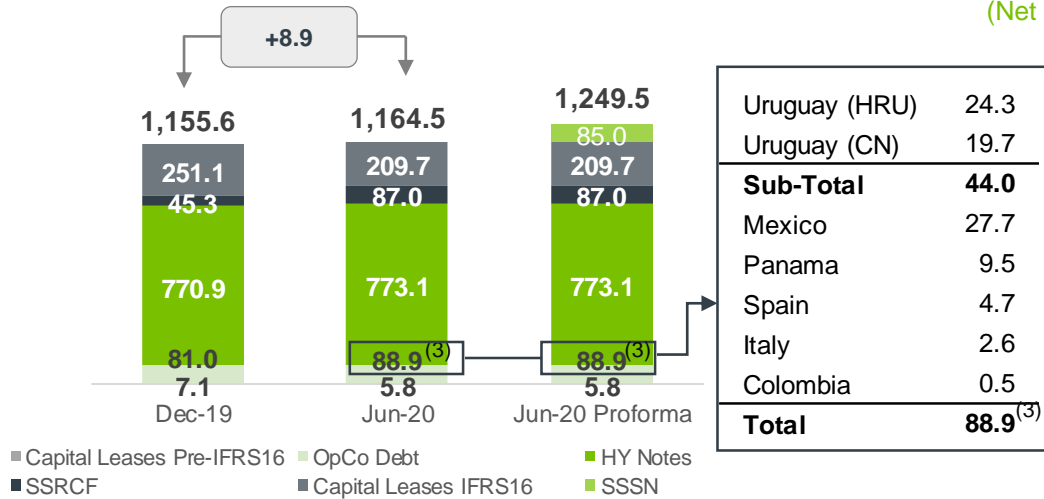
2) Inflation accounting adjustments are non-cash items with no impact on cash flow generation.

3) Figures for 2016, 2017 and 2018 were not significant and not excluded from adjusted EBITDA.

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

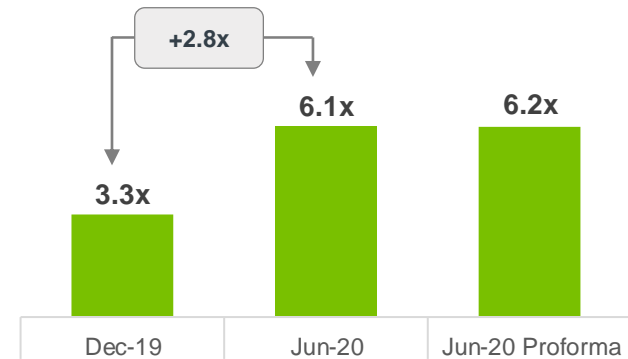
Figures in EUR mm, except where noted otherwise.

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



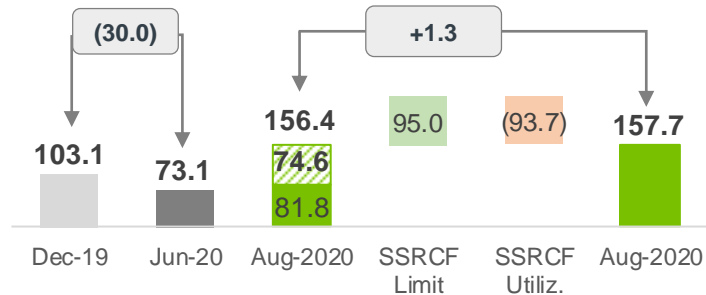
## Leverage Ratio

(Net Debt<sup>(4)</sup> / LTM Adjusted EBITDA)

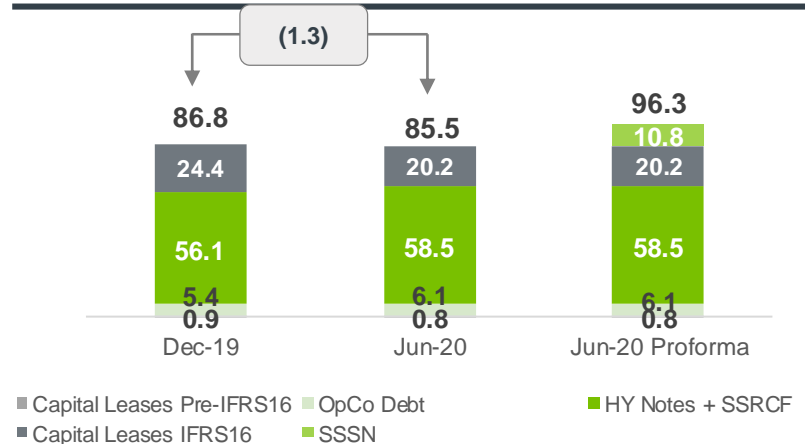


## Total Liquidity

### Cash



## Interest Expense<sup>(5)</sup>



1) Figures reflect consolidated accounts, except where noted otherwise.  
 2) Figures include accrued interest and impact of deferred financing fees.  
 3) In the €88.9 mm of Opco debt as of June 30, €72.6 mm is in non-guarantor companies.  
 4) 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).  
 5) Figures based on end of period financial debt outstanding and interest rates; excludes fees on unused revolver availability and amortization of deferred financing fees.

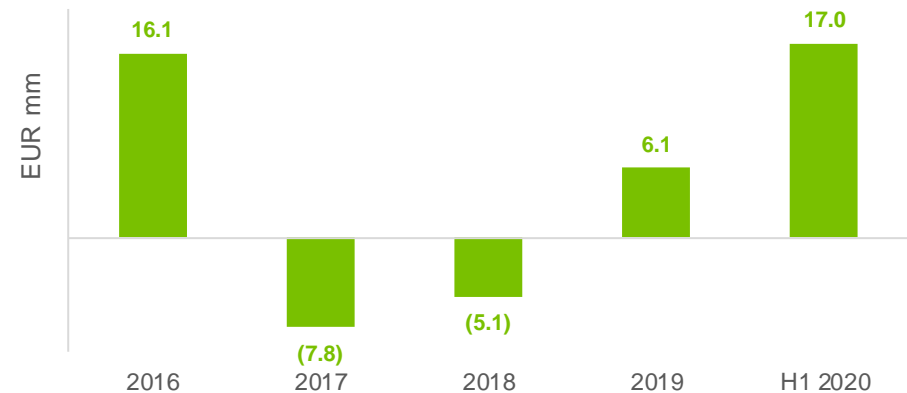
## Working Capital initiatives & deferred payments initiatives

### Cash preservation initiatives

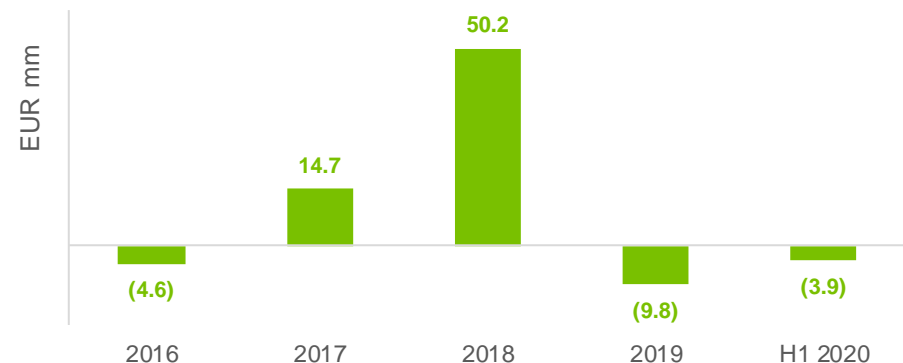
- Strong focus on operational expenses like 3<sup>rd</sup> party suppliers and rental leases expenses among others through the implementation of a new financial point of control related to operational outflows during the lockdown.
- We have already negotiated with most of our capex and operating suppliers to define payment plans adapted to the relaunch of our activity, that will lead to improve our cash preservation ability for coming months.
- Additionally, the company has engaged successfully with its global suppliers defining payment plans to accommodate to the gradual reopening and ramping up of its operations.
- Some business units have benefited from the plans made available by the government to defer taxes specially in Spain and Italy, postponing relevant payments of gaming taxes from March to June (PREU in Italy and fixed gaming tax on slots in Spain).
- Regarding financial expenses the company has also negotiated the payment of principal in our mains loans, deferring such financial expenses during the COVID lockdown.

### WK<sup>(1)</sup> & Deferred Payments Evolution

#### WK Evolution

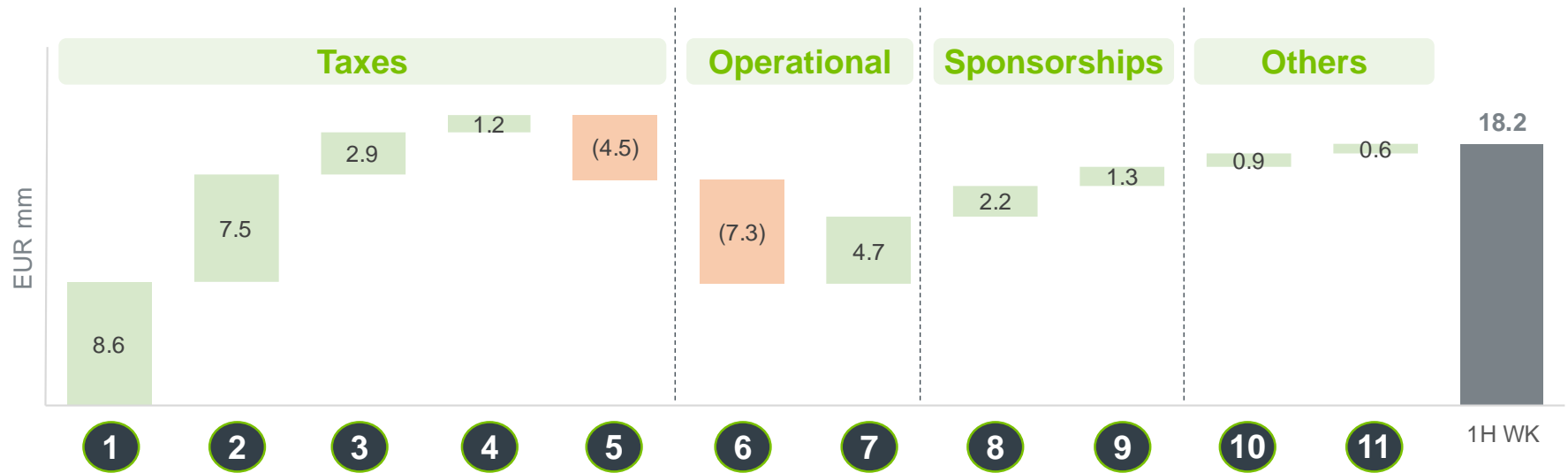


#### Deferred Payments Evolution



1) Working capital excludes variation of balance of deferred gaming taxes in Spain

## 1H Working Capital



- 1 Net variations related to 0,5% network canon (ITA)
- 2 Net payment of deferral taxes (SPA)
- 3 Difference between the payments of PREU and CANON done (and due) by Codere Network (€2.3 mm) and the amounts collected (and pending to collect) from the connected slot machines (€0.6 mm)
- 4 Difference between payments and accrued expense of local taxes (MEX)
- 5 Canon payments accrued in December 2019 + cancellation of all the debt with IPLYC due to the closure of halls (ARG)

- 6 Revenues from halls pending to be collected (HRU)
- 7 Deferral of payments to operational providers (all UdNs)
- 8 Sponsorships inflows (revenues accrued in 2019) (MEX)
- 9 Difference between payments and accrued expense of Real Madrid sponsorship
- 10 Inflows from the transfer of the lease of a closed hall (revenues accrued in 2019) (MEX)
- 11 Difference between horse-racing prizes given and amounts received by the government (PAN & HRU)

## Refinancing Transaction (I of II)

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- Refinancing Transaction. On July 13, the Company signed a lock-up agreement with a group of existing bondholders who collectively held c. 57.5<sup>(1)</sup>% of its notes to implement a refinancing transaction, which included, among other things:
  - i. The injection of €85 mm in the form of Interim New Super Senior Notes due September 2023 to solve short term liquidity needs in the company and help us maintain and restart our operations until the completion of the Scheme of Arrangement.
  - ii. Subject to the completion of a Scheme of Arrangement procedure (for which the first hearing was held between September 3 and 7):
    - i. The issuance of €165 mm of additional New Super Senior Notes (to a total of €250 mm NSSNs due September 2023) to repay the existing SSRCF and provide further liquidity to the company to help us bridge to post COVID-19 business normalization.
    - ii. Amendments to the terms of the existing notes including an extension of maturities to November 1, 2023 and increased interest rates, comprising a mandatory 4.50% cash-pay component and, at the election of the Company, a further cash-pay (5.00% on the € notes; 5.875% on the \$ notes) or PIK (6.25% on the € Notes; 7.125% on the \$ Notes) component.
    - iii. In addition, restrictions were added to restricted payments and investments, local debt incurrence (excluding capital leases) was limited to €95 mm, of which no more than €75 mm at non-Guarantor Subsidiaries, plus a €25 mm general basket for additional local debt (at Guarantors or non-Guarantors) and a liquidity covenant of €40 mm was introduced;
- Additionally, a Standstill Agreement was signed with SSRCF lenders to waive the expected 2Q 2020 leverage covenant breach. By that agreement, the maturity of the facility was brought forward to November 15, 2020. As a result, outstanding amounts under the SSRCF have been reclassified to short-term liabilities in our balance sheet.
  - i. The Standstill agreement added a liquidity covenant of €60 mm (€25 mm to be available and held in Spain and Luxembourg).
- The Scheme Hearing was held between September 3 and 7, the Judge is expected to resolve no later than Monday next week. Then the company will convene the voting (we expect to do it on or around September 29). The Sanction Hearing is expected to happen on or around October 6 and 7. After that we expect the Scheme to be effective shortly after and execute the Chapter 15 procedure in the following dates. On October 21 we expect to have fully executed the further notes and amendments to the Notes.

1) 55.5% corresponds to the AHC position.

## Refinancing Transaction (II of II)

### Sources and Uses

Figures in € mm, except noted otherwise

SOURCES	Amount	% Total
Interim NSSNs	85.0	34.0%
Second Tranche NSSNs	165.0	66.0%
<b>Total</b>	<b>250.0</b>	<b>100.0%</b>

USES	Amount	% Total
Cash (i.e. Incremental Liquidity)	114.1	45.6%
Coupon Payment SSNs	25.4	10.2%
Cash Interest on NSSNs	1.8	0.7%
Country and Corporate cash needs	86.9	34.8%
SSRCF Paydown	86.0	34.4%
Bond Extension Fees	21.5	8.6%
Cash Collateral for LoC's	7.7	3.1%
New Money Financial Fees and Expenses	20.7	8.3%
<b>Total</b>	<b>250.0</b>	<b>100.0%</b>

### Proforma Capital Structure<sup>(1)</sup>

Proforma Capitalization	By July 31, 2020 (after Interim NSSNs)				By October 31, 2020 (after Second Tranche NSSNs)			
	Maturity	Amount	% Cap	x EBITDA	Maturity	Amount	% Cap	x EBITDA
Cash		-138.7	-13%			-128.2	-12%	
Super Senior RCF	01/11/2021	95.0	9%	0.4x	n.a.	0.0	0%	0.0x
Super Senior Secured Notes	01/11/2021	773.9	75%	3.6x	01/11/2023	773.3	70%	3.6x
New Super Senior Notes ("NSSNs")	30/09/2023	85.0	8%	0.4x	30/09/2023	250.0	23%	1.2x
Other (OpCo Debt)		83.8	8%	0.4x		83.8	8%	0.4x
<b>Total Debt</b>		<b>1,037.7</b>	<b>100%</b>	<b>4.8x</b>		<b>1,107.1</b>	<b>100%</b>	<b>5.1x</b>
<b>Net Debt</b>		<b>898.9</b>		<b>4.1x</b>		<b>978.9</b>		<b>4.5x</b>

	March 2020	March 2020
EBITDA <sup>(2)</sup>	216.9	216.9
Maintenance Capex	68.8	68.8
PF Cash Interest Expense	78.6	111.1
EBITDA / PF Cash Interest Expense	2.8x	2.0x
(EBITDA - Capex) / PF Cash Interest Expense	1.9x	1.3x

1) Cash and debt figures estimated from initial S&U exercise in June. They may vary from actual ones shown for other purposes within this presentation. October figure does not constitute guidance.

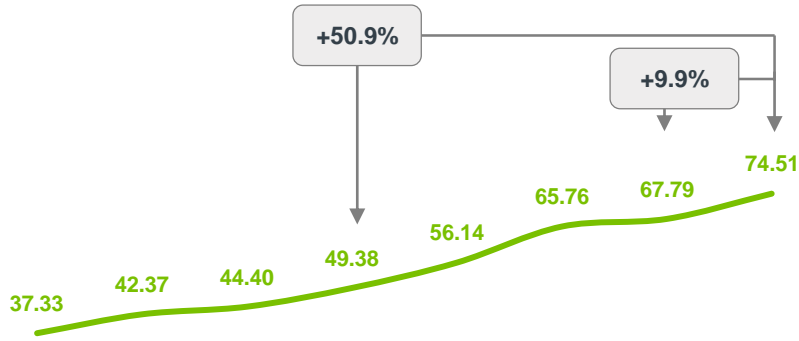
2) LTM March 2020 Adjusted EBITDA Pre-IFRS-16 (excluding Non- recurring items)

## 4. Appendix



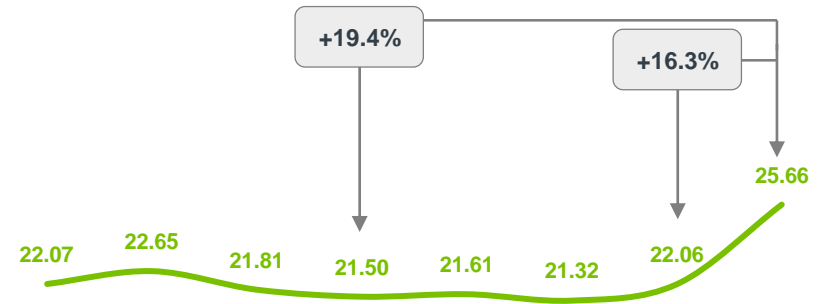
## Exchange Rate Evolution (Period Average)

### EUR / ARS



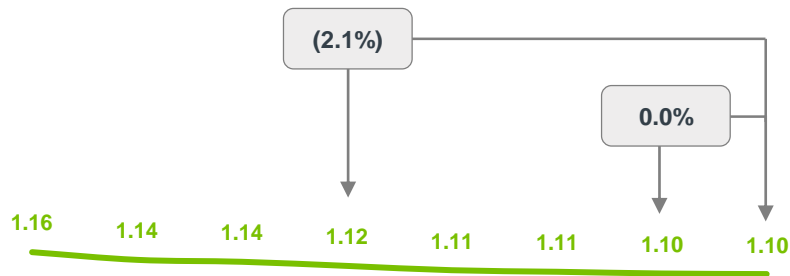
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

### EUR / MXN



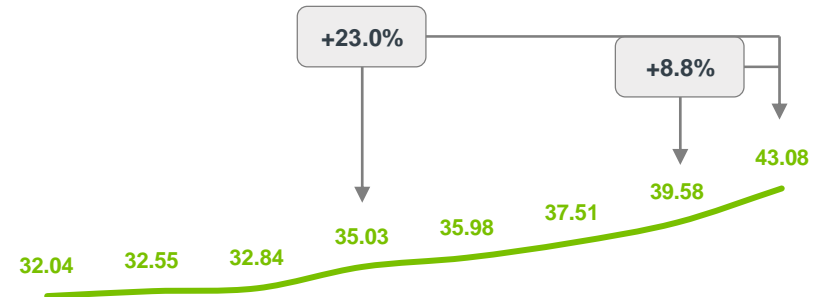
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

### EUR / USD



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

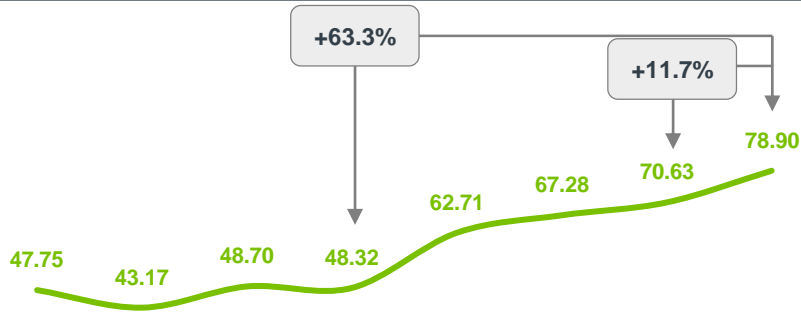
### USD / UYU



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

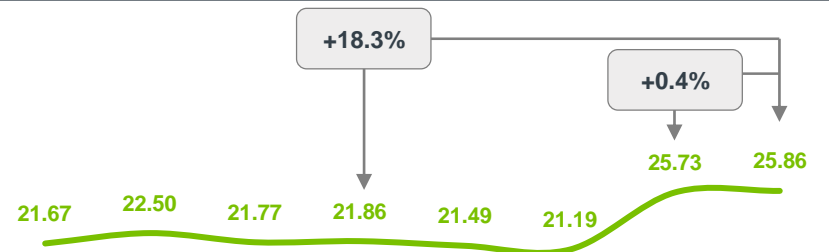
## Exchange Rate Evolution (End of Period)

### EUR / ARS



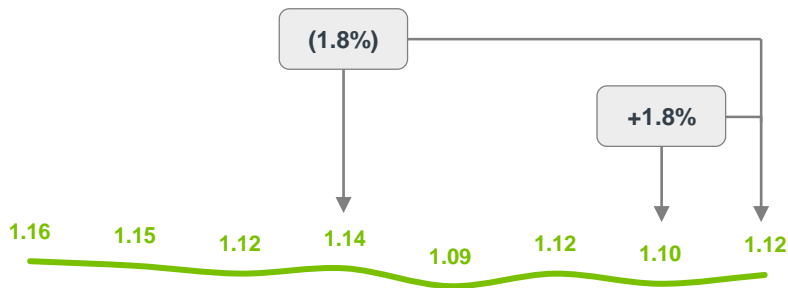
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

### EUR / MXN



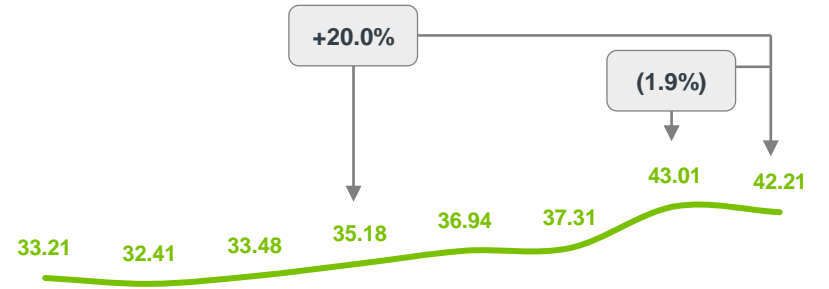
3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

### EUR / USD



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

### USD / UYU



3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
2018		2019				2020	

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