

A Diversified Gaming Leader

July 2019 Investor Update



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Codere's Presenting Management Team

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ÁNGEL CORZO
Chief Financial Officer



ÓSCAR IGLESIAS
Corporate Development Officer



JOSÉ VÁZQUEZ
FPA & Corporate Treasury Director

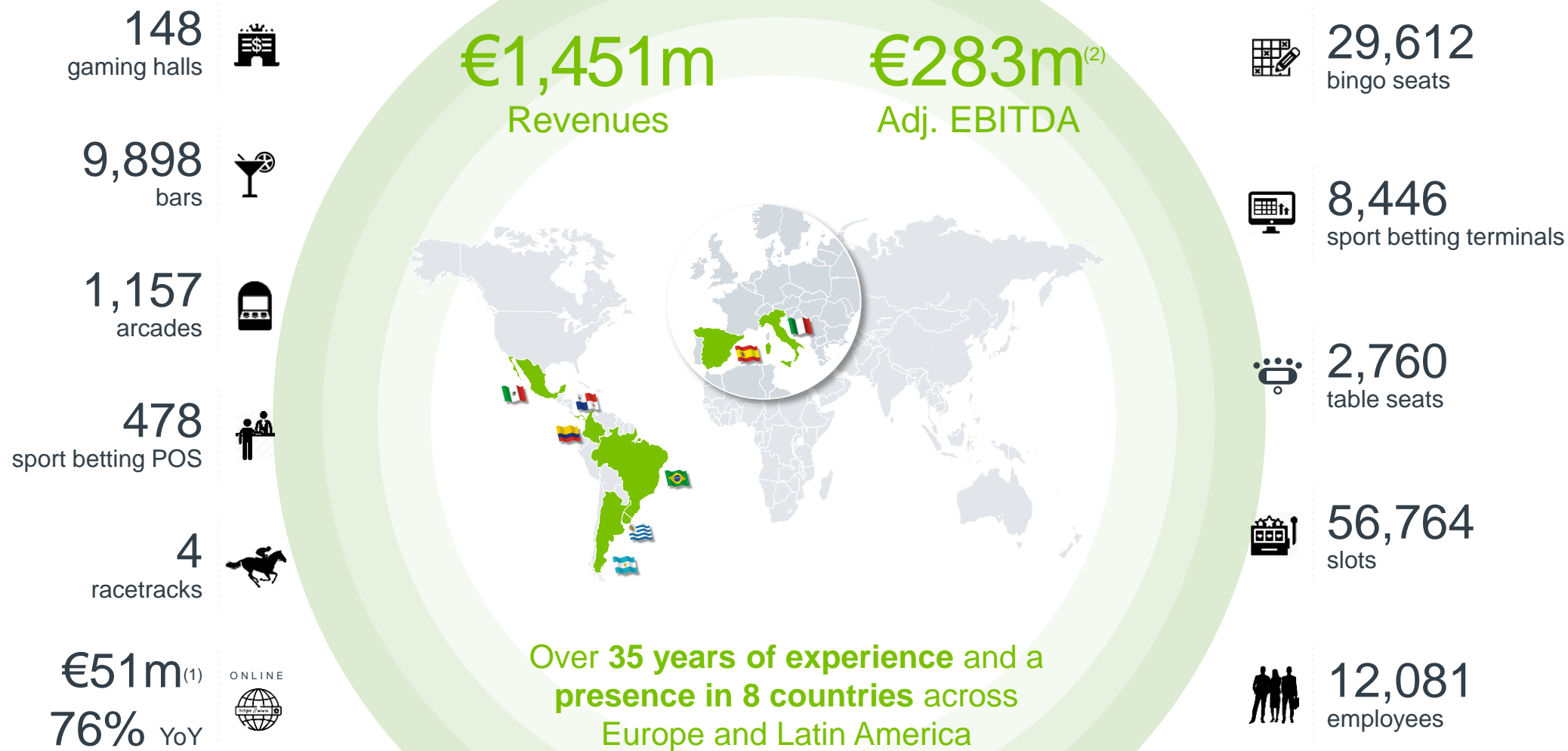
1. Introduction to Codere

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Codere at a Glance

A Leading International Gaming Company

codere



Source: Codere.

Note: All figures as of LTM Q1 2019.

(1) LTM Q1 2019 revenues.

(2) EBITDA pre application of IFRS 16 new accounting standard. Q1 IFRS 16 EBITDA is €85.9m, vs. €68.0 pre IFRS 16.

Our Gaming Products



Slot
Machines



Tables



Bingo

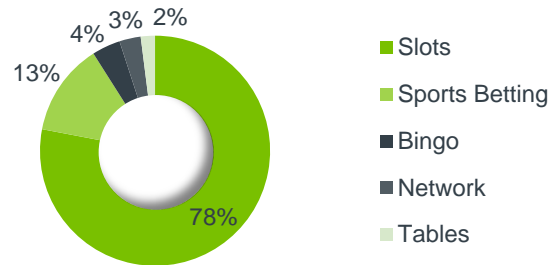


Sports
Betting



Network

**Gross Gaming
Revenue
by Gaming
Product ⁽¹⁾**



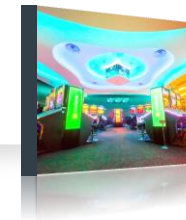
Our Gaming Venues



Gaming
Halls



Bars



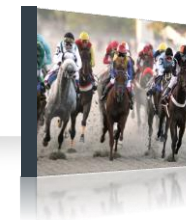
Arcades



Online

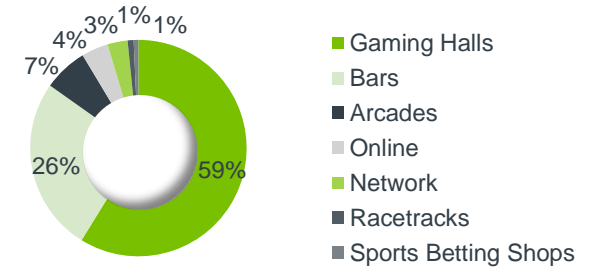


Betting
Shops



Racetracks

**Gross Gaming
Revenue
by Gaming
Venue ⁽¹⁾**



Codere at a Glance

A Long History of Developing Gaming Businesses Across Markets

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Today

- #1 Gaming player in LatAm, widely regarded as most institutional player in the region
- Leadership positions across most of our markets
- Strong operational performance and growth track record
- Solid competitive advantages based on differentiated, client-centric approach to customers across products and channels
- Uniquely positioned for future growth



Our strategy is to **maintain / increase leadership in our core markets** while following the specific regulation and legislative requirements in order to **develop the true spirit of responsible gaming** through sources of organic and inorganic growth

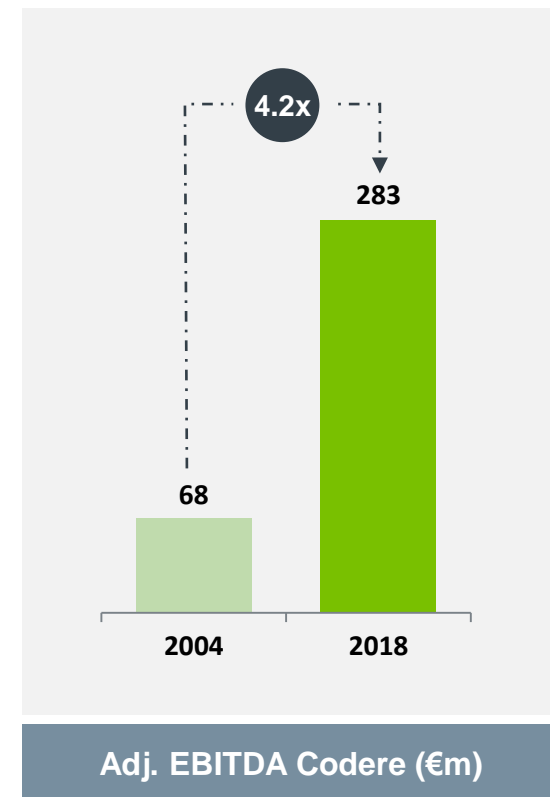
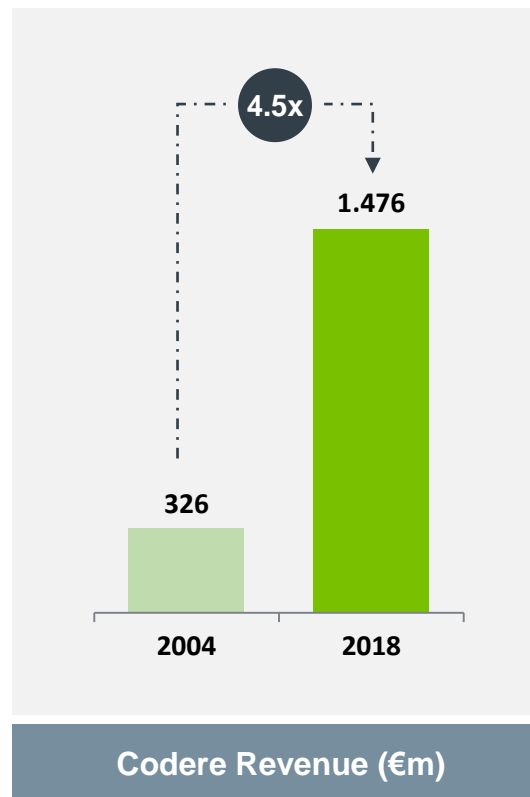
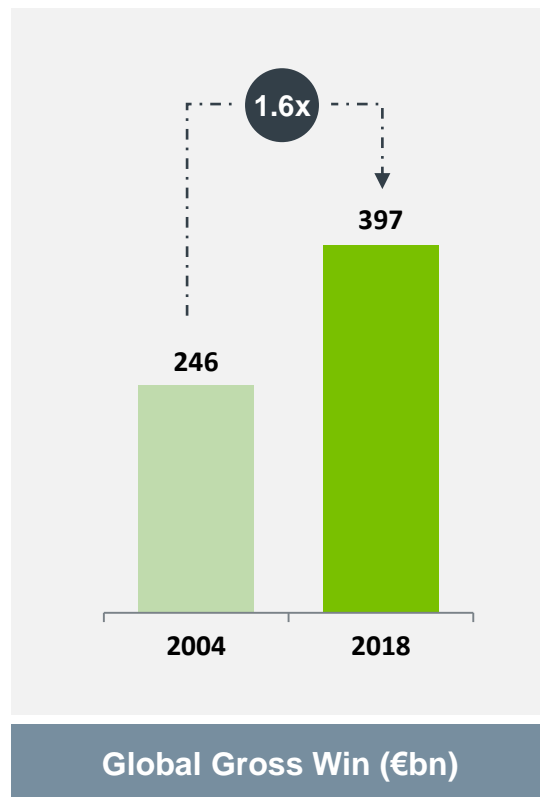


Codere at a Glance

Long Term Performance Shows 3x Industry Growth

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The global industry⁽¹⁾ has grown steadily over the past 14 years at a **€ CAGR of 3.5%**,
Codere has demonstrated solid double-digit revenue clearly outperforming the industry with a **€ CAGR of nearly 11.4%**



Source: Codere.

1. Figures reflect global cross win (amounts wagered minus prizes) for betting, casino, gaming machines bingo and lotteries, both land based and interactive. As per H2GC methodology, Global Gross Win in € is calculated at constant currency based on latest exchange rates. Source: H2GC, July 2019.

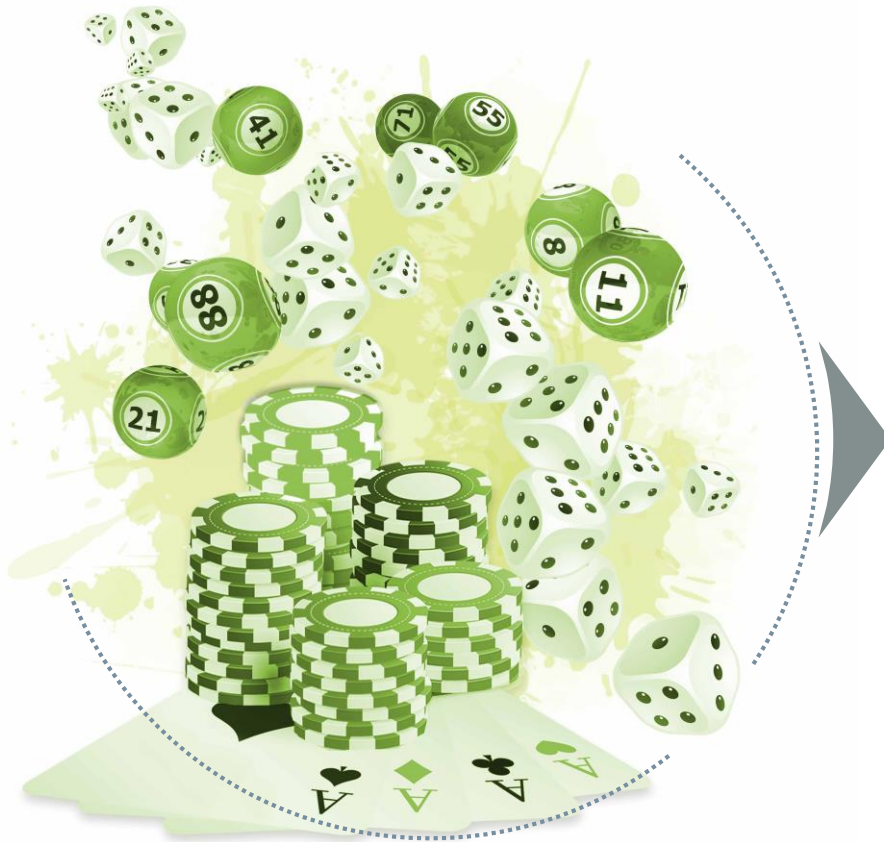
2. Key Credit Highlights

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Codere Credit Highlights

A Diversified Gaming Leader

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Granular Local Business Model and Diversification Provides Resilience and Stability



Leadership in High Growth Regulated markets



Strong Underlying Operating Performance



Commitment to Efficiency and Prudent Capital Allocation



Clear Growth Strategy Underpinned by Compelling Visible Drivers



Experienced Management Team with Strong Track-Record



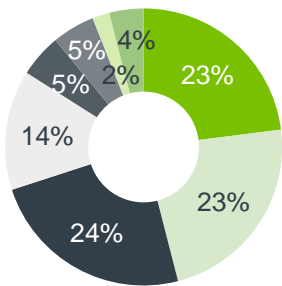
Codere's Business Model and Diversification Provides Resiliency and Stability

Diversified, Granular and Localized Offerings

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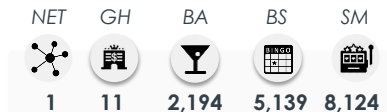
More than 56,000 slot machines distributed in unique locations
Well diversified geographical exposure

1Q 2019 Revenue breakdown



■ Mexico ■ Argentina
■ Italy ■ Spain
■ Panama ■ Uruguay
■ Colombia ■ Online

- Well **diversified** geographical exposure
- 77% and 76% of our Revenues and Adjusted EBITDA respectively** come from **Investment Grade countries**
- More than **3.5 million monthly visits⁽²⁾**



Source: Codere.
Note: All financial figures as of March 31st, 2019.
Note: All gaming venue / product figures as of March 31st, 2019.
1. Agreement with a JC to deploy a signature gaming hall in its premises..
2. Excluding visits to arcades and slot-routes.

1 Codere's Business Model and Diversification Provides Resilience and Stability

High Barriers to Entry in Regulated Markets with Strong License Renewal Track Record

Significant regulatory, financial, technological and operational barriers to entry help Codere to preserve its unique competitive positioning and drive profitability

| | Barriers to Entry | | | | | | | |
|-----------|---|---|--|-------------------------|-----------------------------------|-----------------------------------|---------------------|--|
| | Licensees / Licenses ⁽⁵⁾ (Constant Since) | International Operators (Country of Origin) | Share of internationals (including Codere) ⁽¹⁾ | Compliance Requirements | Difficulty to Access New Licenses | License Specificity / Scalability | Investment Required | Other Market Considerations |
| Mexico | 35 / 404 ⁽⁶⁾ (2018) | 2 (Spain) ⁽²⁾ | 36% Codere: 26% | | | | | Multiple Jurisdictions / Licenses have specific # of permits |
| Argentina | 15 / 45 (2005) | 3 (2 Spain and US) ⁽⁸⁾ | 58% ⁽¹⁰⁾ Codere: 42% | | | | | Limited Licenses / Upfronts |
| Italy | 11 ⁽¹¹⁾ (2013) | 4 (Spain, Austria and Israel) | 33% Codere: 5% | | | | | Multiple Jurisdictions / Limited Licenses / Upfronts |
| Spain | n.a. | 1 (Austria) ⁽³⁾ | <10% | | | | | Multiple Jurisdictions |
| Colombia | 364 / 2,709 (n.a.) | 4 (Chile and Spain) | <20% Codere: 5% | | | | | Interconnection |
| Panama | 10 / 131 (2019) ⁽⁴⁾ | 13 (Chile and Spain) | >90% Codere: 20% | | | | | Market Saturation |
| Uruguay | 6 / 31 (2011) | 4 (2.5 Spain, Chile and 0.5 Argentina) ⁽⁷⁾ | 67% ⁽⁹⁾ Codere: 52% | | | | | Market Saturation / Limited Licenses |

Source: Codere.

1. Market share in terms of Gross Win for applicable market except for Colombia, which is based on number of machines. Source: Public regulators where available and Company estimates.
2. Two additional players do not own licenses but operate in JV with local players (1 Spain, 1 Israel).
3. Only 1 relevant player
4. Recent licenses are ampliation of number of sites for existing licensees.
5. Where applicable, licensees represent number of economic groups holding licenses, and licenses represent number of individual permits in operation.
6. 398 operating halls (787 licenses to operate halls).
7. One intl. operation is JV between Spanish and Argentine players.
8. One Spanish and the US operation are JVs with local players.
9. Market share over DGC regulated market.
10. Bingo market in the province of Buenos Aires.
11. Number of network concessionaires.

High Low



Codere's Business Model and Diversification Provides Resiliency and Stability

Slot Driven Gaming Model Provides Higher Resilience

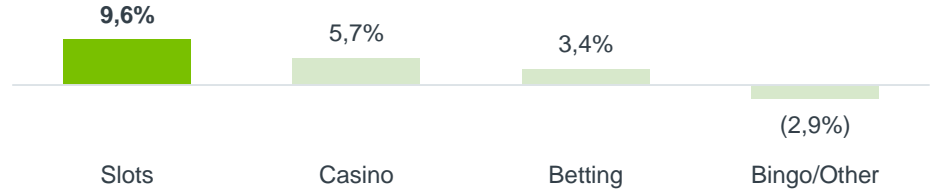
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Low spend high frequency visitors
meaning low risk of volatility of clients and greater protection vs. downturns or competition

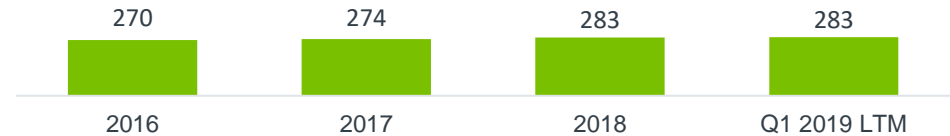
Demonstrated Resilience & Growth of Slots Gaming Model

2004-18 Slots⁽¹⁾ CAGR vs. Other Gaming Forms



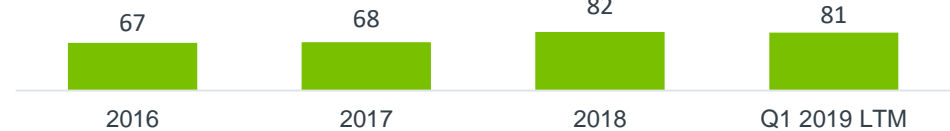
Sustainable EBITDA Growth

Total Adjusted EBITDA^(2,3,4) (€m)



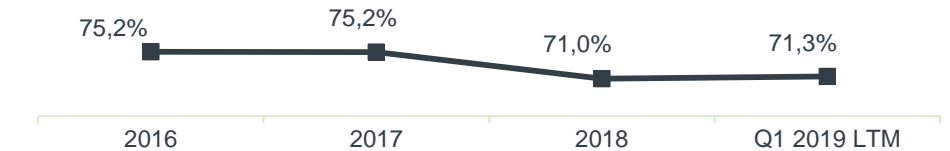
Discretionary, Granular, Highly Scalable Maintenance Capex

Maintenance Capex^(4,5) (€m)



Stable Cash Conversion

Cash Conversion⁽⁶⁾ (%)



Source: Codere.

1. Figures reflect CAGR of slot gross win (amount wagered minus prices) for the aggregate in USD terms of the 8 countries where Codere operate (Brazil is not included for slots given no regulation). Source: H2GC. July 2019.

2. Figures reflect Company consolidated Adjusted EBITDA plus, for periods prior to consolidation of HRU, 100% of HRU Adjusted EBITDA. Does not consider inflation accounting adjustments in Argentina.

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

4. Consolidated figures for Argentina in 2015 have been translated to Euros @ Blue Rate; 2016, 2017 and 2018 figures @ Official Rate.

5. Maintenance capex figures excluding catch-up and licenses capex of €14m in 2016 and €19m in 2017.

6. Calculated as (LTM Adj. EBITDA – Maintenance Capex) / LTM Adj. EBITDA.

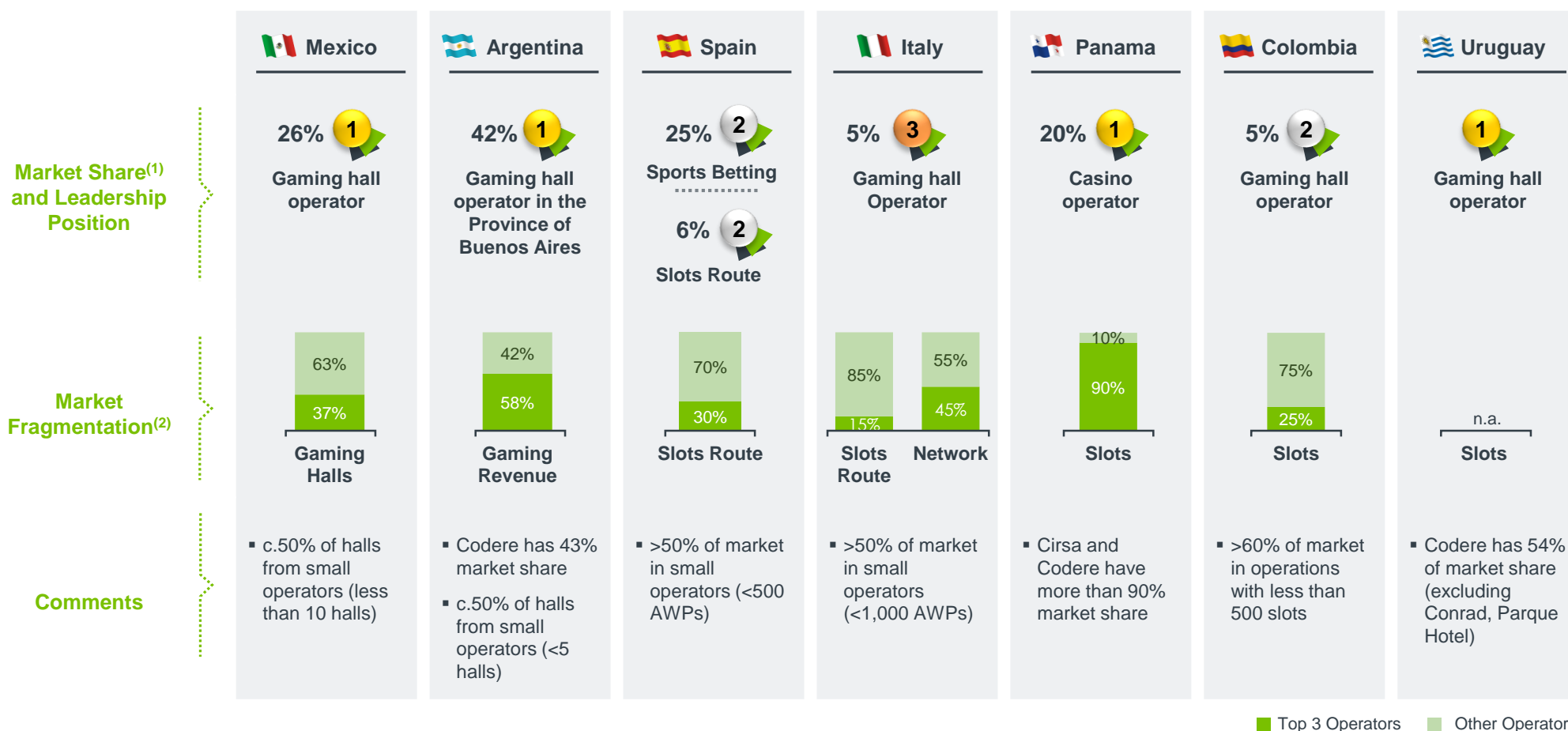


Leadership in High Growth Regulated Markets

Clear Leading Positions in Key Countries of Operation...

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A global leader in slot driven gaming with unique competitive positions
78% of total gross win driven by slot gaming



Source: Codere

1. Source: Market regulators when available and Codere estimates.

2. Market share of Top 3 Operators in relevant market definition (Colombia and Spain refer to number of machines rather than Gross Win).



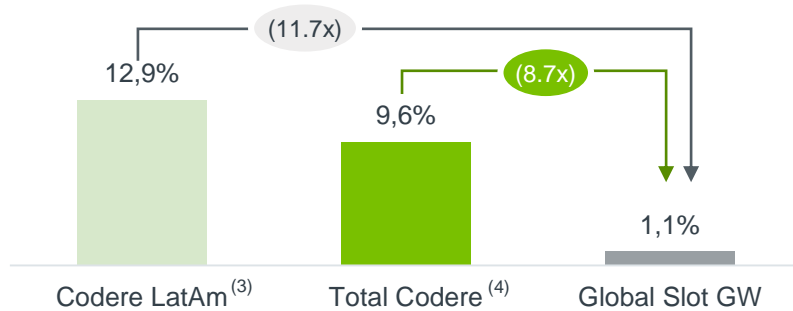
Leadership in High Growth Regulated Markets ... With Significant Structural Growth Potential

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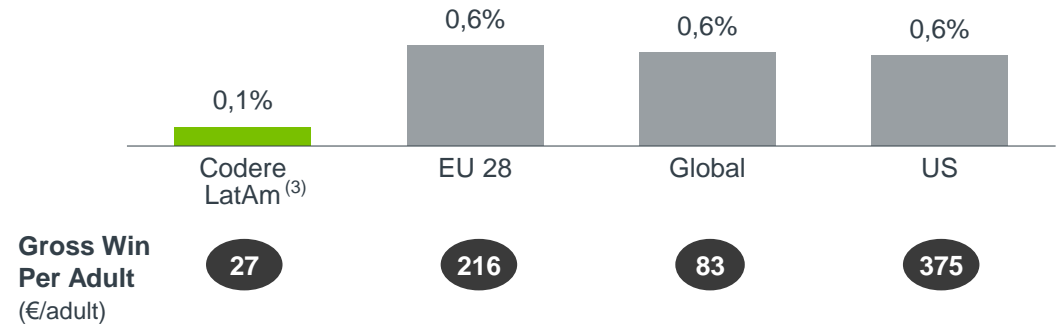
Slot gross win growth 9x vs. Global Slot industry and expected to continue the same trend

Less mature markets with significantly lower penetration levels provide higher growth potential

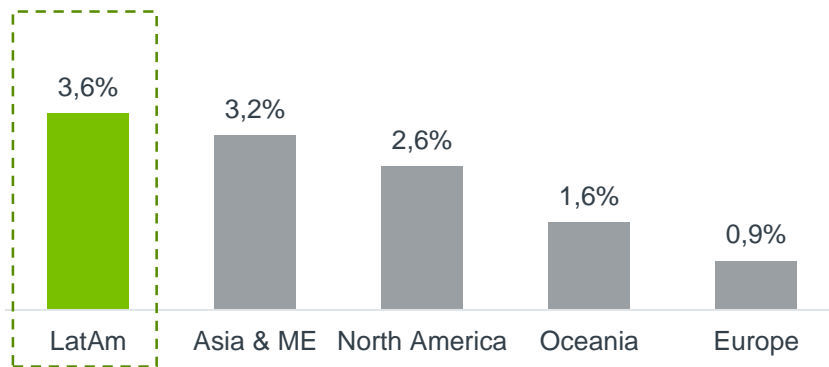
Slot Gross Win CAGR 2004-2018⁽¹⁾



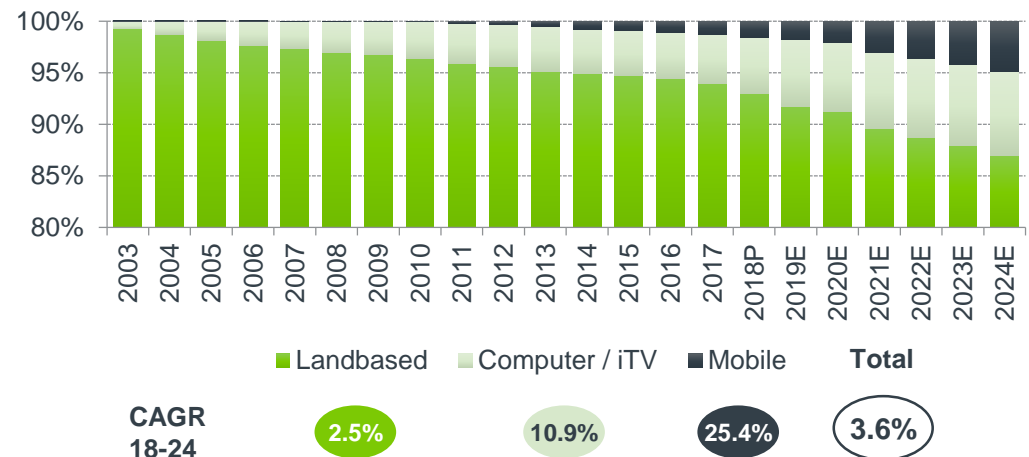
Gross Win Per GDP⁽²⁾



Total Gross Win CAGR 2018-2024⁽²⁾



Gross Win Forecast Breakdown by Channel in LatAm⁽²⁾



Source: Codere

1. Figures reflect CAGR of slot gross win (amounts wagered minus prizes). Source: H2GC. July 2019.

2. H2 Gambling Capital as of July 2019.

3. LatAm includes Argentina, Mexico, Colombia, Panama and Uruguay.

4. Total includes LatAm countries and Spain and Italy.

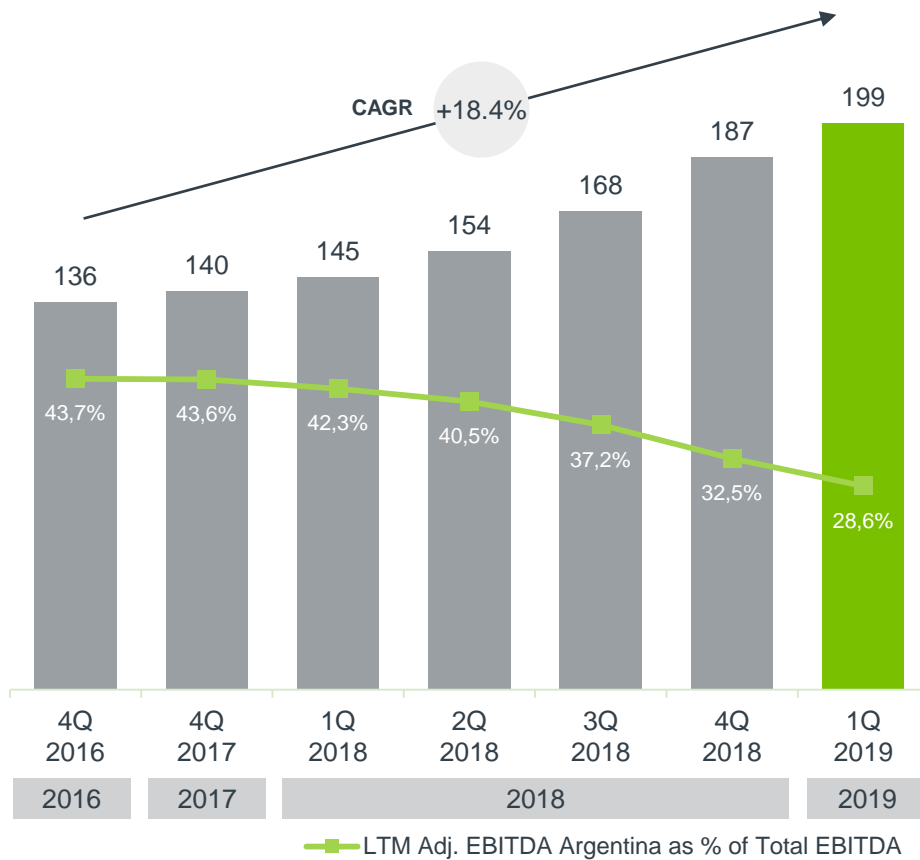


Strong Underlying Operating Performance Excellent Operational Results Mitigating Challenging Market Conditions

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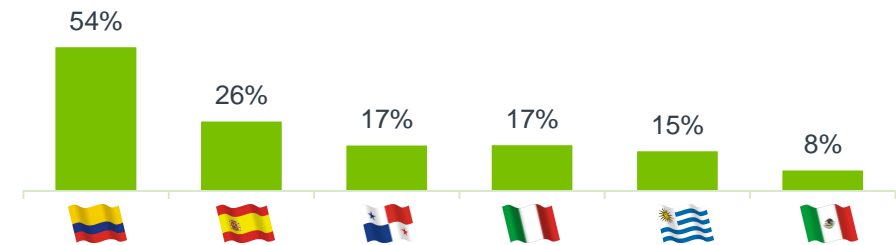
More Balanced Geographic Portfolio and Reduced Argentina Exposure

LTM Adj. EBITDA outside Argentina^(1,2,3,4) (€m)

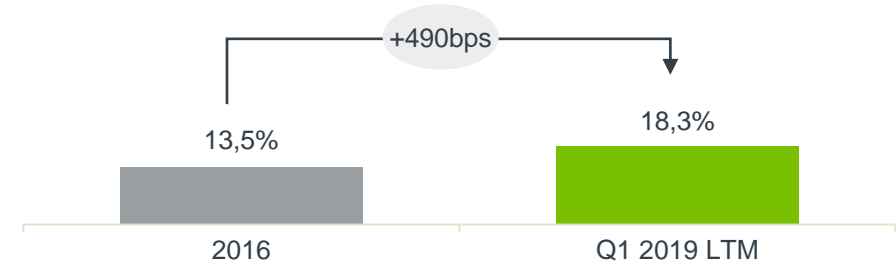


Remarkable Double-digit EBITDA Growth Thanks to Our Strong Focus on Operational Improvements

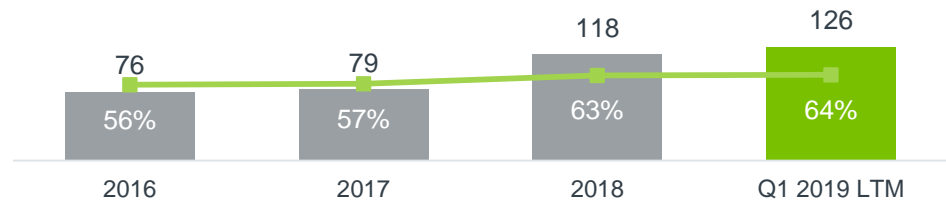
2017-18 Adjusted EBITDA Growth (€)



EBITDA Margin outside Argentina



OpFCF outside Argentina (€m)⁽⁵⁾



— Cash Conversion (%)⁽⁶⁾

Source: Codere

- Figures reflect Company consolidated Adjusted EBITDA plus, for periods prior to consolidation of HRU, 100% of HRU Adjusted EBITDA. Does not consider inflation accounting adjustments in Argentina.
- Figures include a positive adjustment of €2.5 mm which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.
- LTM figures calculated Pre-IFRS16 and figures previous to 2018 are not affected by online business.
- Figures reflect contribution to Total Adjusted EBITDA before corporate overhead and excluding Brazil and Online business due to negative Adjusted EBITDA in 2018.
- Maintenance capex figures excluding catch-up and licenses capex of €14m in 2016 and €19m in 2017.
- Cash Conversion calculated as LTM Adj. EBITDA minus LTM Maintenance Capex outside Argentina.

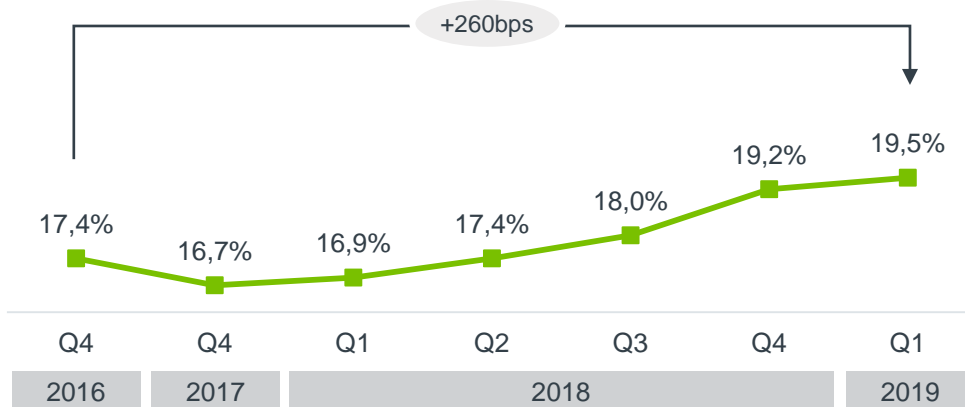


Strong Underlying Operating Performance Operational Crystallization of Management Initiatives

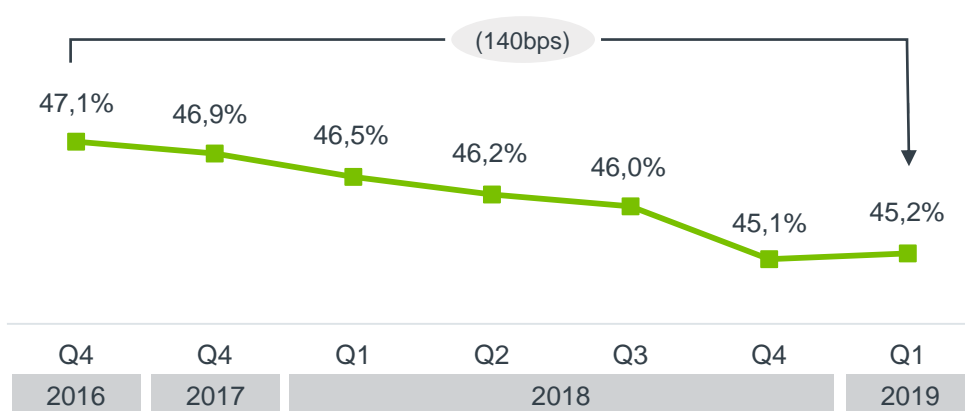
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Strong focus on margin improvement through a successful **implementation and monitoring of efficiency programs**

LTM EBITDA margin^(1,2)



LTM Expenses excl. gaming taxes / Revenue^(1,2)



Successful Implementation of Efficiency Initiatives

- **COMMERCIAL EXCELLENCE** through digitalization reengineering of processes and promotions based on CRM data mining, thorough analysis of customer journeys and yield management
- Leaner and more **EFFICIENT CORPORATE STRUCTURE**
- **GLOBALIZATION** of operational management to accelerate deployment of best practices, simplification of processes and time to market of product and customer experience innovations
- **RENEGOTIATION** of supplier deals at local and corporate levels
- **DIGITALIZATION** of back office functions through integration in group wide organizations, automation and shared service centres
- Data driven, **ROI FOCUSED**, maintenance capex and commercial investments management analysis and decisions

Source: Codere.

1. Figures reflect Company consolidated Adjusted EBITDA plus, for periods prior to consolidation of HRU, 100% of HRU Adjusted EBITDA. Does not consider inflation accounting adjustments in Argentina.

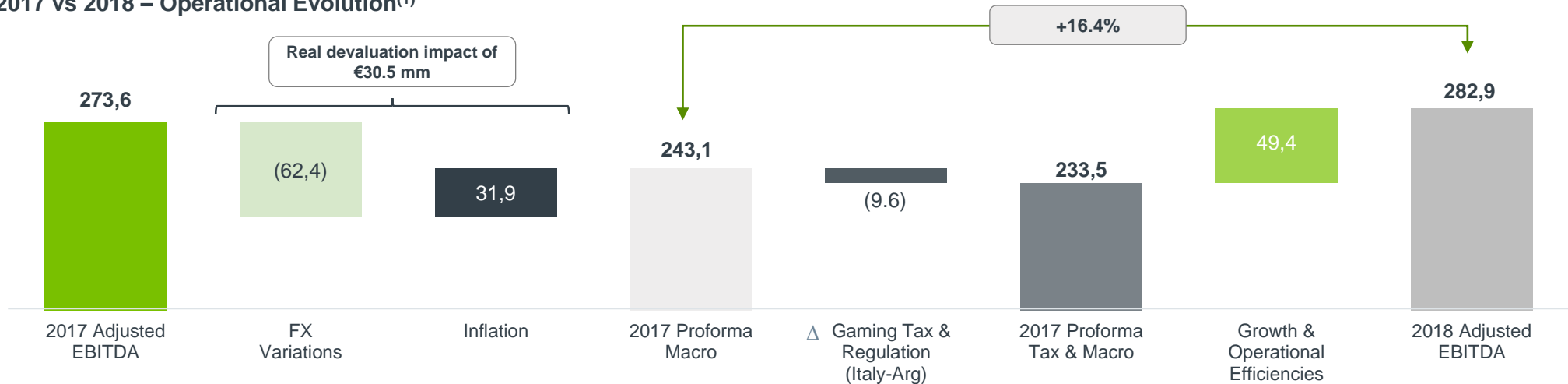
2. LTM figures calculated Pre-IFRS16.



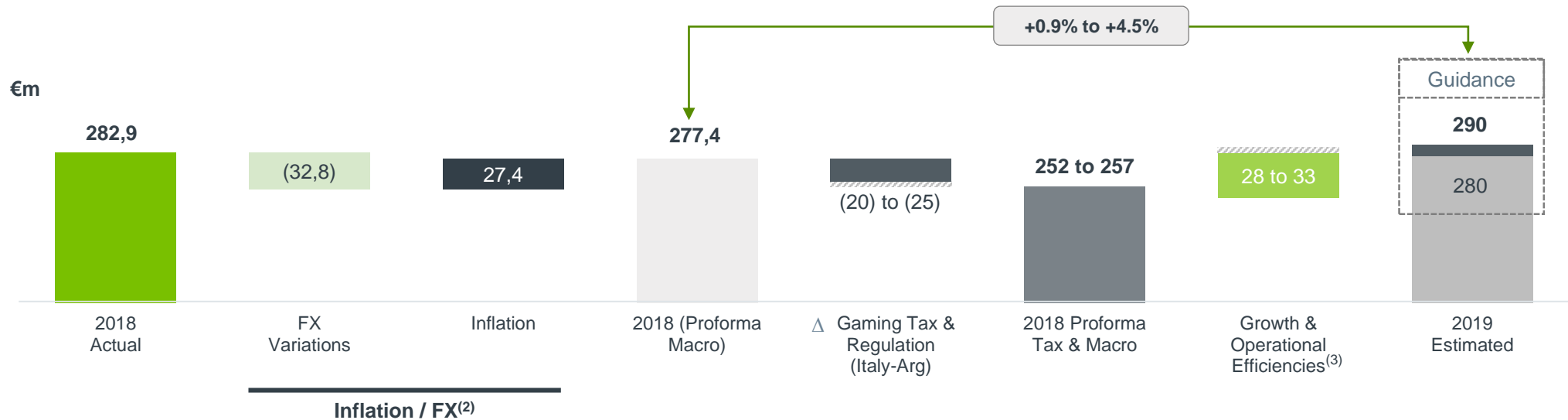
Strong Underlying Operating Performance On Track to Deliver EBITDA Guidance

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2017 vs 2018 – Operational Evolution⁽¹⁾



2019 Total Adjusted EBITDA Pre-IFRS16 Guidance



Source: Codere.

1. Does not consider inflation accounting adjustments in Argentina.

2. Figures based on consensus estimates for 2019 average inflation and exchange rate forwards (source: Bloomberg) as at April 25, 2019.

3. Total Growth & Operational Efficiencies of €38m to €43m.



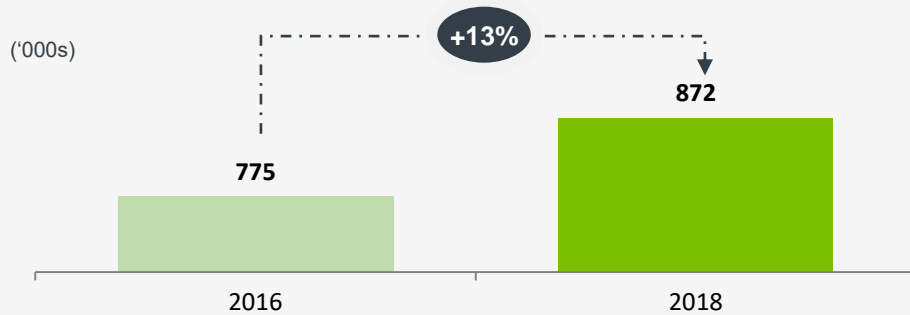
Unique Commitment to Efficiency and Capital Allocation

Digital and Operational Transformation to Support a Customer-Centric Strategy

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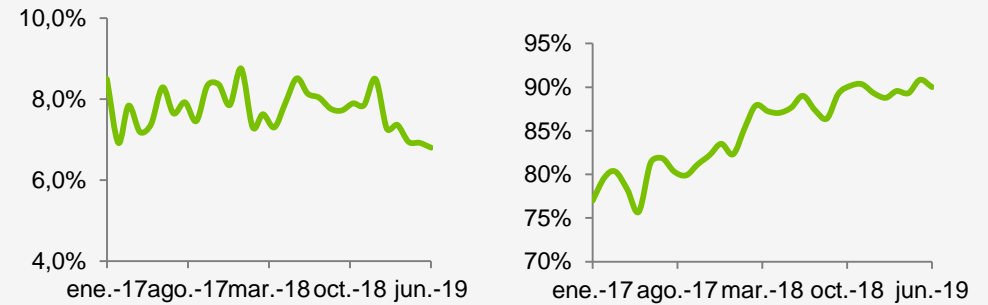
Implementation Analysis in Mexico

Clear Knowledge of Our Customers...



Identified Customers

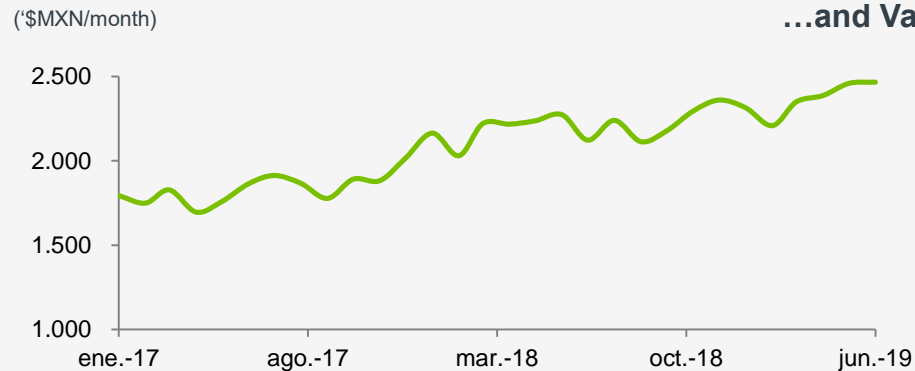
...Ensures High Retention...



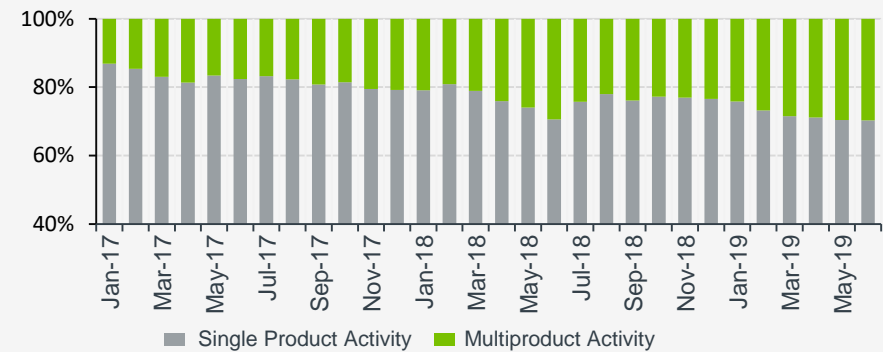
Churn Rate Performance

ROI Evolution

...and Value Maximization



Per Capita Evolution



Product vs. Multiproduct % Win



Unique Commitment to Efficiency and Capital Allocation

Limited Impact of Upfront Cash Related to License Renewals

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c.85% of our current Adjusted EBITDA does not depend on cash outlays for license renewals until 2027⁽¹⁾

License Type

Renewal Capex

1

Administrative Authorizations

Mexico,
Spain and
Colombia

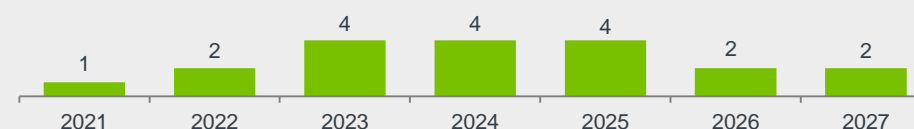
- c. 60% of EBITDA under administrative authorizations, where renewal is automatic and cost-free as long as regulatory requirements are met
 - Codere has long history of not only renewing these licenses but also obtaining new ones
- Mexico: 136 permits of which 95 used (gaming halls)
- Spain: 19 SB authorizations in regions, c.10,000 authorizations for AWP installations in bars and 3 gaming hall authorizations (maturing in 2025 and 2027)
- Colombia: Rights to operate 4,406 slot machines in Colombia, together with one national online and sports betting license

Mexico Maturities – Number of Permits



Spain Maturities – Number of Regions and Permits

Sports Betting (# Regions)



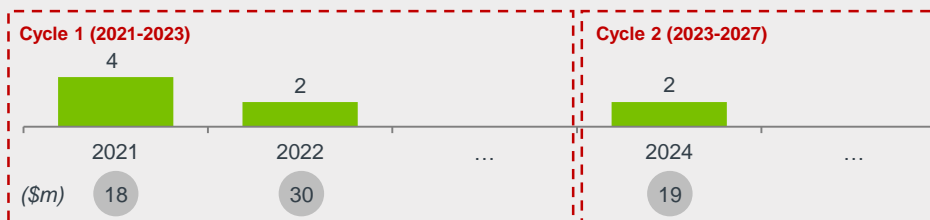
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Investment Required Licenses

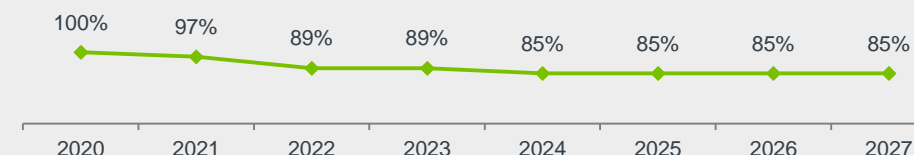
Argentina,
Panama, Italy and
Uruguay

- c. 40% EBITDA requires some type of investment to renew licenses
- Italy: Network concession mature in 2022 with an expected investment of c.€22.5m using 2011 conditions as a reference
- Uruguay: Maturity beyond 2030
- Argentina: Licenses maturity between 2021 and 2029 with next cycle of renewals covering six of our halls for an expected upfront cost of \$48m using 2012 renewals as a reference
- Panama: Majority of licenses recently renewed beyond 2030. One pending license to be renewed in 2022 with an estimated cost of \$1m
- In the last 10 years we have not renewed only one lost-making hall in Argentina

Argentina Renewals – Number of Halls (units) / Investment (\$m)⁽²⁾



% of current Total Adjusted EBITDA not requiring capex for license renewals



Source: Codere.

1. Under current regulatory frameworks in the markets Codere operates

2. Calculated at 40 ARS to 1 USD. Cost of renewal estimations based on methodology used in 2012-14 renewals.



4

Unique Commitment to Efficiency and Capital Allocation

Granular, Discretionary, Diversified Renewal, Maintenance and Growth Investment Decisions

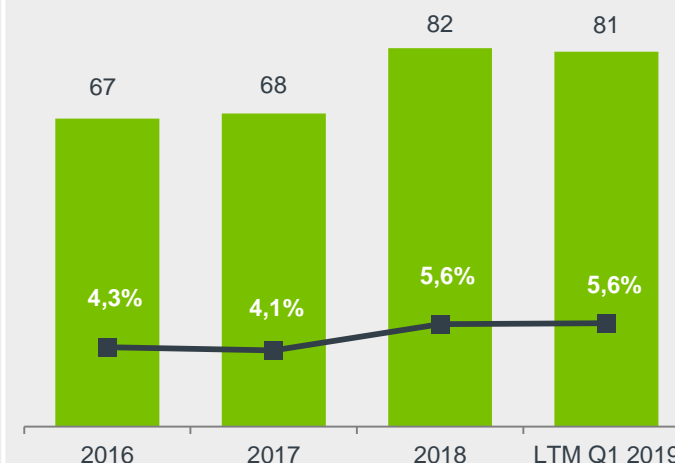
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Maintenance & Growth Capex

Maintenance Capex

- Recurrent maintenance capex in the €70-80m level
- Highly predictable investment based on a multitude of small investment decisions of c.€0.1-1.0m per project
- Fully discretionary with no committed investments
- Flexibility on timing / deployment to match cash generation cycles
- Slot renewal: Based on extensive performance and life cycle analysis together with yield management (Slot Performance Management)
 - Renewal rates based on market and company context with unit costs ranging from c.€3k for route business to c.€12-15k for slots
 - Increasing adoption of software based product renewals or upgrades, reducing significantly maintenance costs
- Hall refurbishment: Cycles optimized and standardized to minimize costs and foster brand experience
 - Refurbishment cost of c.\$100k per hall and year
- Commercial investments (in AWP route businesses) based on contribution and life time value analysis of bars, tied to the revenue generation cycle of each point of sale

LTM Maintenance Capex^(1,2) (€m) / % of Revenues



Growth Capex

- Capacity increase through greenfield investments (typically <€3m) and small M&A acquisitions (typically <€5m), with required IRR >15%
- Granular, discretionary and flexible investment decisions
- Opportunistic approach to larger size deals if aligned with Group's strategy
- Strict selection process followed by ongoing monitoring to ensure integration synergies and operational performance
- Historical relevant M&A transactions include
 - Caliente: Minority stake in Mexican company
 - Uruguay: Highly accretive acquisition of 50% of HRU for our Uruguay platform

Growth Capex, Restructuring Costs and Efficiencies

| FY figures (€m) | 2018 | 2019E Guidance |
|---|------|----------------|
| Growth Capex | (81) | (27) |
| Operational & Personal Restructuring Costs | (25) | (12) |
| Δ EBITDA (Growth & Operational Efficiencies) | +49 | +38-43 |

Source: Codere.

1. Maintenance figures excluding catch-up and licenses capex of €14m in 2016 and €19m in 2017.

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

5 Clear Growth Strategy Underpinned by Compelling Visible Drivers

Well-positioned to Capitalize on Growth Potential from Other Gaming Verticals...

codere

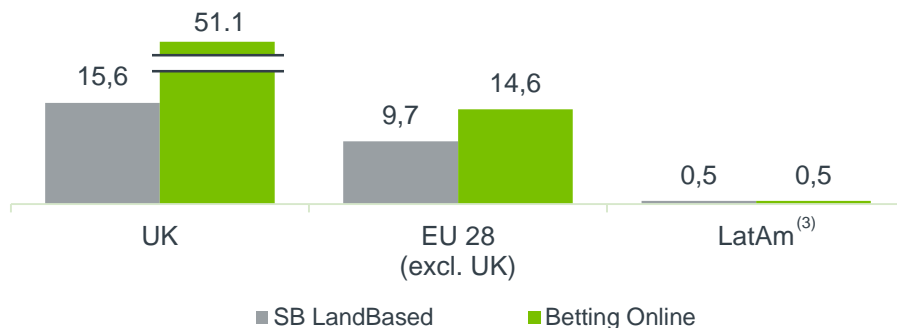
Uniquely positioned to Capitalize on Growth Potential from New **Gaming Verticals and Consolidation...**
... with **Tangible Opportunities** Across Core Markets

Consolidation and Gaming Verticals

| | Expected Market Growth | | codere |
|-----------|--------------------------------------|--------------------------------------|--|
| | Online Betting Growth ⁽¹⁾ | Sports Betting Growth ⁽²⁾ | |
| Mexico | 8.5% | 2.6% | <ul style="list-style-type: none"> Codere full launch of SB/Online platform in 2019 |
| Colombia | 13.3% | 5.7% | <ul style="list-style-type: none"> Codere full launch of SB/Online platform in 2019 |
| Panama | 8.3% | 5.6% | <ul style="list-style-type: none"> Operating slots and sports betting online. Recently obtained 50 new licenses for SB shops |
| Spain | 8.4% | 1.5% | <ul style="list-style-type: none"> Continuous gain of share in online casino and sports betting / sustained growth above market |
| Argentina | 11.1% | 1.2% | <ul style="list-style-type: none"> Uniquely positioned for a new online / SB regulation |
| Italy | 6.7% | 0.0% | <ul style="list-style-type: none"> Evaluating options to launch SB and online offer |
| Brazil | n.a. | n.a. | <ul style="list-style-type: none"> Evaluating potential regulatory scenarios to prepare for launch |

Sports Betting Landbased vs. Online Betting Penetration

2018 Sports Betting Landbased / Online Betting per capita (€/per adult population)

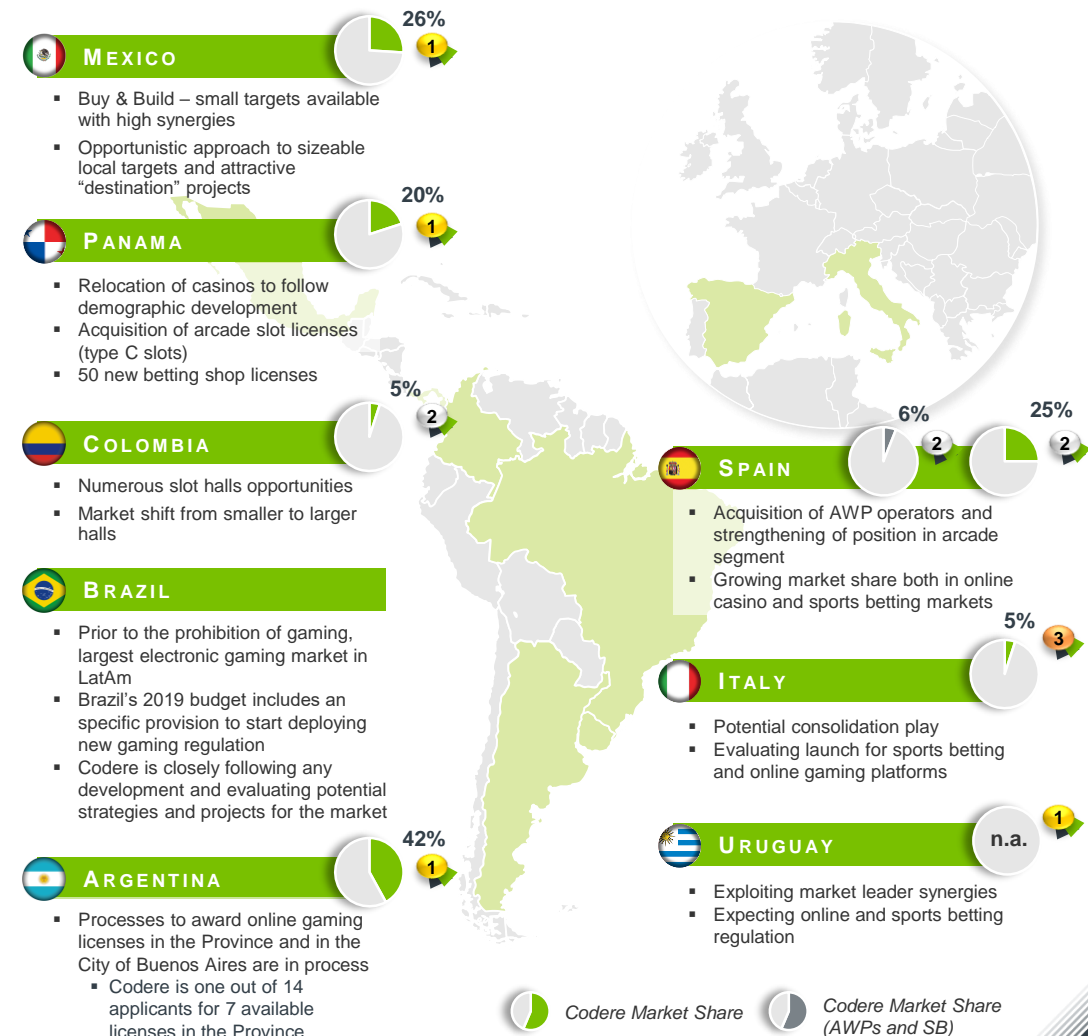


Source: Codere; H2GC July 2019.

1. Figures reflect CAGR 18-23 of Gross Win (amounts wagered minus prizes) for interactive horse race and sports betting. Source H2GC. July 2019.

2. Figures reflect CAGR 18-23 of Gross Win (amounts wagered minus prizes) for land based sports betting. Source H2GC. July 2019.

3. LatAm excluding Colombia.





Clear Growth Strategy Underpinned by Compelling Visible Drivers

Path to Online: Our Success Story in Spain

codere

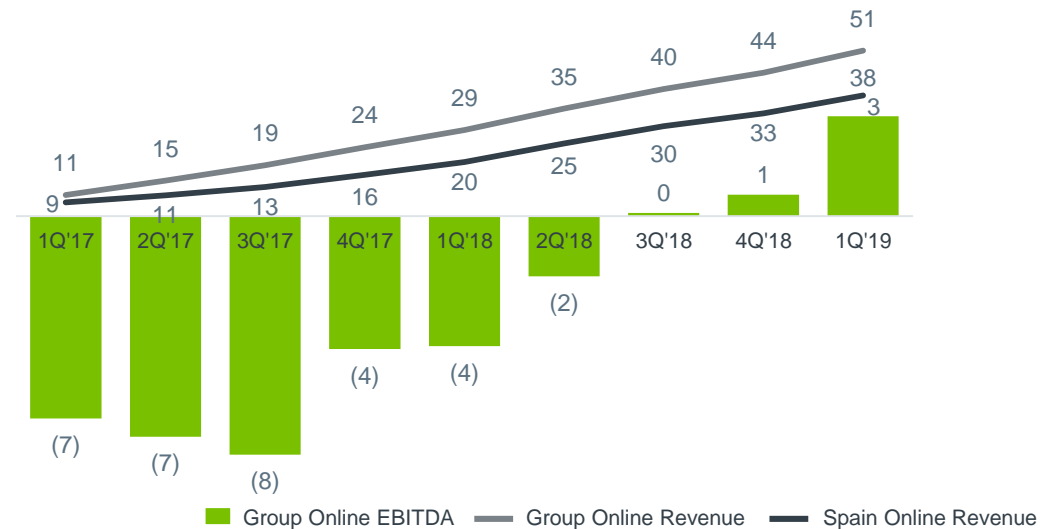
Successful Online Strategy in Spain ...



Source: Codere.

... Crystallized in Revenue and Profitability ...

Online LTM Revenue and EBITDA (€m)



... To Be Replicated Internationally



Mexico

- Started operations in 2016 for our existing customer base
- Full commercial launch in 2019
- Sponsorship agreement with NBA



Colombia

- Obtained 5 year online licenses in 2017
- Full commercial launch in Q2 2019
- Sponsorship agreement with NBA

- Future potential markets include Argentina, Uruguay and Brazil as regulation is deployed



Clear Growth Strategy Underpinned by Compelling Visible Drivers Reinforcing Growth and Brand Through Strategic Partnerships

codere

Successful long-term partnership with Real Madrid to support Codere's strategy
and consolidate on-line & sports betting brand in its markets

Successful Renewal of Strategic Alliance with Increased Rights...

Scope

IP RIGHTS

Use of brand, photos,
images and videos

PROMOTIONAL RIGHTS

Official merchandising
and access to games
and players

ADVERTISING RIGHTS

Advertising in Real
Madrid Stadium events,
TV and social media

HOSPITALITY RIGHTS

Privileged access to
Real Madrid stadium
and events

Terms

DURATION

3 seasons
(19/20, 20/21, 21/22)

Option to extend for
two additional seasons
(1+1)

TERRITORIES

All Codere markets,
except for Italy given
regulation on gaming
advertising⁽¹⁾

... Providing Tangible Benefits to Codere



Increased Brand Awareness

- Benefited from Real Madrid brand, directly **transforming into improved customer conversion rates and brand recognition**
- Leveraged agreement to **redesign marketing campaigns and promotions**, including TV ads with Real Madrid players
- Generated **significant awareness and visibility** by rebranding PoS based on Real Madrid image
- Feedback on brand value** and customer perception **consistently positive**



Key Driver for Online Growth

- Reduced cost per acquisition (CPA)** and **increased monthly first time depositors (FTDs)**
- Highly resilient acquired revenue** with **above market GGR retention rates**
- Significantly **accelerated online growth in Spain**
- Pillar to drive Latam online strategy**



Strengthening Retail Network

- Leveraging retail network for **cross selling and banking points**
- Substantial **growth in number of POS** that should be **visible in short term GGR**
- Supported sports betting expansion in Spain and Latam**



codere

Casa de
Apuestas
Oficial



Source: Codere.

1. The agreement with Real Madrid includes all the markets where Codere operates. In the case of Italy, the regulation does not allow advertising campaigns showing relationship between gaming companies and football clubs.

6 Experienced Management Team with Strong Track-Record

Successful Management of Institutional Relationships after Management Transition

codere

Management team with **extensive experience in the gaming industry and in Codere**, leading the Company to achieve **leadership positions across most of its markets**



Chief Executive Officer
Vicente Di Loreto



Chief Financial Officer
Ángel Corzo



Corporate Development Officer
Óscar Iglesias



Chief Information Officer
Luis Sánchez

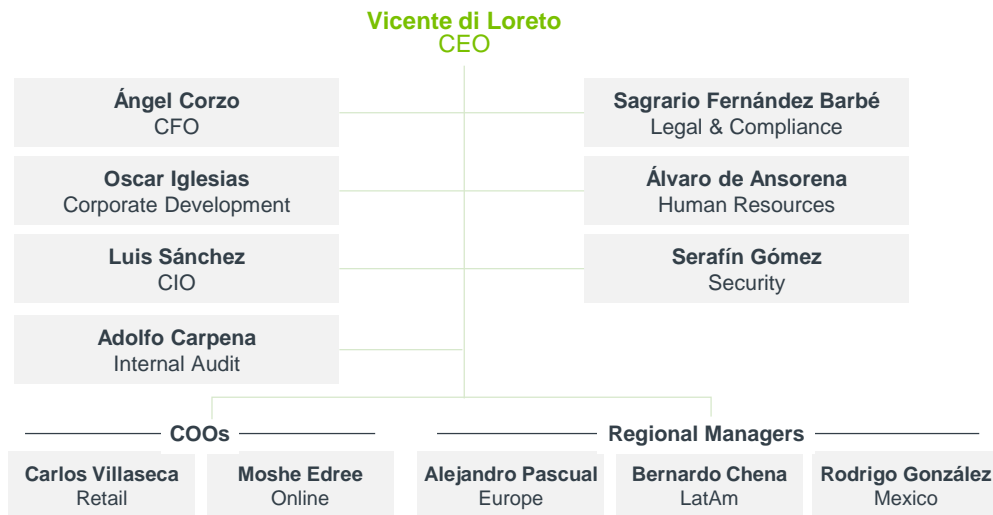


COO – Retail
Carlos Villaseca



COO – Online
Moshe Edree

Strong-Seasoned Management Team...



... with Strong Track Record of Operational Excellence

Experience at Codere

- More than 50 years of experience in Codere among 5 key managers
- Extensive experience in online industry by our COO – Online (including work with Ladbrokes and WH)
- Led HY issuance of over €1.5bn and participated in issuances for more than an additional €1bn



Key Milestones Achieved in Last 18 Months

- Consolidation of leadership positions in LatAm regional markets
- Executed over €75m in efficiencies in Codere in last 18 months
- Launched online operations in four markets and integrated online team across 6 countries
- Renewed most gaming operating licenses in Mexico



Next Steps

- Reinforcement of market leadership positions in Mexico and Spain
- Consolidation of online launch in LatAm jurisdictions
- Consolidation of new global structure to foster operational excellence and maximize synergies and efficiencies










3. Financial Review








codere

Operational and Financial Review

Key P&L Figures

Figures in €m

| LTM Revenues | 2016 | 2017 | 2018 | Q12019 | YoY Growth 17-18 (€) |
|---|--------------|--------------|--------------|--------------|----------------------|
|  Argentina | 539 | 582 | 408 | 366 | (30%) |
|  Mexico | 330 | 340 | 328 | 336 | (3%) |
|  Spain | 170 | 188 | 220 | 229 | 17% |
|  Italy | 322 | 336 | 337 | 338 | 0% |
|  Panama | 98 | 94 | 89 | 86 | (6%) |
|  Colombia | 25 | 25 | 23 | 23 | (5%) |
|  Uruguay | 51 | 52 | 54 | 56 | 3% |
| Other ⁽¹⁾ | 16 | 21 | 18 | 17 | n.a. |
| Revenues | 1,550 | 1,638 | 1,476 | 1,451 | (10%) |
| @ of which Online | 8 | 24 | 44 | 51 | n.a. |

| LTM Adjusted EBITDA | 2016 | 2017 | 2018 | Q12019 | YoY Growth 17-18 (€) |
|--|------------|------------|------------|------------|----------------------|
|  Argentina | 134 | 134 | 96 | 84 | (28%) |
|  Mexico | 89 | 93 | 106 | 113 | 14% |
|  Spain | 30 | 25 | 32 | 34 | 26% |
|  Italy | 26 | 24 | 28 | 26 | 17% |
|  Panama | 17 | 15 | 17 | 17 | 17% |
|  Colombia | 5 | 3 | 5 | 5 | 52% |
|  Uruguay | 16 | 14 | 17 | 17 | 15% |
| Other ⁽¹⁾ | (46) | (34) | (17) | (14) | n.a. |
| Adj. EBITDA | 270 | 274 | 283 | 283 | 3% |
| @ of which Online | (6) | (4) | 1 | 3 | n.a. |

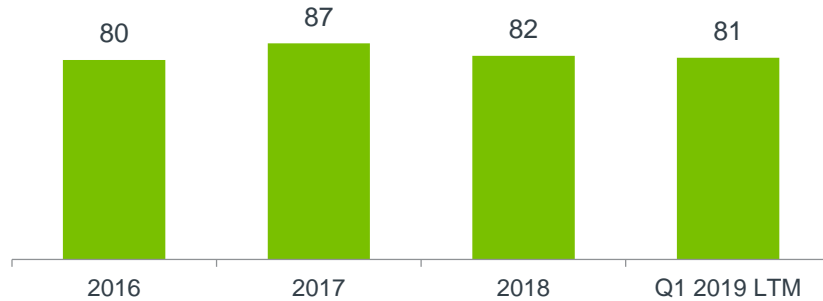
- Codere revenues have been mainly impacted by factors outside company's control:
 - Non favourable FX evolution in all Codere Latin American markets
 - Argentina: Depreciation of the Argentine peso and tax increases (including indirect taxes that reduce revenues)
 - Italy: Reduction of capacity imposed by the regulator and tax increases
- Following our focus on profitability, we closed different non-profitable casinos that impacted our revenue but increased our EBITDA
- On other hand, Spain grew by +17% YoY in 2018 and positive performance in Q1 2019 of Mexico and Uruguay with +10% and +15% QoQ revenue growth
- Despite the increases in gaming taxes and macro headwinds we have been able to grow our EBITDA to €283m
- 2.5% EBITDA margin growth thanks to the successful execution of our efficiency programs across our businesses
- Our EBITDA margin reached its 5-year high in 2018 on the back of a 6% decrease in operating expenses across that period
- Consistent margin increase across all our Latin American operations

Operational and Financial Review

Capital Expenditures

Maintenance Capex^(1,2)

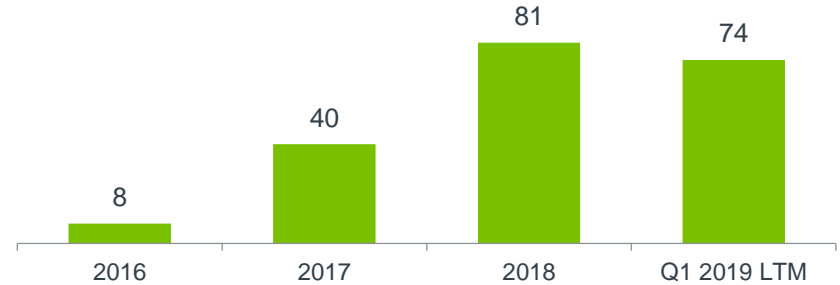
(€m)



- Maintenance capex in line with historical levels (€75-80m), mainly driven by:
 - Investment in slot renewals and hall refurbishments in Mexico and Argentina
 - Investments in Spain and Uruguay

Growth Capex

(€m)

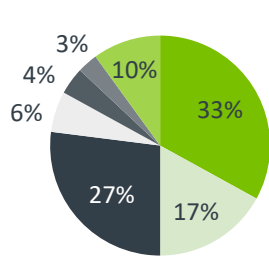


- Growth capex of c.€81m in 2018, as a result of:
 - Product agreements to acquire leased machines in Mexico and Panama
 - Acquisitions of a slot route operators in Spain and a gaming hall in Mexico
- 2018 capex to be crystallized in the 2019 period

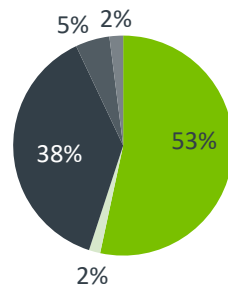
Capex Mix

By Country

Maintenance Capex (2018)



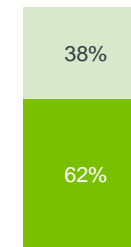
Growth Capex (2018)



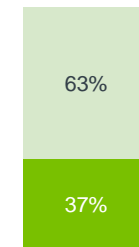
■ Mexico
 ■ Argentina
 ■ Spain
 ■ Italy
 ■ Panama
 ■ Colombia
 ■ Uruguay
 ■ HQ
 ■ Brazil

By Nature

Maintenance Capex (2018)



Growth Capex (2018)



■ Slot and Hall Renewals
 ■ Other
 ■ Capacity Deployment
 ■ Acquisition

Source: Codere.
 1. Maintenance figures including catch-up and licenses capex of €14m in 2016 and €19m in 2017.

Operational and Financial Review

Consolidated Free Cash Flow^(1,2,3,4)



Consolidated Free Cash Flow

| (€m) | 2016 | 2017 | | | | 2018 | | | | | 2019 |
|--|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|
| | FY | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY | 1Q |
| Adjusted EBITDA ⁽⁴⁾ | 270.2 | 36.5 | 68.4 | 73.6 | 273.6 | 67.9 | 65.0 | 70.8 | 79.2 | 282.9 | 68.0 |
| (-) Corporate Tax Income Paid ⁽⁶⁾ | (49.9) | (30.4) | (12.5) | (15.5) | (70.9) | (10.9) | (18.3) | (11.4) | (11.2) | (51.8) | (10.6) |
| (-) Maintenance Capex ⁽⁷⁾ | (80.4) | (16.3) | (17.4) | (59.5) | (78.4) | (16.4) | (27.1) | (11.9) | (26.7) | (82.1) | (15.6) |
| (-) Increase in Net Working Capital | 18.9 | 2.0 | (15.4) | (1.4) | (13.8) | (9.0) | 9.5 | (2.7) | (2.5) | (4.8) | (27.3) |
| FCF before Growth Capex | 159.1 | 18.9 | 23.2 | 27.3 | 110.6 | 31.6 | 29.1 | 44.8 | 38.8 | 144.2 | 14.5 |
| (-) Growth Capex ⁽⁸⁾ | (8.4) | (7.3) | (11.8) | (12.3) | (39.8) | (7.8) | (5.8) | (43.6) | (24.1) | (81.3) | (0.8) |
| FCF | 150.7 | 11.5 | 11.4 | 15.0 | 70.8 | 23.8 | 23.3 | 1.2 | 14.7 | 62.9 | 13.7 |
| (-) Cash Interest Expense | (32.6) | (3.2) | (12.5) | (57.4) | (80.5) | (3.9) | (31.4) | (6.5) | (30.4) | (72.1) | (3.8) |

LTM - FCF before Growth Capex



- Increase of +26.1% YoY, driven by positive contribution of:
 - Increase in Adjusted EBITDA of c.+€10m
 - Lower corporate tax expenses of c.(€18m)
- Expectation for 2019 to continue crystalizing EBITDA growth, and focusing on cash flow generation
- >90% Q1 2019 LTM attributable EBITDA / total adj. EBITDA

Source: Codere.

1. Consolidated free cash flow, as defined herein, reflects consolidated adjusted EBITDA Pre-IFRS16 less i) corporate income taxes paid, ii) total capital expenditures and iii) increases in net working capital.
2. Figures will vary from prior reports as investments related to our online and sports betting platform in Spain have been reclassified from maintenance to growth capex retroactively since 1Q 2016.
3. Inflation accounting adjustments are non-cash items with no impact on cash flow generation.
4. Figures include a positive adjustment of €2.5 mm which reflects our estimate of the negative impact in 4Q 2016 from 3 days of labor strikes (hall closures) in Argentina.
5. Figures shown do not include capex resulting from capitalization of leases derived from IFRS 16 (which is a non cash element).
6. Figure for 4Q 2016 includes €1.0 mm in additional CIT paid related to the €2.5 mm EBITDA adjustment in Argentina (@ 41.5% CIT rate).
7. Figure for 3Q and 4Q 2017 excludes €7.1 mm and €1.7 mm respectively from license renewals in Panama.
8. Figures for 4Q 2016 excludes €31 mm purchase of 50% of HRU and for 1Q 2017 excludes €24.5 mm purchase of 32.7% of Codere Caliente.

Operational and Financial Review

Working Capital



- 1 Increase of receivables from Uruguayan government (payments received in May)
- 2 Revenues in Mexico derived from the transfer of the lease of a closed hall (to be received in 1Q 2020) and certain sponsorships that will be cashed in progressively in 2019
- 3 Impact of increase in PREU in Italy
- 4 Impact of 0.5% network canon (to be received in Q2 2020) – 2019 Network canon of €12m has been paid by authorities in June 2019
- 5 Horse-racing prizes awarded in racetracks pending contribution by Uruguayan and Panamanian governments
- 6 Advance annual payments in Mexico for certain administrative fees and leases
- 7 Payment of suppliers (reduction of operational debt and others)⁽¹⁾
 - Balances increased in Q4 2018 and have reverted to standard levels
- 8 Net repayment of deferred taxes in Spain

Source: Codere.

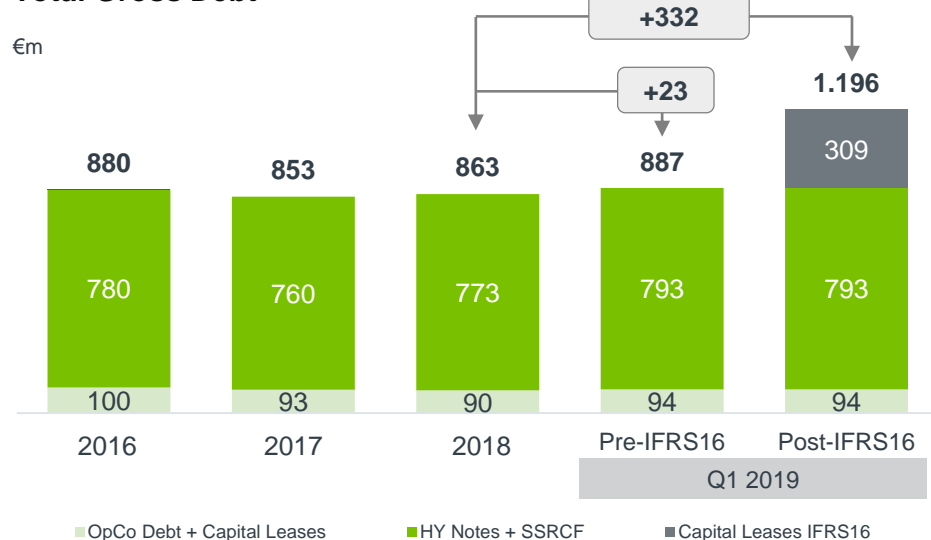
1. Includes Includes EUR 1.6 mm payment of non recurring litigation advisors from 2018 in Corporate.

Operational and Financial Review

Credit Profile⁽¹⁾

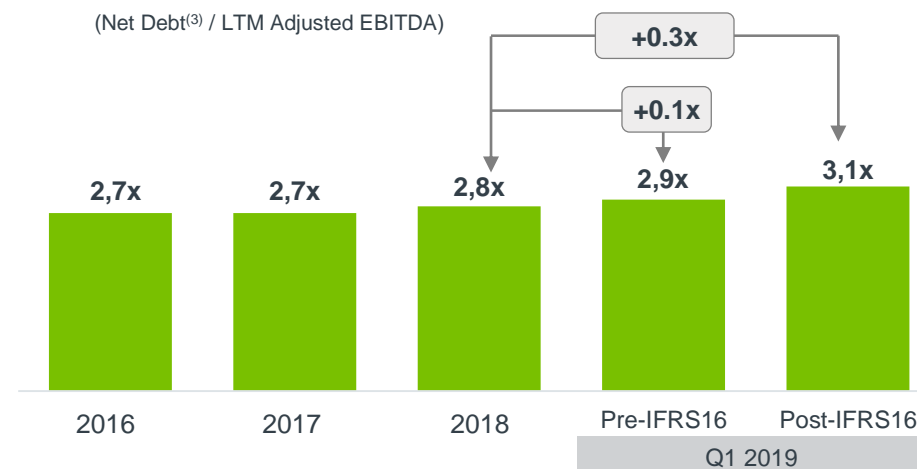
codere

Total Gross Debt⁽²⁾

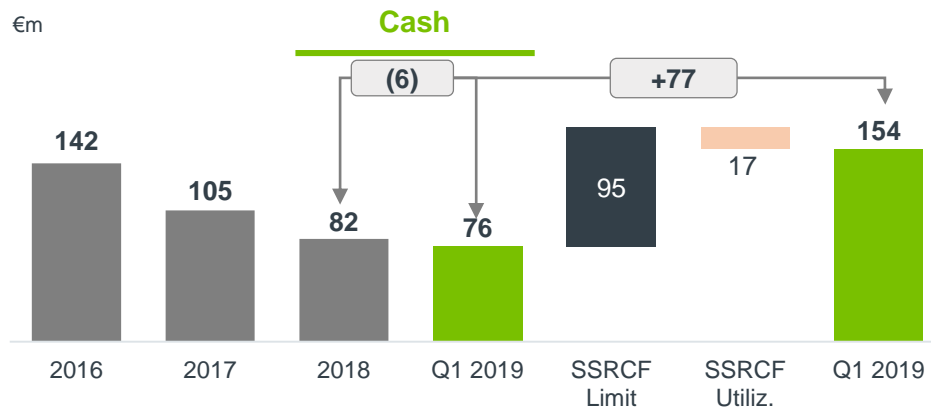


Leverage Ratio

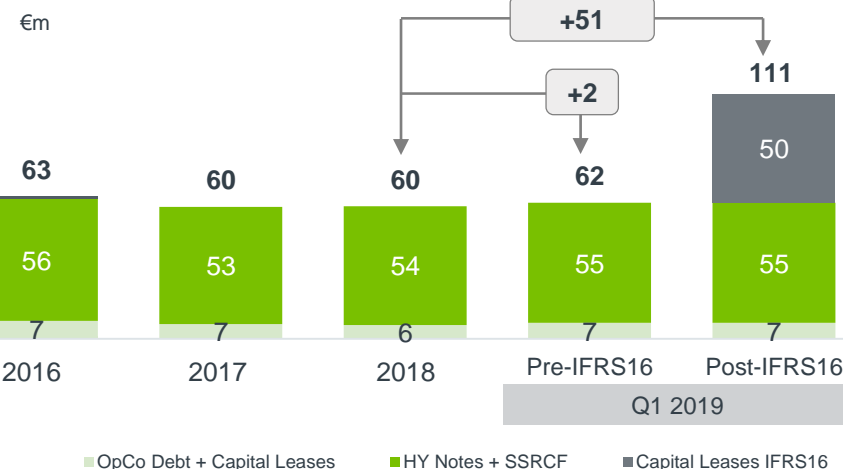
(Net Debt⁽³⁾ / LTM Adjusted EBITDA)



Total Liquidity



Interest Expense⁽⁴⁾



Source: Codere.

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

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

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

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

Business based on highly regulated and taxed markets
with a low number of operators providing significant barriers to entry

Codere's Gaming Model

Destination's Gaming Model

| | | |
|------------|-------------------|-----------|
| High | Regulation | Low |
| High | Entry Barriers | Medium |
| Local | Target Market | Tourist |
| Low | Stakes / Prizes | High |
| Low | Capital Intensity | High |
| Restricted | Marketing | Permitted |
| High | Taxes | Low |
| Low | No. of licenses | High |

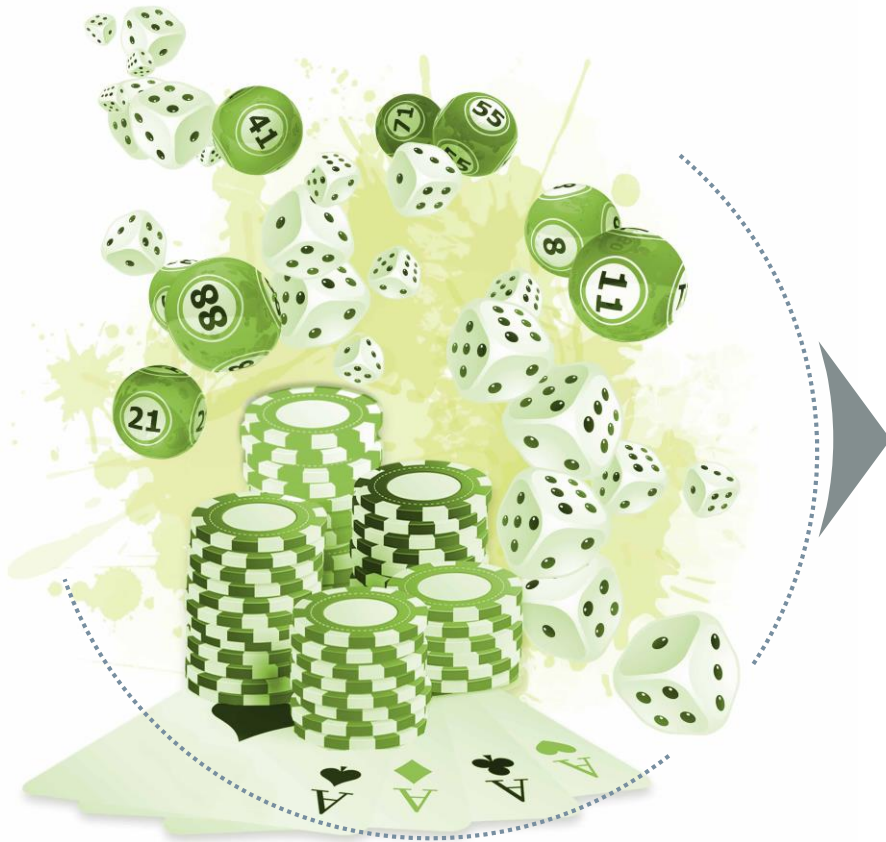
Full commitment to Achieve Our 3 Year Targets

- ✓ **Reiterate our FY 2019 guidance range, with scope to beat guidance at constant current FX rates**
- ✓ **Commit to continue crystallizing operational improvements with the goal to achieve an Adjusted EBITDA margin of 21% in 2021**
- ✓ **Keep current maintenance capex⁽¹⁾ levels at around 5% of revenues**
- ✓ **Consolidate positive cash flow generation before debt amortization**
- ✓ **Maintain leverage levels between 2.5x and 3.0x**
- ✓ **Focus on high value, low risk, and synergetic growth opportunities (Unlevered IRR > 15% in hard currency)**

Closing Remarks

Codere, a Diversified Gaming Leader

codere



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Granular Local Business Model and Diversification Provides Resilience and Stability



Leadership in High Growth Regulated markets



Strong Underlying Operating Performance



Commitment to Efficiency and Prudent Capital Allocation



Clear Growth Strategy Underpinned by Compelling Visible Drivers



Experienced Management Team with Strong Track-Record