

# Q1 2021 Earnings Results

May 20, 2021



**codere**

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## Financial and Operating Overview

Herein, figures presented above Operating Profit (other than non-recurring items and impairment charges) are shown excluding the impact of non-recurring items as well as the impact resulting from the application of IAS 29. Adjusted EBITDA refers to EBITDA<sup>1</sup> excluding all non-recurring items and not considering Argentine figures according to IAS 29 standards (inflation accounting). All figures are post the application of IFRS 16.

- Q1 2021 Operating Revenue decreased by 54.3% to €127.2 mm as a result of the COVID-19 related closings and operational restrictions. Our Italian retail operation remained closed during the entire quarter, while other markets such as Mexico and Panama were partially closed during most of the period or otherwise operated under significant restrictions.
- Q1 2021 Adjusted EBITDA reached €3.5 mm, 92.7% below Q1 2020, driven by the abovementioned closings and restrictions. All markets except Italy contributed to this positive EBITDA.
- Q1 2021 Adjusted EBITDA margin declined to 2.7%, 14.4 percentage points below Q1 2020 due to the lack of revenues not being offset by the decline in operating expenses, despite the implementation of significant cost savings and efficiency measures in the period.
- In Q1 2021 we generated a net loss of €91.5 mm, compared to a loss of €97.1 mm in Q1 2020, mainly as a result of the closings related to COVID-19, the increase in interest expense and, to a lesser extent, the devaluation of our operating currencies vs. the USD.
- Capex in Q1 2021 was €4.4 mm, 68.2% below Q1 2020, and was almost entirely related to maintenance projects.
- As of March 31, 2021, we had €58.4 mm in cash and equivalents down from €110.3 mm as of December 31, 2020. Our gross debt amounted to €1,061.6 mm and our net debt to €1,003.2 mm, or €1,269.7 mm and €1,211.3 mm, respectively, including capitalization of operating leases (as per IFRS 16).

As announced on April 22, 2021 and explained in the Recent Events section, the Company entered into a lock-up agreement with its largest noteholders, committing the parties to support a restructuring transaction for the group. In addition, the group entered into note purchase agreements that will provide the group with €100 million of additional liquidity, with the first tranche of €30 million having been received in April, and the second tranche expected on or about May 24, 2021.

- In terms of gaming capacity, our active number of slots by March 31, 2021, was 30,201, deployed across all markets except Italy and Uruguay. In terms of venues, we had 114 gaming halls in operation, 975 arcades, 182 sports betting shops and 5,864 bars.

Since the end of March, authorities in Argentina and Uruguay imposed additional temporary closings as a result of the evolution of the pandemic in those markets. In parallel, we have continued to open our halls in Mexico and are currently operating 85 of 89 units, while in Spain the State of Alarm ended on May 9th, and restrictions continue to be progressively lifted in the country.

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<sup>1</sup> EBITDA, as defined by the Company, is operating profit (EBIT) plus depreciation and amortization, variation in provisions for trade transactions, gains / (losses) on asset disposals, and impairment charges.

# Consolidated Income Statement

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Operating Revenue</b>	<b>278.5</b>	<b>127.2</b>	<b>(54.3%)</b>
Gaming & Other Taxes	(101.2)	(38.3)	62.1%
Personnel	(56.8)	(41.0)	27.8%
Rentals	(8.6)	(0.1)	99.0%
Cost of Goods Sold	(8.6)	(7.2)	16.6%
Other	(55.7)	(37.1)	33.4%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(230.8)</b>	<b>(123.7)</b>	<b>46.4%</b>
Depreciation & Amortization	(43.5)	(37.1)	14.8%
Variation in Provisions for Trade Transactions <sup>(1)</sup>	(0.5)	0.4	n.a.
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(1.1)	(2.1)	(94.1%)
Impairment Charges	(2.0)	0.0	n.a.
Non-Recurring Items	(7.7)	(10.6)	(37.6%)
<b>Operating Profit (Pre-Inflation Accounting)</b>	<b>(7.1)</b>	<b>(45.9)</b>	<b>n.a.</b>
Inflation Adjustment on Operating Expenses <sup>(3,4)</sup>	(3.4)	(3.0)	9.2%
<b>Operating Profit (Post-Inflation Accounting)</b>	<b>(10.4)</b>	<b>(48.9)</b>	<b>n.a.</b>
Interest Expense	(24.0)	(37.7)	(57.1%)
Interest Income	0.9	0.5	(43.9%)
Gains / (Losses) from Financial Investments	(2.8)	(2.4)	13.1%
Gains / (Losses) from Exchange Rate Variations	(49.9)	(10.8)	78.3%
Inflation Adjustment <sup>(5)</sup>	1.3	4.3	n.a.
<b>Earnings before Corporate Income Taxes</b>	<b>(85.0)</b>	<b>(95.1)</b>	<b>(11.9%)</b>
Provision for Corporate Income Taxes	(14.1)	2.2	n.a.
Inflation Adjustment on CIT <sup>(6)</sup>	(1.3)	(2.4)	(90.1%)
Minority Interests in Subsidiary (Income) / Loss	3.3	3.9	18.2%
Equity in Affiliate Income / (Loss)	(0.1)	(0.1)	(20.1%)
<b>Net Income / (Loss)</b>	<b>(97.1)</b>	<b>(91.5)</b>	<b>5.8%</b>
<b>EBITDA</b>			
EBIT (Operating Profit)	(10.4)	(48.9)	n.a.
(+) Impairment Charges	2.0	0.0	n.a.
(+) (Gains) / Losses on Asset Disposals	1.1	2.1	94.1%
(+) Variation in Provisions for Trade Transactions	0.5	(0.4)	n.a.
(+) Depreciation & Amortization	43.5	37.1	(14.8%)
(+) Inflation Adjustment on Other Opex <sup>(4)</sup>	3.0	3.2	6.4%
<b>EBITDA</b>	<b>39.7</b>	<b>(6.9)</b>	<b>n.a.</b>
<i>EBITDA Margin</i>	<i>14.2%</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Adjusted EBITDA</b>			
EBITDA	39.7	(6.9)	n.a.
(+) Non-Recurring Items	7.7	10.6	37.6%
(+) Inflation Adjustment on EBITDA <sup>(3)</sup>	0.3	(0.2)	n.a.
<b>Adjusted EBITDA</b>	<b>47.7</b>	<b>3.5</b>	<b>(92.7%)</b>
<i>Adjusted EBITDA Margin</i>	<i>17.1%</i>	<i>2.7%</i>	<i>(14.4 p.p.)</i>

<sup>1</sup> Figures reflect change in provisions on advances to site owners in connection with contracts to install our machines in their establishments.

<sup>2</sup> Figures primarily reflect disposal of gaming machines;

<sup>3</sup> Figure reflects, following IAS 29, the net impact on revenues and costs above EBITDA from applying Argentinean inflation to the end of the reporting period on the accrued items and ARS/EUR exchange rate as of March 31, 2021.

<sup>4</sup> Figure reflects, following IAS 29, the net impact on costs above Operating Profit from applying Argentinean inflation to the end of the period on the accrued items and ARS/EUR exchange rate as of March 31, 2021, excluding impact on items above EBITDA.

<sup>5</sup> Figure includes the impact from applying end of period inflation on fixed assets.

<sup>6</sup> Figure includes the impact of inflation accounting on corporate income tax in Argentina.

- **Operating Revenue** decreased by €151.3 mm or 54.3% to €127.2 mm in Q1 2021, due to the COVID-19 related closings. The most significant decrease (€60.2 mm) took place in Italy which was the only market that remained fully closed in the quarter, but Mexico (€38.3 mm) and Argentina (€26.8 mm) also experienced sharp reductions.
- **Operating Expenses** (excluding depreciation and amortization) decreased by €107.1 mm or 46.4% to €123.7 mm, as a result of cost reductions across all our markets, especially in Italy (€55.0 mm), Mexico (€21.7 mm), Argentina (€18.4 mm) and Spain (€7.8 mm).
- **Adjusted EBITDA** decreased by €44.2 mm to €3.5 mm in Q1 2021, as a result of the decrease in revenue from the closings and restrictions affecting all of our markets. The significant revenue decline in our retail operations was only partially offset by the reduction in costs, as the volatility in the openings, closings and operational restrictions made it increasingly difficult to align fixed costs to revenue generation.
- **Non-Recurring Items** in Q1 2021 were €4.3 mm while marketing investments to grow our online business accounted for an additional €6.3 mm.
- **Inflation Adjustment** in Q1 2021 represents a loss of €0.2 mm (impact on EBITDA). At the net income level, the impact is a net loss of €1.1 mm.
- **Operating Profit** (prior to considering inflation accounting for Argentina) decreased by €38.8 mm to an operating loss of €45.9 mm in Q1 2021.
- **Interest Expense** (including financial expenses from capitalized operating leases) increased by €13.7 mm to €37.7 mm driven by the incremental interest on the newly issued €250 mm super senior secured notes.
- **Interest Income** reached to €0.5 mm.
- Losses on **Financial Investments** reached €2.4 mm in Q1 2021 vs €2.8 mm in Q1 2020.
- Losses on **Exchange Rate Variations** reached €10.8 mm in Q1 2021 derived from the appreciation of the USD against our LATAM operating currencies.
- Provision for **Corporate Income Tax** decreased by €16.3 mm to €2.2 mm in Q1 2021 driven by significant decreases in accrued corporate income taxes as a result of the reduction of profit before taxes in all of our business units (especially in Argentina).
- **Minority Interest** represents a gain of €3.9 mm in Q1 2021.
- As a result of the aforementioned results, the **Net Loss** in Q1 2021 was €91.5 mm, compared to a Net Loss of €97.1 mm in Q1 2020.

## Revenue and Adjusted EBITDA<sup>1</sup>

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Operating Revenue</b>			
Argentina	64.8	38.0	(41.4%)
Mexico	60.4	22.1	(63.5%)
Panama	14.6	5.8	(60.1%)
Uruguay	17.0	11.3	(33.4%)
Colombia	4.9	3.5	(28.9%)
<b>Sub-Total - Latin America</b>	<b>161.8</b>	<b>80.7</b>	<b>(50.1%)</b>
Italy	60.2	0.0	(100.0%)
Spain	40.5	26.6	(34.3%)
<b>Sub-Total - Europe</b>	<b>100.7</b>	<b>26.6</b>	<b>(73.6%)</b>
Online	16.1	19.8	23.6%
<b>Total</b>	<b>278.5</b>	<b>127.2</b>	<b>(54.3%)</b>
<b>Adjusted EBITDA</b>			
Argentina	14.4	6.0	(58.2%)
Mexico	17.4	0.7	(95.8%)
Panama	2.0	0.6	(70.7%)
Uruguay	5.2	1.8	(65.3%)
Colombia	1.0	1.0	(0.4%)
<b>Sub-Total - Latin America</b>	<b>40.0</b>	<b>10.2</b>	<b>(74.6%)</b>
Italy	(0.5)	(5.7)	n.a.
Spain	7.6	1.5	(80.4%)
<b>Sub-Total - Europe</b>	<b>7.2</b>	<b>(4.2)</b>	<b>n.a.</b>
Corporate	(1.0)	(3.2)	n.a.
Online	1.5	0.7	(54.5%)
<b>Total</b>	<b>47.7</b>	<b>3.5</b>	<b>(92.7%)</b>

## Earnings per Share

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Earnings per Share</b>			
<b>Net Income / (Loss) (EUR mm)</b>	<b>(97.1)</b>	<b>(91.5)</b>	<b>5.8%</b>
<b>Average Shares Issued &amp; Outstanding<sup>(2)</sup> (mm):</b>			
Basic	118	118	(0%)
<b>Earnings per Share (EUR):</b>			
Basic	(0.82)	(0.77)	5.7%

<sup>1</sup> 2020 Online EBITDA has been adjusted retroactively to reflect the current reporting perimeter where our Online business unit has been isolated from the rest of the Group.

<sup>2</sup> Figure excludes treasury shares.

# Revenue and Adjusted EBITDA at Constant Currency<sup>1</sup>

	Constant Currency		
	Quarter		
	Q1 2020	Q1 2021	Var. %
<i>Figures in EUR mm, except where noted otherwise</i>			
<b>Operating Revenue</b>			
Argentina	64.8	59.8	(7.7%)
Mexico	60.4	24.7	(59.1%)
Panama	14.6	6.4	(56.3%)
Uruguay	17.0	13.5	(20.4%)
Colombia	4.9	3.9	(21.4%)
<b>Sub-Total - Latin America</b>	<b>161.8</b>	<b>108.3</b>	<b>(33.0%)</b>
Italy	60.2	0.0	(100.0%)
Spain	40.5	26.6	(34.3%)
<b>Sub-Total - Europe</b>	<b>100.7</b>	<b>26.6</b>	<b>(73.6%)</b>
Online	16.1	19.8	23.6%
<b>Total</b>	<b>278.5</b>	<b>154.8</b>	<b>(44.4%)</b>
<b>Adjusted EBITDA</b>			
Argentina	14.4	9.5	(34.2%)
Mexico	17.4	0.8	(95.3%)
Panama	2.0	0.6	(67.9%)
Uruguay	5.2	2.2	(58.5%)
Colombia	1.0	1.1	10.0%
<b>Sub-Total - Latin America</b>	<b>40.0</b>	<b>14.2</b>	<b>(64.5%)</b>
Italy	(0.5)	(5.7)	n.a.
Spain	7.6	1.5	(80.4%)
<b>Sub-Total - Europe</b>	<b>7.2</b>	<b>(4.2)</b>	<b>n.a.</b>
Corporate	(1.0)	(3.2)	n.a.
Online	1.5	0.7	(54.5%)
<b>Total</b>	<b>47.7</b>	<b>7.5</b>	<b>(84.2%)</b>

<sup>1</sup> 2020 Online EBITDA has been adjusted retroactively to reflect the current reporting perimeter where our Online business unit has been isolated from the rest of the Group.

# Operating Expenses<sup>1</sup>

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var.
<b>Operating Revenue</b>	<b>278.5</b>	<b>127.2</b>	<b>(54.3%)</b>
Gaming & Other Taxes	(101.2)	(38.3)	62.1%
Personnel	(56.8)	(41.0)	27.8%
Rentals	(8.6)	(0.1)	99.0%
Cost of Goods Sold	(8.6)	(7.2)	16.6%
Other	(55.7)	(37.1)	33.4%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(230.8)</b>	<b>(123.7)</b>	<b>46.4%</b>
<b>Gaming &amp; Other Taxes</b>			
Gaming Taxes	(82.8)	(27.3)	67.0%
Other Taxes	(18.4)	(11.1)	39.8%
<b>Total</b>	<b>(101.2)</b>	<b>(38.3)</b>	<b>62.1%</b>
<b>Rentals</b>			
Gaming Venues & Other	(1.5)	(0.0)	99.0%
Slots	(7.0)	(0.1)	99.0%
<b>Total</b>	<b>(8.6)</b>	<b>(0.1)</b>	<b>99.0%</b>
<b>Other</b>			
Professional Fees <sup>(2)</sup>	(3.0)	(5.3)	(73.7%)
Advertising and Marketing	(11.1)	(8.3)	25.3%
Utilities	(13.0)	(7.0)	46.0%
Repairs & Maintenance <sup>(3)</sup>	(5.1)	(2.8)	44.5%
Insurance <sup>(4)</sup>	(1.2)	(0.9)	26.0%
Travel	(1.4)	(0.3)	81.9%
Transportation <sup>(5)</sup>	(0.7)	(0.3)	61.4%
Other Expenses	(20.0)	(12.2)	39.3%
<b>Total</b>	<b>(55.7)</b>	<b>(37.1)</b>	<b>33.4%</b>
<b>As % of Operating Revenue (Var. in p.p.)</b>			
<b>Operating Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
Gaming & Other Taxes	36.3%	30.2%	(6.2)
Personnel	20.4%	32.3%	11.9
Rentals	3.1%	0.1%	(3.0)
Cost of Goods Sold	3.1%	5.7%	2.6
Other	20.0%	29.1%	9.1
<b>Operating Expenses (excl. D&amp;A)</b>	<b>82.9%</b>	<b>97.3%</b>	<b>14.4</b>
<b>Gaming &amp; Other Taxes</b>			
Gaming Taxes	29.7%	21.4%	(8.3)
Other Taxes	6.6%	8.7%	2.1
<b>Total</b>	<b>36.3%</b>	<b>30.2%</b>	<b>(6.2)</b>
<b>Rentals</b>			
Gaming Venues & Other	0.5%	0.0%	(0.5)
Slots	2.5%	0.1%	(2.5)
<b>Total</b>	<b>3.1%</b>	<b>0.1%</b>	<b>(3.0)</b>
<b>Other</b>			
Professional Fees <sup>(2)</sup>	1.1%	4.2%	3.1
Advertising and Marketing	4.0%	6.5%	2.5
Utilities	4.7%	5.5%	0.8
Repairs & Maintenance <sup>(3)</sup>	1.8%	2.2%	0.4
Insurance <sup>(4)</sup>	0.4%	0.7%	0.3
Travel	0.5%	0.2%	(0.3)
Transportation <sup>(5)</sup>	0.3%	0.2%	(0.0)
Other Expenses	7.2%	9.6%	2.4
<b>Total</b>	<b>20.0%</b>	<b>29.1%</b>	<b>9.1</b>

<sup>1</sup> Figures exclude non-recurring items.

<sup>2</sup> Figures exclude payments to personnel via outsourcing agreements in Mexico which are re-classified as personnel expense.

<sup>3</sup> Includes cleaning services and general supplies consumed.

<sup>4</sup> Includes insurance (including surety bonds) premiums and letter of credit fees.

<sup>5</sup> Includes armored vehicles for route collections and other transportation costs.



## Mexico

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Operating Revenue</b>	<b>60.4</b>	<b>22.1</b>	<b>(63.5%)</b>
Gaming & Other Taxes	(9.3)	(4.7)	49.4%
Personnel <sup>(1)</sup>	(13.7)	(9.6)	30.3%
Rentals	(4.9)	1.1	n.a.
Cost of Goods Sold	(2.8)	(1.1)	61.6%
Other	(12.3)	(7.1)	42.4%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(43.0)</b>	<b>(21.3)</b>	<b>50.4%</b>
Depreciation & Amortization	(18.4)	(15.7)	14.6%
Variation in Provisions for Trade Transactions	0.0	0.1	n.a.
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(0.3)	(0.1)	66.0%
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	(1.8)	(0.5)	69.5%
<b>Operating Profit</b>	<b>(3.1)</b>	<b>(15.5)</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>15.6</b>	<b>0.2</b>	<b>(98.8%)</b>
EBITDA Margin	25.8%	0.8%	(25.0 p.p.)
<b>Adjusted EBITDA</b>	<b>17.4</b>	<b>0.7</b>	<b>(95.8%)</b>
Adjusted EBITDA Margin	28.8%	3.3%	(25.5 p.p.)
<b>Economic Indicators</b>			
Average Exchange Rate - EUR/MXN	22.06	24.50	11.1%
Average Inflation (YoY)	3.4%	4.0%	0.6 p.p.
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (Slots)	21,535	6,928	(67.8%)
<b>Gross Win per Slot per Day:</b>			
EUR	31.8	29.1	(8.3%)
Local Currency	684	716	4.6%

- **Operating Revenue** in Q1 2021 decreased by €38.3 mm (63.5%) compared to Q1 2020 due to the closing of our Mexico City and State of Mexico halls during most of the quarter, as they reopened in mid-March. As of March 31 we had 79 halls open. Our average capacity in the period was nearly 68% lower than that of Q1 2020.
- **Operating Expenses (excluding D&A)** decreased by €21.7 mm (50.4%) to €21.3 mm in Q1 2021 mainly as a result of reductions of personnel expenses, rentals and other fixed costs, together with gaming taxes.
- **Adjusted EBITDA** decreased by €16.7 mm to €0.7 mm as a result of the abovementioned decline in revenues.
- As of May 2, we have 85 halls in operation out of 89.

<sup>1</sup> Includes personnel costs related to outsourced employees.

<sup>2</sup> Figures reflect primarily disposal of gaming machines.

# Argentina

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Operating Revenue</b>	<b>64.8</b>	<b>38.0</b>	<b>(41.4%)</b>
Gaming & Other Taxes	(29.6)	(17.6)	40.4%
Personnel	(12.2)	(8.8)	27.5%
Rentals	(1.2)	(1.2)	(2.3%)
Cost of Goods Sold	(1.1)	(0.2)	82.7%
Other	(6.3)	(4.1)	34.8%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(50.4)</b>	<b>(32.0)</b>	<b>36.6%</b>
Depreciation & Amortization	(2.1)	(1.3)	40.2%
Variation in Provisions for Trade Transactions	0.0	0.0	n.a.
Gains / (Losses) on Asset Disposals <sup>(1)</sup>	0.0	0.0	(95.3%)
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	(0.2)	(0.3)	(63.0%)
<b>Operating Profit (Pre-Inflation Accounting)</b>	<b>12.1</b>	<b>4.5</b>	<b>(63.1%)</b>
Inflation Adjustment on Operating Expenses <sup>(2)</sup>	(3.4)	(3.0)	9.2%
<b>Operating Profit (Post-Inflation Accounting)</b>	<b>8.7</b>	<b>1.4</b>	<b>(83.8%)</b>
<b>EBITDA</b>	<b>13.9</b>	<b>5.9</b>	<b>(57.5%)</b>
<i>EBITDA Margin</i>	<i>21.4%</i>	<i>15.5%</i>	<i>(5.9 p.p.)</i>
<b>Adjusted EBITDA</b>			
EBITDA	13.9	5.9	(57.5%)
(+) Non-Recurring Items	0.2	0.3	63.0%
(+) Inflation Adjustment on EBITDA <sup>(2)</sup>	0.3	(0.2)	n.a.
<b>Adjusted EBITDA</b>	<b>14.4</b>	<b>6.0</b>	<b>(58.2%)</b>
<i>Adjusted EBITDA Margin</i>	<i>22.2%</i>	<i>15.8%</i>	<i>(6.4 p.p.)</i>
<b>Economic Indicators</b>			
Average Exchange Rate - EUR/ARS	67.79	106.76	57.5%
Average Inflation (YoY)	50.6%	40.4%	(10.1 p.p.)
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (Slots)	6,861	3,563	(48.1%)
<b>Gross Win per Slot per Day:</b>			
EUR	119.0	119.8	0.7%
Local Currency	8,011	12,802	59.8%

- **Operating Revenue** in Q1 2021 decreased by €26.8 mm or 41.4% compared to Q1 2020, due to the operating restrictions across our bingo halls (50% capacity), as well as to the significant devaluation of the Peso (57.5%) against the euro.
- **Operating Expenses (excluding D&A)** decreased by 36.6% driven by a reduction in gaming taxes, which are variable, and a 27.5% reduction in personnel expenses.
- **Adjusted EBITDA** decreased by €8.4 mm to €6.0 mm, compared to €14.4 mm in Q1 2020 as a result of the decline in revenues.
- Halls in Argentina were closed again in mid-April and remain closed to this date.

<sup>1</sup> Figures reflect primarily the disposal of gaming machines.

<sup>2</sup> Figure reflects, following IAS 29, the net impact on revenues and costs from applying Argentinean inflation to the end of the period on the accrued items and ARS/EUR exchange rate as of March 31, 2021.

## Spain

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Operating Revenue</b>	<b>40.5</b>	<b>26.6</b>	<b>(34.3%)</b>
Gaming & Other Taxes	(14.2)	(11.2)	21.0%
Personnel	(9.1)	(7.2)	20.4%
Rentals	(0.4)	(0.2)	53.4%
Cost of Goods Sold	(1.0)	(0.5)	52.1%
Other	(8.2)	(6.0)	26.8%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(32.9)</b>	<b>(25.1)</b>	<b>23.6%</b>
Depreciation & Amortization	(8.4)	(7.6)	9.6%
Variation in Provisions for Trade Transactions <sup>(1)</sup>	(0.4)	0.3	n.a.
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(0.6)	(0.1)	87.5%
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	(0.3)	0.2	n.a.
<b>Operating Profit</b>	<b>(2.0)</b>	<b>(5.7)</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>7.4</b>	<b>1.6</b>	<b>(77.6%)</b>
<i>EBITDA Margin</i>	18.2%	6.2%	(12.0 p.p.)
<b>Adjusted EBITDA</b>	<b>7.6</b>	<b>1.5</b>	<b>(80.4%)</b>
<i>Adjusted EBITDA Margin</i>	18.8%	5.6%	(13.2 p.p.)
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (Slots)	9,900	9,081	(8.3%)
Avg. Installed Capacity (Sports Betting Terminals)	7,195	5,312	(26.2%)
<b>Gross Win per Slot per Day:</b>			
Slots	49.7	41.7	(16.2%)

- **Operating Revenue** in Q1 2021 declined by €13.9 mm (34.3%) to €26.6 mm compared to Q1 2020, driven by temporary closings in certain regions, as well as the capacity, opening hour restrictions and curfews that continued during the quarter.
- **Operating Expenses (excluding D&A)** decreased by 23.6% to €25.1 mm in Q1 2021, as a result of reductions across personnel, where we achieved a 21.0% reduction in costs thanks to the temporary reductions of employment (ERTEs), and gaming taxes, which we reduced by 21% despite the fact they are fixed in Spain.
- **Adjusted EBITDA** declined 80.4% to €1.5 mm. Adjusted EBITDA margin decreased by 13.2 percentage points to 5.6% versus Q1 last year driven by the significant disruption on our revenue generation.

<sup>1</sup> Figures reflect change in provisions on advances to site owners in connection with contracts to install our machines in their establishments.

<sup>2</sup> Figures reflect primarily disposal of gaming machines.

# Italy

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Operating Revenue</b>	<b>60.2</b>	<b>0.0</b>	<b>(100.0%)</b>
Gaming & Other Taxes	(42.6)	(0.3)	99.3%
Personnel	(8.0)	(2.6)	67.1%
Rentals	(1.2)	0.3	n.a.
Cost of Goods Sold	(0.3)	(0.0)	99.1%
Other	(8.7)	(3.0)	64.9%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(60.7)</b>	<b>(5.7)</b>	<b>90.6%</b>
Depreciation & Amortization	(4.8)	(4.0)	17.1%
Variation in Provisions for Trade Transactions <sup>(1)</sup>	(0.1)	0.0	n.a.
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(0.2)	(1.9)	n.a.
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	0.0	0.0	n.a.
<b>Operating Profit</b>	<b>(5.6)</b>	<b>(11.6)</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>(0.5)</b>	<b>(5.7)</b>	<b>n.a.</b>
<i>EBITDA Margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Adjusted EBITDA</b>	<b>(0.5)</b>	<b>(5.7)</b>	<b>n.a.</b>
<i>Adjusted EBITDA Margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (AWPs)	7,358	-	n.a.
Avg. Installed Capacity (VLTs)	1,448	-	n.a.
<b>Gross Win per Slot per Day:</b>			
AWPs	83.3	-	n.a.
VLTs	154	-	n.a.

- **Operating Revenue** in Q1 2021 was nil as the mandatory closings of our entire operation since October 2020 remained in place during the quarter.
- **Operating Expenses (excluding D&A)** decreased by 90.6% in Q1 2021 to €5.7 mm compared to Q1 2020, as a result of significant decreases across all cost items, especially gaming taxes.
- **Adjusted EBITDA** was negative €5.7 mm in Q1 2021 due to lack of revenues.
- As of the date of this report, our expectation is that we will be able to reopen in July.

<sup>1</sup> Figures reflect change in provisions on advances to site owners in connection with contracts to install our machines in their establishments.

<sup>2</sup> Figures reflect primarily disposal of gaming machines.

## Other Operations

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Operating Revenue</b>			
Panama	14.6	5.8	(60.1%)
Uruguay	17.0	11.3	(33.4%)
Colombia	4.9	3.5	(28.9%)
Online	16.1	19.8	23.6%
<b>Operating Revenue</b>	<b>52.6</b>	<b>40.5</b>	<b>(23.0%)</b>
<b>Adjusted EBITDA</b>			
Panama	2.0	0.6	(70.7%)
Uruguay	5.2	1.8	(65.3%)
Colombia	1.0	1.0	(0.4%)
Online	1.5	0.7	(54.5%)
<b>Adjusted EBITDA</b>	<b>9.8</b>	<b>4.1</b>	<b>(57.8%)</b>
<i>Adjusted EBITDA Margin</i>	<i>18.6%</i>	<i>10.2%</i>	<i>(8.4 p.p.)</i>
<b>EBITDA</b>			
Adjusted EBITDA	9.8	4.1	(57.8%)
(-) Non-Recurring Items	(0.4)	(0.1)	64.7%
(-) Online Growth Investment	(4.4)	(6.3)	(42.4%)
<b>EBITDA</b>	<b>5.0</b>	<b>(2.3)</b>	<b>n.a.</b>
<i>EBITDA Margin</i>	<i>9.5%</i>	<i>-5.6%</i>	<i>(15.1 p.p.)</i>
<b>Average Exchange Rates</b>			
EUR/USD	-	-	n.a.
EUR/UYU	43.63	51.94	19.0%
USD/UYU	39.58	43.09	8.9%
EUR/COP	3,897	4,285	10.0%
<b>Average Inflation (YoY)</b>			
Panama	-0.1%	-0.6%	(0.4 p.p.)
Uruguay	8.7%	8.8%	0.1 p.p.
Colombia	3.7%	1.6%	(2.2 p.p.)

Other Operations includes results from Panama, Uruguay, Colombia and Online<sup>1</sup>, but excludes Corporate Overhead.

**Operating revenue** decreased by €12.1 mm (23.0%), to €40.5 mm as a result of:

- A combined decrease in **Panama and Colombia** of €10.2 mm due to the closing of operations between January and March in Panama City, as well as additional restrictions in Colombia through January.
- A decrease in **Uruguay** of €5.7 mm due to the revenue recognition mechanics in our HRU operation which began to reflect the impact of the closures in this business in Q4 2020.
- An increase of €3.7 mm in **Online** revenues coming mostly from the strong performance in January and February.

**Adjusted EBITDA** decreased by €5.7 mm (57.8%), to €4.1 mm as a result of:

- A decrease in **Panama** of €1.4 mm, affected by the abovementioned casino closings in Panama City.
- A decrease in **Uruguay** of €3.4 mm.
- A decrease in **Online** of €0.8 mm.

**Adjusted EBITDA margin** in Q1 2021 was 10.2%, 8.4 percentage points below that of Q1 2020.

<sup>1</sup> 2020 Online EBITDA has been adjusted retroactively to reflect the current reporting perimeter where our Online business unit has been isolated from the rest of the Group.

## Consolidated Cash Flow Statement

*Figures in EUR mm, except where noted otherwise*

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>EBITDA</b>	<b>39.7</b>	<b>(6.9)</b>	<b>n.a.</b>
Capitalized Operating Leases	(17.0)	(14.7)	13.5%
Inflation Adjustment	0.3	(0.2)	n.a.
Corporate Income Taxes Paid	(5.4)	(1.6)	70.4%
Chg. in Working Capital <sup>(1)</sup>	9.8	(10.2)	n.a.
<b>Cash Flow from Operations</b>	<b>27.4</b>	<b>(33.6)</b>	<b>n.a.</b>
Maintenance Capital Expenditures <sup>(2)</sup>	(11.4)	(4.3)	62.9%
Growth Capital Expenditures <sup>(2)</sup> , of which:	(2.4)	(0.1)	94.2%
Capacity Deployment <sup>(3)</sup>	(2.2)	(0.1)	93.6%
Acquisitions <sup>(4)</sup>	(0.2)	0.0	n.a.
Initial Cash from Acquired Companies	0.0	0.0	n.a.
<b>Cash Flow from Investing</b>	<b>(13.8)</b>	<b>(4.4)</b>	<b>68.2%</b>
Cash Interest Expense	(3.2)	(2.0)	37.5%
Cash Interest Income	0.5	0.2	(60.0%)
Chg. in Financial Debt	54.6	(1.9)	n.a.
Chg. in Financial Investments	0.0	(5.7)	n.a.
Chg. in Deferred Payments <sup>(5)</sup>	(8.4)	(3.5)	58.3%
Dividends Paid, net <sup>(6)</sup>	(2.2)	(0.3)	86.4%
Investment in Treasury Shares, net	0.0	0.0	n.a.
Cash Effect from Exchange Rate Difference <sup>(7)</sup>	(1.8)	(0.7)	61.1%
<b>Cash Flow from Financing</b>	<b>39.5</b>	<b>(13.9)</b>	<b>n.a.</b>
Exchange Rate Impact on Cash Balances	(6.1)	0.0	n.a.
<b>Cash Flow</b>	<b>47.0</b>	<b>(51.9)</b>	<b>n.a.</b>
<b>Cash &amp; Equivalents</b>			
Beginning of Period	103.1	110.3	7.0%
Cash Flow	47.0	(51.9)	n.a.
<b>End of Period</b>	<b>150.1</b>	<b>58.4</b>	<b>(61.1%)</b>

- **Cash flow from operations** in Q1 2021 was negative €33.6 mm, a decrease of €61.0 mm versus an inflow of €27.4 mm in Q1 2020. This decrease is primarily attributable to the decrease of €46.6 mm in reported EBITDA partially offset by a €20.0 mm variation in working capital (to an outflow of €10.2 mm). Inflation adjustments (IAS 29 accounting in Argentina) and Capitalized Operating Leases (IFRS 16) are excluded in the cash flow calculations, as they are non-cash items in the Income Statement.
- **Cash flow from investing** in Q1 2021 was €4.4 mm, a decline of 68.2% vs. Q1 2020, and was mostly related to maintenance initiatives.

<sup>1</sup> The difference between this figure and management reporting of net working capital corresponds mostly to non-cash FX movements in certain balance sheet items.

<sup>2</sup> Figures reflect accrued amounts, including contingency payments (if any), and prior to any deferred payment arrangements (if applicable).

<sup>3</sup> Includes opening of greenfield gaming halls, increase of capacity on existing ones, deployment and expansion of sports betting points of sale, among other projects.

<sup>4</sup> Includes acquisition of gaming halls, slot operators and acquisition of product through previously operated through revenue share or operational agreements.

<sup>5</sup> Includes changes in deferred payments related to capital expenditures.

<sup>6</sup> Figure reflects dividends paid to minority partners net of dividends received from Group investments in unconsolidated entities.

<sup>7</sup> Includes impact of FX differences on non-operational cash inflows and outflows.

- **Cash flow from financing** was €13.9 mm in Q1 2021 and included:
  - €2.0 mm of cash interest expense related to OpCo debt (including capital leases);
  - €0.2 mm of cash interest income;
  - €1.9 mm decrease in financial debt made up of:
    - (i) €0.3 mm decrease in capital leases;
    - (ii) €0.9 mm of debt restructuring costs;
    - (iii) €0.7 mm decrease in OpCo financial debt (excluding capital leases) mainly due to the scheduled amortization of loans in Mexico (€0.3 mm), Uruguay (€0.8 mm), Panama (€0.5 mm), Italy (€0.4 mm) and Colombia (€0.1 mm) partially offset by new loans being raised in Spain (€1.4 mm).
  - Decrease in deferred payments of €3.5 mm, consisting of deferred payments with capex suppliers mainly in Mexico, Italy, corporate headquarters and our platform;
  - Dividends paid to minority partners of €0.3 mm;
  - €0.7 mm negative impact from exchange rate differences;
- During Q1 2021, there has been a decrease in cash and equivalents of €51.9 mm to €58.4 mm.

# Capital Expenditures and Acquisitions<sup>1</sup>

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2020	Q1 2021	Var. %
<b>Capital Expenditures and Acquisitions</b>			
Maintenance <sup>(2)</sup>	11.4	4.3	(62.9%)
Growth <sup>(3)</sup>	2.4	0.1	(94.2%)
<b>Total</b>	<b>13.8</b>	<b>4.4</b>	<b>(68.2%)</b>
<b>Maintenance</b>			
Argentina	0.4	0.1	(86.5%)
Mexico	0.6	0.0	(93.3%)
Panama	0.0	0.1	n.a.
Colombia	0.0	0.0	n.a.
Uruguay	3.0	0.2	(94.3%)
<b>Sub-Total - Latin America</b>	<b>4.0</b>	<b>0.4</b>	<b>(90.8%)</b>
Italy	0.7	0.8	6.3%
Spain	5.8	2.7	(53.8%)
<b>Sub-Total - Europe</b>	<b>6.6</b>	<b>3.5</b>	<b>(47.0%)</b>
Corporate	0.9	0.0	(99.0%)
Online	0.0	0.4	n.a.
<b>Total</b>	<b>11.4</b>	<b>4.3</b>	<b>(62.9%)</b>
<b>Growth</b>			
Argentina	0.0	0.0	n.a.
Mexico	0.9	0.0	n.a.
Panama	0.8	0.1	(87.1%)
Colombia	0.0	0.0	(21.6%)
Uruguay	0.0	0.0	n.a.
<b>Sub-Total - Latin America</b>	<b>1.7</b>	<b>0.1</b>	<b>(92.0%)</b>
Italy	0.0	0.0	n.a.
Spain	0.2	0.0	n.a.
<b>Sub-Total - Europe</b>	<b>0.2</b>	<b>0.0</b>	<b>n.a.</b>
Corporate	0.4	0.0	n.a.
Online	0.0	0.0	n.a.
<b>Total, of which:</b>	<b>2.4</b>	<b>0.1</b>	<b>(94.2%)</b>
Capacity Deployment <sup>(4)</sup>	2.2	0.1	(93.6%)
Acquisitions <sup>(5)</sup>	0.2	0.0	n.a.

**Maintenance Capex** in Q1 2021 reached €4.3 mm, mainly driven by:

- Investment in Spain of €2.7 mm, a decrease of €3.1 mm versus Q1 last year;
- Investment in Uruguay of €0.2 mm, a decrease of €2.8 mm versus Q1 last year;
- Investment in Italy of €0.8 mm, an increase of €0.1 mm versus Q1 last year.
- Investment in Online<sup>(6)</sup> of €0.4 mm, above Q1 last year.

**Growth Capex** in Q1 2021 was €0.1 mm and deployed in Panama.

<sup>1</sup> Figures as per consolidated cash flow statements.

<sup>2</sup> Includes primarily slot product/gaming hall renovation, exclusivity payments to site owners and gaming license renewals.

<sup>3</sup> Includes primarily slot product/gaming hall expansion and acquisition activity.

<sup>4</sup> Includes opening of greenfield gaming halls, increase of capacity on existing ones, deployment and expansion of sports betting, among other projects.

<sup>5</sup> Includes acquisition of gaming halls, slot operators and acquisition of product previously operated through revenue share or operational agreements.

<sup>6</sup> 2020 Online Capex has been adjusted retroactively to reflect the current reporting perimeter where our Online business unit has been isolated from the rest of the Group.



# Consolidated Balance Sheet

Figures in EUR mm, except where noted otherwise

	As at			
	Dec-20	Mar-21	Var.	Var. %
<b>Assets</b>				
Cash & Equivalents	110.3	58.4	(51.9)	(47.0%)
S-T Financial Investments <sup>(1)</sup>	38.4	43.1	4.7	12.3%
Accounts Receivable <sup>(2)</sup>	47.3	52.2	4.9	10.3%
Taxes Receivable <sup>(3)</sup>	41.8	39.0	(2.8)	(6.7%)
Prepaid Expenses	12.3	14.1	1.8	14.8%
Inventory	7.1	6.9	(0.2)	(3.3%)
Other Current Assets	0.0	0.0	0.0	n.a.
<b>Current Assets</b>	<b>257.3</b>	<b>213.7</b>	<b>(43.6)</b>	<b>(16.9%)</b>
Fixed Assets	310.2	299.7	(10.5)	(3.4%)
L-T Financial Investments	17.6	17.4	(0.2)	(1.2%)
Intangible Assets (excl. Goodwill)	309.7	307.5	(2.2)	(0.7%)
Right-of-Use Assets (IFRS 16)	191.7	190.3	(1.4)	(0.8%)
Goodwill	209.5	215.2	5.7	2.7%
Deferred Tax Assets	45.9	50.0	4.1	9.1%
Other Non-Current Assets	0.0	1.2	1.2	n.a.
<b>Total Assets</b>	<b>1,341.9</b>	<b>1,295.0</b>	<b>(46.9)</b>	<b>(3.5%)</b>
<b>Liabilities &amp; Shareholders' Equity</b>				
Accounts Payable <sup>(4)</sup>	110.8	115.3	4.5	4.0%
S-T Provisions <sup>(5)</sup>	5.9	7.5	1.6	27.0%
S-T Taxes Payable <sup>(6)</sup>	105.1	84.4	(20.7)	(19.6%)
S-T Financial Debt	54.6	53.2	(1.4)	(2.6%)
S-T Deferred Payments <sup>(7)</sup>	44.7	42.3	(2.4)	(5.3%)
S-T Capital Leases (IFRS 16)	56.8	56.6	(0.2)	(0.4%)
Other Current Liabilities	5.3	4.8	(0.5)	(11.0%)
<b>Current Liabilities</b>	<b>383.2</b>	<b>364.0</b>	<b>(19.2)</b>	<b>(5.0%)</b>
L-T Provisions <sup>(8)</sup>	28.9	27.7	(1.2)	(3.9%)
L-T Taxes Payable	11.9	21.9	10.0	83.4%
L-T Financial Debt	966.0	1,008.4	42.4	4.4%
L-T Deferred Payments <sup>(7)</sup>	16.5	15.5	(1.0)	(6.2%)
L-T Capital Leases (IFRS 16)	151.4	151.5	0.1	0.0%
Deferred Tax Liabilities	65.0	67.8	2.8	4.2%
Other Non-Current Liabilities	0.1	0.1	0.0	(9.0%)
<b>Total Liabilities</b>	<b>1,623.0</b>	<b>1,656.8</b>	<b>33.8</b>	<b>2.1%</b>
Minority Interests	45.2	44.5	(0.7)	(1.6%)
Shareholders' Equity	(326.3)	(406.2)	(79.9)	(24.5%)
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,341.9</b>	<b>1,295.0</b>	<b>(46.9)</b>	<b>(3.5%)</b>
<b>End of Period Exchange Rates</b>				
EUR/ARS	103.26	107.87	4.61	4.5%
EUR/MXN	24.46	23.97	(0.50)	(2.0%)
EUR/USD	1.23	1.17	(0.05)	(4.4%)
EUR/COP	4,212	4,382	170	4.0%
EUR/UYU	51.96	51.81	(0.15)	(0.3%)
USD/UYU	42.34	44.19	1.85	4.4%

<sup>1</sup> Includes €1.6 and €0.7 mm, respectively, in cash in transit (realized gross win in route business pending to be collected).

<sup>2</sup> Includes A/R from customers, other parties and advances to employees net of insolvency provisions.

<sup>3</sup> Includes all taxes receivable from tax authorities, including the 0.5% canon (AAMS) in Italy.

<sup>4</sup> Includes accounts payable to suppliers, other parties and accrued wages.

<sup>5</sup> Figures include provision for trade transactions and other provisions related to treasury share activity.

<sup>6</sup> Figures include gaming taxes, corporate income taxes and other taxes payable to tax authorities.

<sup>7</sup> Figures include deferred payments (and other partner investments) related to capital expenditures and other deferred payments.

<sup>8</sup> Figures include all other provisions related to business contingencies (personnel, tax, etc.).

# Net Working Capital<sup>1</sup>

Figures in EUR mm, except where noted otherwise

	As at			
	Dec-20	Mar-21	Var.	Var. %
<b>Assets</b>				
Accounts Receivable	47.3	52.2	4.9	10.3%
Taxes Receivable <sup>(2)</sup>	36.2	35.9	(0.3)	(0.9%)
Prepaid Expenses	12.3	14.1	1.8	14.8%
Inventory	7.1	6.9	(0.2)	(3.3%)
Other Current Assets <sup>(3)</sup>	0.0	0.0	0.0	14.3%
<b>Total</b>	<b>103.0</b>	<b>109.1</b>	<b>6.1</b>	<b>5.9%</b>
<b>Liabilities</b>				
Accounts Payable	110.8	115.3	(4.5)	4.0%
S-T Provisions <sup>(4)</sup>	4.3	5.9	(1.6)	36.3%
Taxes Payable <sup>(2)</sup>	117.0	106.5	10.5	(8.9%)
Deferred Payments <sup>(5)</sup>	2.3	2.6	(0.3)	9.5%
Other Current Liabilities <sup>(3)</sup>	2.9	2.7	0.2	(4.3%)
<b>Total</b>	<b>237.3</b>	<b>233.0</b>	<b>4.3</b>	<b>(1.8%)</b>
<b>Net Working Capital</b>	<b>(134.3)</b>	<b>(123.9)</b>	<b>10.4</b>	<b>7.8%</b>

## Balance Sheet

- Total assets decreased by €46.9 mm in Q1 2021. This decrease is principally attributable to a decrease in Cash & equivalents, fixed assets, taxes receivable and goodwill.
- Current Assets decreased by €43.6 mm, as a result of a €51.9 mm decrease in cash & equivalents.
- Financial debt, including both the short and long term portion increased by €41.0 mm as a result of the accrual of the PIK interest related to our super senior notes.
- Minority interests decreased by €0.7 mm to €44.5 mm and shareholders' equity decreased by €79.9 mm to negative €406.2 mm due to the €91.5 mm net loss in the quarter.

## Net Working Capital

- Net working capital increased by €10.4 mm to negative €123.9 mm, primarily due to a €10.2 mm decrease in taxes payable, net<sup>6</sup>, an €4.9 mm increase in accounts receivable, partially offset by a €4.5 mm increase in accounts payable.

<sup>1</sup> The difference between this figure and the consolidated Cash Flow Statement corresponds mostly to non-cash FX movements in certain balance sheet items.

<sup>2</sup> Figures reflect gaming and other taxes (i.e. exclude corporate income taxes).

<sup>3</sup> Figures exclude security deposits.

<sup>4</sup> Figures reflect provisions for trade transactions.

<sup>5</sup> Figures reflect other deferred payment obligations (i.e. exclude deferred payments and other partner investments related to capital expenditures).

<sup>6</sup> Taxes payable less taxes receivable.

## Capitalization

Figures in EUR mm, except where noted otherwise

	As at			
	Dec-20	Mar-21	Var.	Var. %
<b>Capitalization</b>				
S-T Financial Debt <sup>(1)</sup>	54.6	53.2	(1.4)	(2.6%)
L-T Financial Debt <sup>(1)</sup>	966.0	1,008.4	42.4	4.4%
<b>Total Financial Debt</b>	<b>1,020.6</b>	<b>1,061.6</b>	<b>41.0</b>	<b>4.0%</b>
Minority Interests	45.2	44.5	(0.7)	(1.6%)
Shareholders' Equity	(326.3)	(406.2)	(79.9)	(24.5%)
<b>Total Capitalization</b>	<b>739.5</b>	<b>699.8</b>	<b>(39.7)</b>	<b>(5.4%)</b>
<b>Financial Debt<sup>(1)</sup></b>				
OpCo Debt (excl. Capital Leases)	83.2	84.6	1.4	1.7%
OpCo Capital Leases	4.4	3.9	(0.5)	(9.8%)
<b>Sub-Total</b>	<b>87.5</b>	<b>88.5</b>	<b>1.0</b>	<b>1.1%</b>
Super Senior Secured Notes	245.7	253.0	7.3	3.0%
Senior Secured Notes	687.4	720.2	32.8	4.8%
<b>Total Financial Debt</b>	<b>1,020.6</b>	<b>1,061.6</b>	<b>41.0</b>	<b>4.0%</b>
Capitalization of Operating Leases <sup>(2)</sup>	208.3	208.1	(0.2)	(0.1%)
<b>Total Adjusted Debt</b>	<b>1,228.9</b>	<b>1,269.7</b>	<b>40.8</b>	<b>3.3%</b>
<b>Cash &amp; Equivalents</b>				
Mexico	6.1	3.8	(2.3)	(37.5%)
Argentina	8.2	7.0	(1.2)	(15.1%)
Spain	17.9	12.7	(5.2)	(28.7%)
Italy	27.4	7.5	(19.9)	(72.6%)
Other Operations	28.7	18.4	(10.3)	(35.9%)
<b>Sub-Total</b>	<b>88.3</b>	<b>49.5</b>	<b>(38.8)</b>	<b>(44.0%)</b>
Corporate	22.0	9.0	(13.0)	(59.3%)
<b>Total</b>	<b>110.3</b>	<b>58.4</b>	<b>(51.9)</b>	<b>(47.0%)</b>
Europe (incl. Corporate)	67.3	29.2	(38.1)	(56.6%)
Latam	43.1	29.2	(13.9)	(32.1%)
<b>Total</b>	<b>110.3</b>	<b>58.4</b>	<b>(51.9)</b>	<b>(47.0%)</b>
<b>Credit Statistics</b>				
<b>LTM Adjusted EBITDA</b>	<b>22.5</b>	<b>(21.7)</b>	<b>(44.2)</b>	<b>n.a.</b>
Proforma Interest Expense <sup>(3)</sup>	125.7	136.0	10.3	8.2%
<b>Leverage:</b>				
Senior Financial Debt <sup>(4)</sup> / LTM Adjusted EBITDA	14.8x	n.a.	n.a.	n.a.
<b>Total Adj. Net Debt / LTM Adj. EBITDA</b>	<b>49.7x</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<i>Including Inflation Accounting</i>	<i>51.1x</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Coverage:</b>				
<b>LTM Adjusted EBITDA / Proforma Interest Expense</b>	<b>0.2x</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<i>Including Inflation Accounting</i>	<i>0.2x</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>

<sup>1</sup> 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).

<sup>2</sup> Figures reflect short and long term capitalized operating leases following the application of IFRS 16.

<sup>3</sup> Figures based on December 31, 2020 and March 31, 2021, as applicable, financial debt outstanding and interest rates.

<sup>4</sup> Includes structurally senior OpCo debt (including capital leases) and Super Senior Secured Notes.

## Gaming Capacity<sup>1</sup> by Venue

Region	Gaming Venues											
	Gaming Halls <sup>(2)</sup>		Arcades <sup>(3)</sup>		Bars <sup>(4)</sup>		Sports Betting Shops <sup>(5)</sup>		Racetracks		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
<b>Latin America</b>												
Argentina	13	13	-	-	-	-	-	-	-	-	13	13
Mexico <sup>(6)</sup>	95	79	-	-	-	-	93	60	1	-	96	79
Panama <sup>(6,7)</sup>	11	10	-	-	-	-	8	8	1	1	12	11
Colombia	9	9	132	123	-	-	59	48	-	-	200	180
Uruguay (CN)	1	-	-	-	-	-	-	-	-	-	1	-
Uruguay (HRU) <sup>(8)</sup>	5	-	-	-	-	-	27	21	2	2	29	23
<b>Total</b>	<b>134</b>	<b>111</b>	<b>132</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>187</b>	<b>137</b>	<b>4</b>	<b>3</b>	<b>351</b>	<b>306</b>
<b>Europe</b>												
Italy	11	-	-	-	2,125	-	-	-	-	-	2,136	-
Spain <sup>(9)</sup>	3	3	1,036	852	7,067	5,864	58	45	-	-	8,164	6,764
<b>Total</b>	<b>14</b>	<b>3</b>	<b>1,036</b>	<b>852</b>	<b>9,192</b>	<b>5,864</b>	<b>58</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>10,300</b>	<b>6,764</b>
<b>Total Group</b>	<b>148</b>	<b>114</b>	<b>1,168</b>	<b>975</b>	<b>9,192</b>	<b>5,864</b>	<b>245</b>	<b>182</b>	<b>4</b>	<b>3</b>	<b>10,651</b>	<b>7,070</b>
<b>Operator</b>												
Codere	148	114	173	155	-	-	186	134	4	3	405	338
Third Party	-	-	995	820	9,192	5,864	59	48	-	-	10,246	6,732
<b>Total</b>	<b>148</b>	<b>114</b>	<b>1,168</b>	<b>975</b>	<b>9,192</b>	<b>5,864</b>	<b>245</b>	<b>182</b>	<b>4</b>	<b>3</b>	<b>10,651</b>	<b>7,070</b>
<b>Spain</b>												
SSTs Only <sup>(10)</sup>	-	-	995	852	1,027	870	17	45	-	-	2,039	1,767
AWPs & SSTs	3	3	41	-	334	250	41	-	-	-	419	253
<b>Sub-Total</b>	<b>3</b>	<b>3</b>	<b>1,036</b>	<b>852</b>	<b>1,361</b>	<b>1,120</b>	<b>58</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>2,458</b>	<b>2,020</b>
AWPs Only	-	-	-	-	5,706	4,744	-	-	-	-	5,706	4,744
<b>Total</b>	<b>3</b>	<b>3</b>	<b>1,036</b>	<b>852</b>	<b>7,067</b>	<b>5,864</b>	<b>58</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>8,164</b>	<b>6,764</b>

<sup>1</sup> Figures reflect venues in operation as at March 31, 2020 and 2021, as applicable.

<sup>2</sup> Includes all gaming venues with > 50 slot machines.

<sup>3</sup> Includes all gaming venues with between 5 and 50 (inclusive) slot machines (Codere and/or 3<sup>rd</sup> party operated).

<sup>4</sup> Includes all bars, restaurants, tobacco shops and other retail locations with < 5 slot machines and/or self-service sports betting terminals.

<sup>5</sup> Includes sports books co-located within Codere gaming halls and other Codere operated standalone sports betting shops.

<sup>6</sup> Figure for sports betting shops reflects sports books co-located within Codere operated gaming halls.

<sup>7</sup> Figure for sports betting shops excludes affiliated agencies (horserace betting only).

<sup>8</sup> Figure for sports betting shops includes 4 sports book co-located within HRU operated gaming halls.

<sup>9</sup> Sports betting shops excludes 49 franchised locations (included in Arcades) in Q1 2021.

<sup>10</sup> Self-service sports betting terminals; arcades and bars would, however, typically have 3<sup>rd</sup> party operated AWP's.

## Gaming Capacity<sup>1</sup> by Product

Region	Gaming Product (Installed Capacity)											
	Slots <sup>(2)</sup>		Table Seats <sup>(3)</sup>		Bingo Seats		Sports Betting <sup>(4)</sup>		Network <sup>(5)</sup>		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
<b>Latin America</b>												
Argentina	6,861	3,978	-	-	11,692	-	-	-	-	-	18,553	3,978
Mexico	21,401	11,718	1,704	609	10,965	517	742	565	-	-	34,812	13,409
Panama <sup>(6)</sup>	2,890	1,972	324	129	-	-	49	47	-	-	3,263	2,148
Colombia	4,340	3,491	108	40	447	-	567	448	-	-	5,462	3,979
Uruguay (CN)	408	-	189	-	-	-	-	-	-	-	597	-
Uruguay (HRU)	1,889	-	-	-	-	-	27	21	-	-	1,916	21
<b>Total</b>	<b>37,789</b>	<b>21,159</b>	<b>2,325</b>	<b>778</b>	<b>23,104</b>	<b>517</b>	<b>1,385</b>	<b>1,081</b>	<b>-</b>	<b>-</b>	<b>64,603</b>	<b>23,535</b>
<b>Europe</b>												
Italy <sup>(7)</sup>	7,993	-	-	-	5,139	-	-	-	13,610	-	19,731	-
AWP <sup>(8)</sup>	7,168	-	-	-	-	-	-	-	12,347	-	13,289	-
VLT <sup>(9)</sup>	825	-	-	-	-	-	-	-	1,263	-	1,303	-
Spain <sup>(10)</sup>	9,864	9,042	-	-	1,064	532	7,078	6,163	-	-	18,006	15,737
<b>Total</b>	<b>17,857</b>	<b>9,042</b>	<b>-</b>	<b>-</b>	<b>6,203</b>	<b>532</b>	<b>7,078</b>	<b>6,163</b>	<b>13,610</b>	<b>-</b>	<b>37,737</b>	<b>15,737</b>
<b>Total Group</b>	<b>55,646</b>	<b>30,201</b>	<b>2,325</b>	<b>778</b>	<b>29,307</b>	<b>1,049</b>	<b>8,463</b>	<b>7,244</b>	<b>13,610</b>	<b>-</b>	<b>102,340</b>	<b>39,272</b>
<b>Gaming Venue</b>												
Gaming Halls	35,627	18,588	2,325	778	29,307	1,049	887	703	-	-	68,146	21,118
Arcades	4,376	3,551	-	-	-	-	5,678	5,027	-	-	10,054	8,578
Bars	15,515	7,973	-	-	-	-	1,361	1,121	-	-	16,876	9,094
Sports Betting Shops	128	89	-	-	-	-	537	393	-	-	665	482
Network <sup>(11)</sup>	-	-	-	-	-	-	-	-	13,610	-	6,599	-
<b>Total Group</b>	<b>55,646</b>	<b>30,201</b>	<b>2,325</b>	<b>778</b>	<b>29,307</b>	<b>1,049</b>	<b>8,463</b>	<b>7,244</b>	<b>13,610</b>	<b>-</b>	<b>102,340</b>	<b>39,272</b>

<sup>1</sup> Figures gaming products in operation as at March 31, 2020 and 2021, as applicable.

<sup>2</sup> Includes all Codere operated AWP, VLTs, electronic bingo terminals and other gaming machines; excludes 3<sup>rd</sup> party operated slots.

<sup>3</sup> Figure reflects number of total gaming positions assuming (for illustrative purposes only) 6 seats per table now subject to Covid-19 restrictions.

<sup>4</sup> Figures reflect self-service terminals (SSTs); For Mexico and Panama, they will vary from prior releases which reflected points of sale.

<sup>5</sup> Reflects all slots connected to Codere network (i.e. both Codere and 3<sup>rd</sup> party operated).

<sup>6</sup> Figure for sports betting shops excludes affiliated agencies (horserace betting only).

<sup>7</sup> Figures for slots reflect Codere operated units connected to both Codere Network (typical) and 3<sup>rd</sup> party networks.

<sup>8</sup> Figures for slots include 942 in Q1 2020 connected to 3<sup>rd</sup> party networks.

<sup>9</sup> Figures for slots include 40 in Q1 2020 connected to 3<sup>rd</sup> party networks.

<sup>10</sup> Figures for slots reflect operating units (i.e. do not include authorized but not deployed units).

<sup>11</sup> Figures in total column reflect only 3<sup>rd</sup> party operated slots that are connected to Network (to avoid double counting of Codere operated units).

## Recent Events

- **COVID-19 business update.** As of today, we are operating with restrictions across all markets except Argentina, Uruguay and Italy which are closed. Please refer to the presentation accompanying our Q1 2021 Results where a detailed operational update by country is provided.
- **Financial Restructuring.** On April 22, 2021, the Company announced it had entered into a Lock Up Agreement with a group of its largest noteholders (the Ad Hoc Group) in relation to a proposed restructuring transaction. The terms of the restructuring include:
  - (i) Provision of €100 mm of bridge funding (€30 mm of which were funded in April, and the remainder is expected on May 24), by way of issuance of further Super Senior Notes, plus an additional €125 mm upon completion of the transaction (currently expected by the end of September). Extension of Super Senior Notes' maturities to 2026.
  - (ii) Restructuring of the Senior Notes including:
    - 25% being reinstated with maturity in 2027.
    - 29% being exchanged into subordinated PIK notes.
    - 46% being equitized into 95% equity of a new TopCo. Codere S.A. will maintain 5% of the equity in the new TopCo and will also receive 10 year warrants entitling them to 15% of the net equity proceeds above €220 million upon an exit event.

In connection with the transaction, the EGM held on May 11, 2021, ratified the Lock up Agreement and related matters. Furthermore, on May 18, 2021, the holders of over 90% of the Super Senior Notes, and the holders of approximately 89% of the €500m Senior Notes, and approximately 94% of the €300m Senior Notes, were party to the Lock-Up Agreement, satisfying the 75% threshold needed for the implementation of the restructuring.

- **Change in Board composition.** The Board of Directors, in its meeting held on May 11, 2021, approved the ratification of Mrs. Elena Monreal Alfageme, as member of the Board of Directors, as Proprietary Director, appointed by co-optation by the Board of Directors in its meeting held on March 24, 2021. As a result, the Board of Directors is currently composed by:
  - Mr. Norman Raúl Sorensen Valdez - Independent Chairman.
  - MASAMPE, S.L., represented by Mr. Gerardo Sánchez Revenga - Proprietary Director.
  - Mr. David Anthony Reganato - Proprietary Director.
  - Mr. Timothy Lavelle - Proprietary Director.
  - Mr. Manuel Martínez-Fidalgo Vázquez - Proprietary Director.
  - Mr. Matthew Turner - Independent Director.
  - Mrs. Elena Monreal Alfageme - Proprietary Director.
- **Panama Online license:** On May 13, 2021, the top gaming authority in Panama, (Junta de Control de Juegos) approved our request for an online license to operate in the country and granted a 20 year license to Alta Cordillera S.A.. allowing operations to start, subject to certain formalities, from December 1, 2021 and with a gaming tax of 10%.
- **Inflation accounting in Argentina.** Inflation accounting resulted in the following impacts in Q1 2021:
  - (i) Negative impact of €3.0 mm on Operating Profit, broken down as follows:
    - a. impact on EBITDA of negative €0.2 mm;
    - b. impact on Other Opex below EBITDA of negative €2.8 mm;
  - (ii) Inflation adjustment as interest income (€4.3 mm) and
  - (iii) Inflation adjustment as lower corporate income tax (€2.4 mm).
- **Adjustments to EBITDA:** In Q1 2021, we incurred in €4.3 mm non-recurring expenses, broken down as follows:
  - (i) Operational and personnel restructuring and improvements: €0.7 mm
  - (ii) Litigation related to shareholders: €0.4 mm
  - (iii) Tax contingencies and related advisories: €2.1 mm
  - (iv) Refinancing process: €0.2 mm
  - (v) Others (including other litigation): €0.8 mm

In addition, we invested €6.3 mm in online growth marketing and related costs (reported as operational expense).

## Contact Information

Codere is a leading international gaming operator that operates slot machines, bingo seats and sports betting terminals in Latin America, Spain and Italy, across various gaming venues, including gaming halls, arcades, bars, sports betting shops and horse racetracks.

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**Note 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.

**Alternative Performance Measures.** This report includes certain Alternative Performance Measures 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 useful, 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.grupocodere.com](http://www.grupocodere.com).

**Forward Looking Statements.** Codere cautions that this document 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 rates and interest rates; (3) competitive pressures; (4) technical developments; (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties.

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.grupocodere.com](http://www.grupocodere.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.