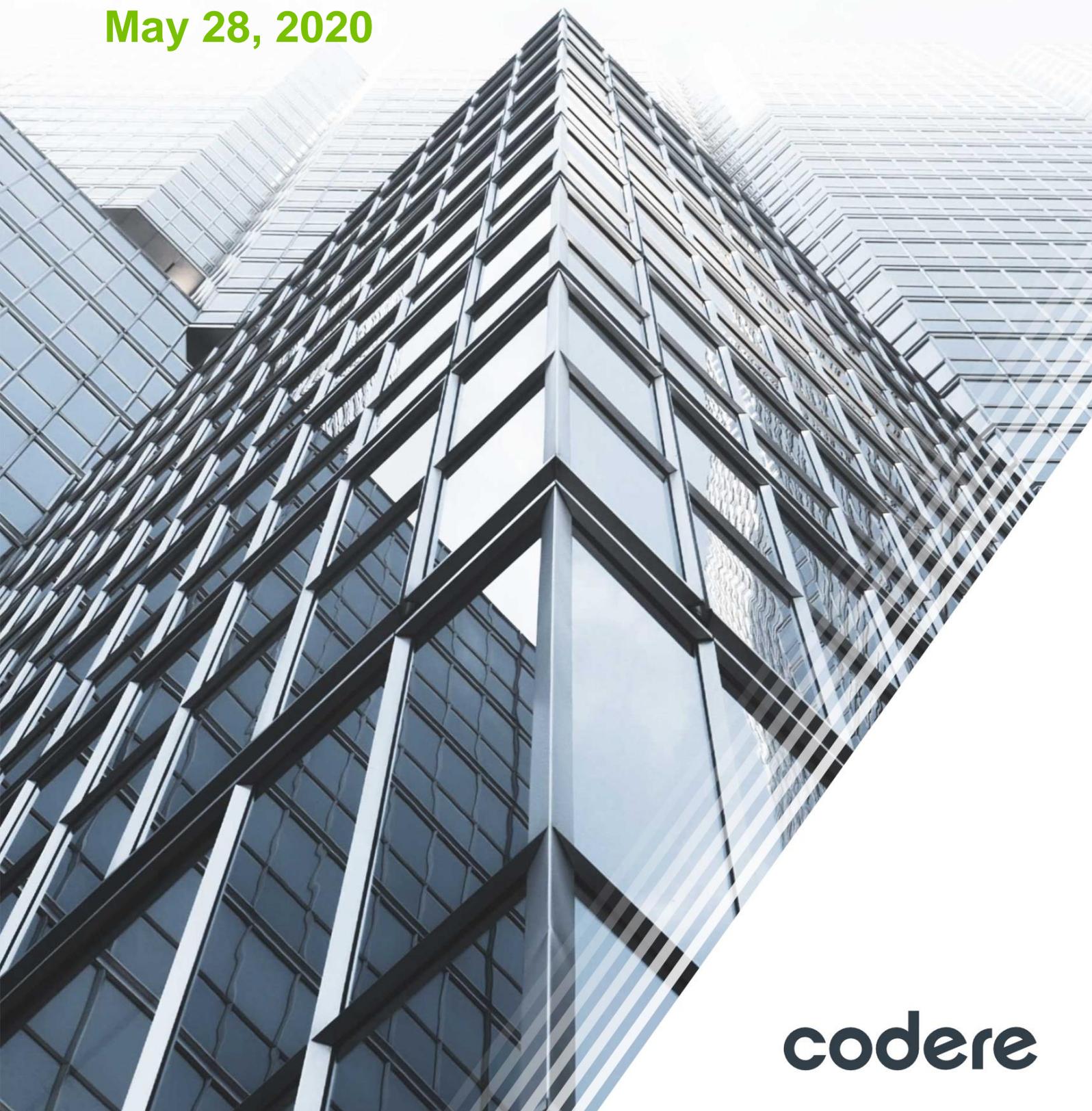


# Q1 2020 Earnings Results

May 28, 2020



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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 2019 figures for Mexico, Colombia and Panama (and accordingly for the Group), will vary from last year's report as they have been adjusted to correct the accounting inconsistencies confirmed in November 2019.

- Q1 2020 Operating Revenue decreased by 21.3% to €278.5 mm as a result of the mandatory temporary closings related to the COVID-19 health crisis. Our entire retail operation closed progressively between the 8<sup>th</sup> and 25<sup>th</sup> of March. Our online business remains in operation with revenues growing 7.6% vs. Q1 2019.
- Q1 2020 Adjusted EBITDA reached €47.7 mm, 41.1% below Q1 2019, driven by EBITDA declines across all our markets except Online and Uruguay.
- Q1 2020 Adjusted EBITDA margin reached 17.1%, 5.8 percentage points below Q1 2019 due to the aforementioned decline in revenues not being offset by the decline in operating expenses.
- In Q1 2020 we generated a net loss of €97.1 mm, compared to a loss of €8.6 mm in the same period last year, as a result of the significant appreciation of the USD vs. LATAM currencies and the early impact of the COVID-19 crisis.
- Capex in Q1 2020 was €13.8 mm, 15.9% below Q1 2019, and included €11.4 mm of maintenance capex and €2.4 mm for growth projects.
- As of March 31, 2020, we had €150.1 mm in cash and equivalents and €151.4 mm in total liquidity (i.e. including availability under the SSRCF) vs €103.1 and €145.5 mm as of December 31, 2019. By May 25, the cash position of the company was €121.0 mm, which, after the payment of the bond coupon will result in a cash position of c. €83.0 mm by the end of May.
- By the end of Q1 2020, our gross debt amounted to €976.1 mm and our net debt to €826.0 mm, €1,202.0 mm and €1,052.0 mm including capitalization of operating leases (as per IFRS 16). This was equivalent to 3.3 times our 2019 FY Adjusted EBITDA levels and 3.7 times (3.8 Pre- IFRS 16) our LTM Q1 2020 Adjusted EBITDA.
- In terms of gaming capacity, the total number of slots decreased 1.8% to 55,646 in Q1 2020 mainly driven by a reduction in Mexico, Panama, Spain and Italy. In terms of venues, gaming halls were flat at 148, sports betting shops decreased from 330 to 245 (as we rationalized deployment in third parties in Colombia) and bars decreased from 9,898 to 9,192 in Q1 2020.

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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 2019	Q1 2020	Var. %
<b>Operating Revenue</b>	<b>354.1</b>	<b>278.5</b>	<b>(21.3%)</b>
Gaming & Other Taxes	(126.7)	(101.2)	20.2%
Personnel	(60.8)	(56.8)	6.6%
Rentals	(9.2)	(8.6)	6.8%
Cost of Goods Sold	(12.8)	(8.6)	32.5%
Other	(63.7)	(55.7)	12.5%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(273.2)</b>	<b>(230.8)</b>	<b>15.5%</b>
Depreciation & Amortization	(41.0)	(43.5)	(6.1%)
Variation in Provisions for Trade Transactions <sup>(1)</sup>	(0.4)	(0.5)	(35.5%)
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(0.4)	(1.1)	n.a.
Impairment Charges	0.0	(2.0)	n.a.
Non-Recurring Items	(3.0)	(7.7)	n.a.
<b>Operating Profit (Pre-Inflation Accounting)</b>	<b>36.1</b>	<b>(7.1)</b>	<b>n.a.</b>
Inflation Adjustment on Operating Expenses <sup>(3,4)</sup>	(3.2)	(3.4)	(4.3%)
<b>Operating Profit (Post-Inflation Accounting)</b>	<b>32.9</b>	<b>(10.4)</b>	<b>n.a.</b>
Interest Expense	(28.9)	(24.0)	16.9%
Interest Income	0.6	0.9	38.8%
Gains / (Losses) from Financial Investments	(0.2)	(2.8)	n.a.
Gains / (Losses) from Exchange Rate Variations	(2.9)	(49.9)	n.a.
Inflation Adjustment <sup>(5)</sup>	(0.1)	1.3	n.a.
<b>Earnings before Corporate Income Taxes</b>	<b>1.5</b>	<b>(85.0)</b>	<b>n.a.</b>
Provision for Corporate Income Taxes	(8.5)	(14.1)	(64.9%)
Inflation Adjustment on CIT <sup>(6)</sup>	0.2	(1.3)	n.a.
Minority Interests in Subsidiary (Income) / Loss	(1.6)	3.3	n.a.
Equity in Affiliate Income / (Loss)	(0.1)	(0.1)	19.1%
<b>Net Income / (Loss)</b>	<b>(8.6)</b>	<b>(97.1)</b>	<b>n.a.</b>
<b>EBITDA</b>			
EBIT (Operating Profit)	32.9	(10.4)	n.a.
(+) Impairment Charges	0.0	2.0	n.a.
(+) (Gains) / Losses on Asset Disposals	0.4	1.1	n.a.
(+) Variation in Provisions for Trade Transactions	0.4	0.5	35.5%
(+) Depreciation & Amortization	41.0	43.5	6.1%
(+) Inflation Adjustment on Other Opex <sup>(4)</sup>	2.2	3.0	34.5%
<b>EBITDA</b>	<b>76.9</b>	<b>39.7</b>	<b>(48.4%)</b>
<i>EBITDA Margin</i>	<i>21.7%</i>	<i>14.2%</i>	<i>(7.5 p.p.)</i>
<b>Adjusted EBITDA</b>			
EBITDA	76.9	39.7	(48.4%)
(+) Non-Recurring Items	3.0	7.7	n.a.
(+) Inflation Adjustment on EBITDA <sup>(3)</sup>	1.0	0.3	(65.0%)
<b>Adjusted EBITDA</b>	<b>80.9</b>	<b>47.7</b>	<b>(41.1%)</b>
<i>Adjusted EBITDA Margin</i>	<i>22.9%</i>	<i>17.1%</i>	<i>(5.8 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, 2020.

<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, 2020, 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 €75.6 mm or 21.3% to €278.5 mm in Q1 2020, due to the decrease in revenues derived from the COVID-19 crisis and the related closings. More significant decreases happened in Italy (€26.3 mm), Mexico (€20.1 mm), Argentina (€15.9 mm) and Spain (€8.1 mm).
- **Operating Expenses** (excluding depreciation and amortization) decreased by €42.4 mm or 15.5% to €230.8 mm, as a result of reductions across variable costs in all our markets, especially in Italy (€19.1 mm) and Argentina (€12.1 mm).
- **Adjusted EBITDA** decreased by €33.2 mm to €47.7 mm in Q1 2020, as a result of the decrease in revenue and the temporary closings affecting all of our markets.
- **Non-Recurring Items** in Q1 2020 were €3.3 mm while growth online marketing investments accounted for an additional €4.4 mm.
- **Inflation Adjustment** in Q1 2020 represents a loss of €0.3 mm (impact on EBITDA). At the net income level, the impact is a net loss of €3.4 mm.
- **Impairment Charges** in Q1 2020 amounted to €2.0 mm.
- **Operating Profit** (prior to considering inflation accounting for Argentina) decreased by €43.2 mm to negative €7.1 mm in Q1 2020.
- **Interest Expense** (excluding financial expenses from capitalized operating leases) decreased by €4.9 mm to €24.0 mm. **Interest income** increased by €0.3 mm to €0.9 mm.
- Losses on **Financial Investments** reached €2.8 mm in Q1 2020.
- Losses on **Exchange Rate Variations** reached €49.9 mm in Q1 2020 derived from the appreciation of the USD against our LATAM operating currencies by March 31. In Q1 2019, the losses on exchange rate variations amounted to €2.9 mm.
- Provision for **Corporate Income Tax** increased by €5.6 mm to €14.1 mm in Q1 2020, of which €11.0 mm were related to the deterioration of all capitalized tax credits (NOLs).
- **Minority Interest** represents a gain of €3.3 mm in Q1 2020.
- As a result of the aforementioned results, the **Net Loss** in Q1 2020 was €97.1 mm, compared to a Net Loss of €8.6 mm in Q1 2019.

## Revenue and Adjusted EBITDA

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2019	Q1 2020	Var. %
<b>Operating Revenue</b>			
Argentina	80.7	64.8	(19.8%)
Mexico	80.5	60.4	(24.9%)
Panama	19.1	14.6	(23.2%)
Uruguay	18.8	17.0	(9.6%)
Colombia	5.0	4.9	(0.9%)
<b>Sub-Total - Latin America</b>	<b>204.1</b>	<b>161.8</b>	<b>(20.7%)</b>
Italy	86.5	60.2	(30.4%)
Spain	48.6	40.5	(16.7%)
<b>Sub-Total - Europe</b>	<b>135.1</b>	<b>100.7</b>	<b>(25.4%)</b>
Online	14.9	16.1	7.6%
<b>Total</b>	<b>354.1</b>	<b>278.5</b>	<b>(21.3%)</b>
<b>Adjusted EBITDA</b>			
Argentina	18.3	14.4	(21.4%)
Mexico	34.1	17.4	(49.0%)
Panama	5.3	2.0	(62.0%)
Uruguay	5.2	5.2	1.2%
Colombia	1.6	1.0	(36.8%)
<b>Sub-Total - Latin America</b>	<b>64.5</b>	<b>40.0</b>	<b>(37.9%)</b>
Italy	6.6	(0.5)	n.a.
Spain	11.3	7.6	(32.4%)
<b>Sub-Total - Europe</b>	<b>17.9</b>	<b>7.2</b>	<b>(60.1%)</b>
Corporate	(2.7)	(1.7)	36.1%
Online	1.2	2.2	84.9%
<b>Total</b>	<b>80.9</b>	<b>47.7</b>	<b>(41.1%)</b>

## Earnings per Share

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2019	Q1 2020	Var. %
<b>Earnings per Share</b>			
<b>Net Income / (Loss) (EUR mm)</b>	<b>(8.6)</b>	<b>(97.1)</b>	<b>n.a.</b>
<b>Average Shares Issued &amp; Outstanding<sup>(1)</sup> (mm):</b>			
Basic	118	118	(0%)
<b>Earnings per Share (EUR):</b>			
Basic	(0.07)	(0.82)	n.a.

<sup>1</sup> Figure excludes treasury shares.

## Revenue and Adjusted EBITDA at Constant Currency

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2019	Q1 2020	Var. %
<b>Operating Revenue</b>			
Argentina	80.7	99.0	22.6%
Mexico	80.5	60.7	(24.6%)
Panama	19.1	14.2	(25.5%)
Uruguay	18.8	19.8	5.3%
Colombia	5.0	5.3	8.0%
<b>Sub-Total - Latin America</b>	<b>204.1</b>	<b>199.1</b>	<b>(2.5%)</b>
Italy	86.5	60.2	(30.4%)
Spain	48.6	40.5	(16.7%)
<b>Sub-Total - Europe</b>	<b>135.1</b>	<b>100.7</b>	<b>(25.4%)</b>
Online	14.9	16.1	7.6%
<b>Total</b>	<b>354.1</b>	<b>315.8</b>	<b>(10.8%)</b>
<b>Adjusted EBITDA</b>			
Argentina	18.3	22.0	20.2%
Mexico	34.1	17.5	(48.8%)
Panama	5.3	1.9	(63.2%)
Uruguay	5.2	6.1	17.8%
Colombia	1.6	1.1	(31.1%)
<b>Sub-Total - Latin America</b>	<b>64.5</b>	<b>48.6</b>	<b>(24.6%)</b>
Italy	6.6	(0.5)	n.a.
Spain	11.3	7.6	(32.4%)
<b>Sub-Total - Europe</b>	<b>17.9</b>	<b>7.2</b>	<b>(60.1%)</b>
Corporate	(2.7)	(1.7)	36.1%
Online	1.2	2.2	84.9%
<b>Total</b>	<b>80.9</b>	<b>56.3</b>	<b>(30.5%)</b>

# Operating Expenses<sup>1</sup>

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2019	Q1 2020	Var.
<b>Operating Revenue</b>	<b>354.1</b>	<b>278.5</b>	<b>(21.3%)</b>
Gaming & Other Taxes	(126.7)	(101.2)	20.2%
Personnel	(60.8)	(56.8)	6.6%
Rentals	(9.2)	(8.6)	6.8%
Cost of Goods Sold	(12.8)	(8.6)	32.5%
Other	(63.7)	(55.7)	12.5%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(273.2)</b>	<b>(230.8)</b>	<b>15.5%</b>
<b>Gaming &amp; Other Taxes</b>			
Gaming Taxes	(105.4)	(82.8)	21.4%
Other Taxes	(21.3)	(18.4)	13.9%
<b>Total</b>	<b>(126.7)</b>	<b>(101.2)</b>	<b>20.2%</b>
<b>Rentals</b>			
Gaming Venues & Other	(2.7)	(1.5)	44.1%
Slots	(6.5)	(7.0)	(8.8%)
<b>Total</b>	<b>(9.2)</b>	<b>(8.6)</b>	<b>6.8%</b>
<b>Other</b>			
Professional Fees <sup>(2)</sup>	(4.8)	(3.0)	37.3%
Advertising and Marketing	(12.3)	(11.1)	9.4%
Utilities	(11.9)	(13.0)	(9.8%)
Repairs & Maintenance <sup>(3)</sup>	(5.9)	(5.1)	13.6%
Insurance <sup>(4)</sup>	(1.0)	(1.2)	(20.5%)
Travel	(1.3)	(1.4)	(3.3%)
Transportation <sup>(5)</sup>	(0.8)	(0.7)	4.0%
Other Expenses	(25.6)	(20.0)	21.9%
<b>Total</b>	<b>(63.7)</b>	<b>(55.7)</b>	<b>12.5%</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	35.8%	36.3%	0.5
Personnel	17.2%	20.4%	3.2
Rentals	2.6%	3.1%	0.5
Cost of Goods Sold	3.6%	3.1%	(0.5)
Other	18.0%	20.0%	2.0
<b>Operating Expenses (excl. D&amp;A)</b>	<b>77.1%</b>	<b>82.9%</b>	<b>5.7</b>
<b>Gaming &amp; Other Taxes</b>			
Gaming Taxes	29.8%	29.7%	(0.0)
Other Taxes	6.0%	6.6%	0.6
<b>Total</b>	<b>35.8%</b>	<b>36.3%</b>	<b>0.5</b>
<b>Rentals</b>			
Gaming Venues & Other	0.8%	0.5%	(0.2)
Slots	1.8%	2.5%	0.7
<b>Total</b>	<b>2.6%</b>	<b>3.1%</b>	<b>0.5</b>
<b>Other</b>			
Professional Fees <sup>(2)</sup>	1.4%	1.1%	(0.3)
Advertising and Marketing	3.5%	4.0%	0.5
Utilities	3.3%	4.7%	1.3
Repairs & Maintenance <sup>(3)</sup>	1.7%	1.8%	0.2
Insurance <sup>(4)</sup>	0.3%	0.4%	0.2
Travel	0.4%	0.5%	0.1
Transportation <sup>(5)</sup>	0.2%	0.3%	0.0
Other Expenses	7.2%	7.2%	(0.1)
<b>Total</b>	<b>18.0%</b>	<b>20.0%</b>	<b>2.0</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 2019	Q1 2020	Var. %
<b>Operating Revenue</b>	<b>80.5</b>	<b>60.4</b>	<b>(24.9%)</b>
Gaming & Other Taxes	(8.3)	(9.3)	(12.5%)
Personnel <sup>(1)</sup>	(12.6)	(13.7)	(8.6%)
Rentals	(6.1)	(4.9)	19.6%
Cost of Goods Sold	(3.6)	(2.8)	23.8%
Other	(15.7)	(12.3)	21.7%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(46.4)</b>	<b>(43.0)</b>	<b>7.2%</b>
Depreciation & Amortization	(16.5)	(18.4)	(11.4%)
Variation in Provisions for Trade Transactions	0.0	0.0	n.a.
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(0.0)	(0.3)	n.a.
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	1.2	(1.8)	n.a.
<b>Operating Profit</b>	<b>18.8</b>	<b>(3.1)</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>35.3</b>	<b>15.6</b>	<b>(55.9%)</b>
<i>EBITDA Margin</i>	43.9%	25.8%	(18.1 p.p.)
<b>Adjusted EBITDA</b>	<b>34.1</b>	<b>17.4</b>	<b>(49.0%)</b>
<i>Adjusted EBITDA Margin</i>	42.4%	28.8%	(13.6 p.p.)
<b>Economic Indicators</b>			
Average Exchange Rate - EUR/MXN	21.81	22.06	1.1%
Average Inflation (YoY)	4.1%	3.4%	(0.7 p.p.)
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (Slots)	21,813	21,535	(1.3%)
<b>Gross Win per Slot per Day:</b>			
EUR	33.3	31.8	(4.7%)
Local Currency	727	684	(5.9%)

- **Operating Revenue** in Q1 2020 decreased by €20.1 mm (24.9%) compared to Q1 2019 due to the closing of our gaming halls in the country between March 17 and 25, together with a more challenging macroeconomic and competitive environment prior to the closings. The new indirect tax on players (a retention on cash-in amounts) which is not registered in our accounts also implied a c.5% reduction of accounted revenues. Gross win per slot per day in local currency decreased by 5.9%.
- **Operating Expenses (excluding D&A)** decreased by €3.4 mm in Q1 2020 mainly as a result of lower rental costs and despite higher local gaming taxes at municipal and state levels.
- **Adjusted EBITDA** decreased by 49.0% to €17.4 mm as a result of the decline in revenue, the impact of the tax on cash-in combined with a modest reduction in operating expenses. Adjusted EBITDA margin decreased 13.6 percentage points to 28.8% versus 42.4% in Q1 2019.

<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 2019	Q1 2020	Var. %
<b>Operating Revenue</b>	<b>80.7</b>	<b>64.8</b>	<b>(19.8%)</b>
Gaming & Other Taxes	(36.7)	(29.6)	19.3%
Personnel	(13.9)	(12.2)	12.8%
Rentals	(0.9)	(1.2)	(27.4%)
Cost of Goods Sold	(1.9)	(1.1)	41.7%
Other	(8.9)	(6.3)	29.2%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(62.5)</b>	<b>(50.4)</b>	<b>19.3%</b>
Depreciation & Amortization	(2.3)	(2.1)	8.3%
Variation in Provisions for Trade Transactions	0.0	0.0	n.a.
Gains / (Losses) on Asset Disposals <sup>(1)</sup>	0.0	0.0	n.a.
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	(0.7)	(0.2)	77.2%
<b>Operating Profit (Pre-Inflation Accounting)</b>	<b>15.2</b>	<b>12.1</b>	<b>(20.6%)</b>
Inflation Adjustment on Operating Expenses <sup>(2)</sup>	(3.2)	(3.4)	(4.3%)
<b>Operating Profit (Post-Inflation Accounting)</b>	<b>12.0</b>	<b>8.7</b>	<b>(27.3%)</b>
<b>EBITDA</b>	<b>16.6</b>	<b>13.9</b>	<b>(16.4%)</b>
<i>EBITDA Margin</i>	<i>20.6%</i>	<i>21.4%</i>	<i>0.8 p.p.</i>
<b>Adjusted EBITDA</b>			
EBITDA	16.6	13.9	(16.4%)
(+) Non-Recurring Items	0.7	0.2	(77.2%)
(+) Inflation Adjustment on EBITDA <sup>(2)</sup>	1.0	0.3	(65.0%)
<b>Adjusted EBITDA</b>	<b>18.3</b>	<b>14.4</b>	<b>(21.4%)</b>
<i>Adjusted EBITDA Margin</i>	<i>22.7%</i>	<i>22.2%</i>	<i>(0.5 p.p.)</i>
<b>Economic Indicators</b>			
Average Exchange Rate - EUR/ARS	44.40	67.79	52.7%
Average Inflation (YoY)	51.8%	50.6%	(1.2 p.p.)
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (Slots)	6,859	6,861	0.0%
<b>Gross Win per Slot per Day:</b>			
EUR	124.5	119.0	(4.4%)
Local Currency	5,523	8,011	45.1%

- **Operating Revenue** in Q1 2020 decreased by €15.9 mm or 19.8% compared to Q1 2019, due to the bingo hall closings since March 16<sup>th</sup>, as well as to the significant devaluation of the Peso (52.7%) against the euro. Gross win per slot per day in local currency grew 45.1%, narrowing the gap versus year on year average inflation of 50.6%<sup>3</sup>.
- **Operating Expenses (excluding D&A)** decreased by 19.3% driven by reductions across gaming taxes which are variable and decline together with revenue, as well as personnel which benefitted from the devaluation of the peso.
- **Adjusted EBITDA** decreased by 21.4% to €14.4 mm, compared to €18.3 mm in Q1 2019 as a result of the devaluation of the peso. The Adjusted EBITDA margin was 22.2% in Q1 2020, 0.5 percentage points below that of Q1 2019.

<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, 2020.

<sup>3</sup> Codere estimate based on INDEC's (Instituto Nacional de Estadísticas y Censos de la República Argentina) CPI data for the Province of Buenos Aires.

## Spain

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2019	Q1 2020	Var. %
<b>Operating Revenue</b>	<b>48.6</b>	<b>40.5</b>	<b>(16.7%)</b>
Gaming & Other Taxes	(16.2)	(14.2)	12.1%
Personnel	(10.7)	(9.1)	15.3%
Rentals	(0.4)	(0.4)	15.3%
Cost of Goods Sold	(1.2)	(1.0)	17.7%
Other	(8.8)	(8.2)	6.4%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(37.3)</b>	<b>(32.9)</b>	<b>11.9%</b>
Depreciation & Amortization	(8.0)	(8.4)	(4.8%)
Variation in Provisions for Trade Transactions <sup>(1)</sup>	(0.3)	(0.4)	(31.8%)
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(0.2)	(0.6)	n.a.
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	0.0	(0.3)	n.a.
<b>Operating Profit</b>	<b>2.8</b>	<b>(2.0)</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>11.3</b>	<b>7.4</b>	<b>(34.8%)</b>
<i>EBITDA Margin</i>	23.2%	18.2%	(5.0 p.p.)
<b>Adjusted EBITDA</b>	<b>11.3</b>	<b>7.6</b>	<b>(32.4%)</b>
<i>Adjusted EBITDA Margin</i>	23.2%	18.8%	(4.4 p.p.)
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (Slots)	10,234	9,900	(3.3%)
Avg. Installed Capacity (Sports Betting Terminals)	7,033	7,195	2.3%
<b>Gross Win per Slot per Day:</b>			
Slots	50.5	49.7	(1.6%)

- **Operating Revenue** in Q1 2020 declined by €8.1 mm (16.7%) to €40.5 mm compared to Q1 2019, driven by closings of bars, restaurants, arcades and bingo halls on March 14, when the Government declared the state of alarm.
- **Operating Expenses (excluding D&A)** decreased by 11.9% to €32.9 mm in Q1 2020, mainly as a result of a reduction in personnel costs due to the temporary reductions of employment (ERTEs) applied to c. 85% of our headcount in the country, as announced on March 25.
- **Adjusted EBITDA** declined 32.4% to €7.6 mm. Adjusted EBITDA margin decreased by 4.4 percentage points to 18.8% versus last year.

<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 2019	Q1 2020	Var. %
<b>Operating Revenue</b>	<b>86.5</b>	<b>60.2</b>	<b>(30.4%)</b>
Gaming & Other Taxes	(59.3)	(42.6)	28.2%
Personnel	(8.5)	(8.0)	6.6%
Rentals	(1.1)	(1.2)	(7.3%)
Cost of Goods Sold	(0.4)	(0.3)	27.0%
Other	(10.5)	(8.7)	17.6%
<b>Operating Expenses (excl. D&amp;A)</b>	<b>(79.8)</b>	<b>(60.7)</b>	<b>24.0%</b>
Depreciation & Amortization	(4.9)	(4.8)	2.0%
Variation in Provisions for Trade Transactions <sup>(1)</sup>	0.0	(0.1)	n.a.
Gains / (Losses) on Asset Disposals <sup>(2)</sup>	(0.1)	(0.2)	n.a.
Impairment Charges	0.0	0.0	n.a.
Non-Recurring Items	0.0	0.0	n.a.
<b>Operating Profit</b>	<b>1.6</b>	<b>(5.6)</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>6.6</b>	<b>(0.5)</b>	<b>n.a.</b>
<i>EBITDA Margin</i>	<i>7.7%</i>	<i>-0.8%</i>	<i>(8.5 p.p.)</i>
<b>Adjusted EBITDA</b>	<b>6.6</b>	<b>(0.5)</b>	<b>n.a.</b>
<i>Adjusted EBITDA Margin</i>	<i>7.7%</i>	<i>-0.8%</i>	<i>(8.5 p.p.)</i>
<b>Key Performance Indicators</b>			
Avg. Installed Capacity (AWPs)	7,341	7,358	0.2%
Avg. Installed Capacity (VLTs)	1,478	1,448	(2.0%)
<b>Gross Win per Slot per Day:</b>			
AWPs	90.1	83.3	(7.5%)
VLTs	200	154	(23.0%)

- **Operating Revenue** in Q1 2020 decreased by €26.3 mm or 30.4% compared to Q1 2019 as a result of the mandatory closings that progressively took place in the country, starting in the northern regions and finally affecting the whole country by March 8. Unit yields for AWP's and VLTs dropped 7.5% and 23.0%, respectively.
- **Operating Expenses (excluding D&A)** decreased by 24.0% in Q1 2020 to €60.7 mm compared to Q1 2019, mainly as a result of gaming taxes which are variable costs. The decrease in expenses was somewhat mitigated by the latest tax increases applied to the industry in January 2020.
- **Adjusted EBITDA** was negative €0.5 mm in Q1 2020, following an entire month of March of disruptions and complete closings of our operations in the country.

<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 2019	Q1 2020	Var. %
<b>Operating Revenue</b>			
Panama	19.1	14.6	(23.2%)
Uruguay	18.8	17.0	(9.6%)
Colombia	5.0	4.9	(0.9%)
Online	14.9	16.1	7.6%
<b>Operating Revenue</b>	<b>57.8</b>	<b>52.6</b>	<b>(8.9%)</b>
<b>Adjusted EBITDA</b>			
Panama	5.3	2.0	(62.0%)
Uruguay	5.2	5.2	1.2%
Colombia	1.6	1.0	(36.8%)
Online	1.2	2.2	84.9%
<b>Adjusted EBITDA</b>	<b>13.3</b>	<b>10.5</b>	<b>(21.0%)</b>
<i>Adjusted EBITDA Margin</i>	<i>23.0%</i>	<i>19.9%</i>	<i>(3.1 p.p.)</i>
<b>EBITDA</b>			
Adjusted EBITDA	13.3	10.5	(21.0%)
(-) Non-Recurring Items	(0.5)	(0.4)	15.6%
(-) Online Growth Investment	(2.7)	(4.4)	(62.0%)
<b>EBITDA</b>	<b>10.1</b>	<b>5.7</b>	<b>(43.7%)</b>
<i>EBITDA Margin</i>	<i>17.5%</i>	<i>10.8%</i>	<i>(6.7 p.p.)</i>
<b>Average Exchange Rates</b>			
EUR/USD	1.14	1.10	(2.9%)
EUR/UYU	37.29	43.63	17.0%
USD/UYU	32.84	39.58	20.5%
EUR/COP	3,560	3,897	9.5%
<b>Average Inflation (YoY)</b>			
Panama	-0.3%	0.0%	0.3 p.p.
Uruguay	7.6%	8.7%	1.2 p.p.
Colombia	3.1%	3.7%	0.6 p.p.

Other Operations includes results from Panama, Uruguay, Colombia and Online, but excludes Corporate Overhead.

**Operating revenue** decreased by €5.2 mm (8.9%), to €52.6 mm as a result of:

- A combined decrease in **Panama, Uruguay and Colombia** of €6.4 mm due to the closing of operations between March 15 and 19.
- An increase in **Online** of €1.2 mm due to the strong sports betting activity and take in January and February, prior to the cancellation or postponement of most of the major sports events around mid-March, as well as growth on online slots and casino games.

**Adjusted EBITDA** decreased by €2.8 mm (21.0%), to €10.5 mm as a result of:

- A decrease in **Panama** of €3.3 mm, affected by the casino closings and a weak operational performance prior to them.
- A decrease in **Colombia** of €0.6 mm.
- An increase in **Online** of €1.0 mm due to the revenue trends described above.

**Adjusted EBITDA margin** in Q1 2020 was 19.9%, 3.1 percentage points below that of Q1 2019.

# Consolidated Cash Flow Statement

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2019	Q1 2020	Var. %
<b>EBITDA</b>	<b>76.9</b>	<b>39.7</b>	<b>(48.4%)</b>
Capitalized Operating Leases	(17.9)	(17.0)	5.0%
Inflation Adjustment	1.0	0.3	(69.3%)
Corporate Income Taxes Paid	(10.6)	(5.4)	49.1%
Chg. in Working Capital <sup>(1)</sup>	(21.6)	9.8	n.a.
<b>Cash Flow from Operations</b>	<b>27.8</b>	<b>27.4</b>	<b>(1.4%)</b>
Maintenance Capital Expenditures <sup>(2)</sup>	(15.6)	(11.4)	26.9%
Growth Capital Expenditures <sup>(2)</sup> , of which:	(0.8)	(2.4)	n.a.
Capacity Deployment <sup>(3)</sup>	(0.8)	(2.2)	n.a.
Acquisitions <sup>(4)</sup>	(0.1)	(0.2)	n.a.
Initial Cash from Acquired Companies	0.0	0.0	n.a.
<b>Cash Flow from Investing</b>	<b>(16.4)</b>	<b>(13.8)</b>	<b>15.9%</b>
Cash Interest Expense	(3.8)	(3.2)	15.8%
Cash Interest Income	0.3	0.5	66.7%
Chg. in Financial Debt	2.2	54.6	n.a.
Chg. in Financial Investments	(0.6)	0.0	n.a.
Chg. in Deferred Payments <sup>(5)</sup>	(9.8)	(8.4)	14.3%
Dividends Paid, net <sup>(6)</sup>	(2.2)	(2.2)	-
Investment in Treasury Shares, net	(0.3)	0.0	n.a.
Cash Effect from Exchange Rate Difference <sup>(7)</sup>	(1.5)	(1.8)	(20.0%)
<b>Cash Flow from Financing</b>	<b>(15.7)</b>	<b>39.5</b>	<b>n.a.</b>
Exchange Rate Impact on Cash Balances	(1.1)	(6.1)	n.a.
<b>Cash Flow</b>	<b>(5.4)</b>	<b>47.0</b>	<b>n.a.</b>
<b>Cash &amp; Equivalents</b>			
Beginning of Period	81.1	103.1	27.1%
Cash Flow	(5.4)	47.0	n.a.
<b>End of Period</b>	<b>75.7</b>	<b>150.1</b>	<b>98.3%</b>

- **Cash flow from operations** in Q1 2020 was €27.4 mm, a 1.4% decrease versus €27.8 mm in Q1 2019. This decrease is primarily attributable to the decrease of €37.2 mm in reported EBITDA partially offset by a €5.2 mm reduction in corporate income tax paid and a €31.4 mm decrease in the working capital outflow (to an inflow of €9.8 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 2020 was €13.8 mm of capital expenditures, a decline of 15.9% vs. Q1 2019. Within capital expenditures, €11.4 mm were related to maintenance and €2.4 mm to growth 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 €39.5 mm in Q1 2020 and included:
  - €3.2 mm of cash interest expense, including €0.5 mm related to our SSRCF and €2.7 mm related to OpCo debt (including capital leases);
  - €0.5 mm of cash interest income;
  - €54.6 mm increase in financial debt made up of:
    - (i) €41.0 mm drawing on our SSRCF;
    - (ii) €0.8 mm decrease in capital leases;
    - (iii) €14.4 mm increase in OpCo financial debt (excluding capital leases) due to new loans being raised in Mexico (€19.4 mm) and Panama (€0.4 mm), partially offset by the scheduled amortization of loans in Mexico (€2.0 mm), Uruguay (€1.4 mm), Panama (€0.7 mm), Spain (€0.8 mm), Colombia (€0.3 mm) and Italy (€0.2 mm).
  - Decrease in deferred payments of €8.4 mm, consisting of deferred payments with capex suppliers mainly in Mexico, Argentina and corporate headquarters that offset the increase in deferred payments in Uruguay and our Platform;
  - Dividends paid to minority partners of €2.2 mm;
  - €1.8 mm net negative impact from exchange rate differences;
- The fluctuation in foreign exchange rates has resulted in a negative impact of €6.1 mm on conversion of cash balances;
- During Q1 2020, there has been an increase in cash and equivalents of €47.0 mm to €150.1 mm.

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

Figures in EUR mm, except where noted otherwise

	Quarter		
	Q1 2019	Q1 2020	Var. %
<b>Capital Expenditures and Acquisitions</b>			
Maintenance <sup>(2)</sup>	15.6	11.4	(26.9%)
Growth <sup>(3)</sup>	0.8	2.4	n.a.
<b>Sub-Total</b>	<b>16.4</b>	<b>13.8</b>	<b>(15.9%)</b>
IFRS 16 Capex	(6.4)	4.5	n.a.
<b>Total (Post-IFRS 16)</b>	<b>10.0</b>	<b>18.3</b>	<b>83.8%</b>
<b>Maintenance</b>			
Argentina	0.8	0.4	(50.0%)
Mexico	4.2	0.6	(85.7%)
Panama	0.3	0.0	n.a.
Colombia	0.1	0.0	n.a.
Uruguay	2.9	3.0	3.4%
<b>Sub-Total - Latin America</b>	<b>8.3</b>	<b>4.0</b>	<b>(51.8%)</b>
Italy	1.4	0.7	(50.0%)
Spain	5.1	5.8	13.7%
<b>Sub-Total - Europe</b>	<b>6.5</b>	<b>6.5</b>	<b>-</b>
Corporate	0.3	0.5	66.7%
Online	0.5	0.4	(20.0%)
<b>Total</b>	<b>15.6</b>	<b>11.4</b>	<b>(26.9%)</b>
<b>Growth</b>			
Argentina	0.0	0.0	n.a.
Mexico	0.0	0.9	n.a.
Panama	0.0	0.8	n.a.
Colombia	0.0	0.1	n.a.
Uruguay	0.0	0.0	n.a.
<b>Sub-Total - Latin America</b>	<b>0.0</b>	<b>1.8</b>	<b>n.a.</b>
Italy	0.0	0.0	n.a.
Spain	0.7	0.2	(71.4%)
<b>Sub-Total - Europe</b>	<b>0.7</b>	<b>0.2</b>	<b>(71.4%)</b>
Corporate	0.0	0.0	n.a.
Online	0.1	0.4	n.a.
<b>Total, of which:</b>	<b>0.8</b>	<b>2.4</b>	<b>n.a.</b>
Capacity Deployment <sup>(4)</sup>	0.8	2.2	n.a.
Acquisitions <sup>(5)</sup>	0.1	0.2	n.a.
<b>IFRS 16 Capex</b>	<b>(6.4)</b>	<b>4.5</b>	<b>n.a.</b>
<b>Total Capex (Post-IFRS 16)</b>	<b>10.0</b>	<b>18.3</b>	<b>83.8%</b>

**Maintenance Capex** in Q1 2020 reached €11.4 mm, principally driven by:

- Investment in Spain of €5.8 mm, an increase of €0.7 mm.
- Investment in Uruguay of €3.0 mm in line with that of last year.
- Investment in Mexico of €0.6 mm, a decrease of €3.6 mm, due to lower levels of slot renewals and hall refurbishments;

**Growth Capex** in Q1 2020 was €2.4 mm, mostly deployed in Mexico and Panama, and related to the works in two halls that should open shortly after operations are restarted.

<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.

## Consolidated Balance Sheet

Figures in EUR mm, except where noted otherwise

	As at			
	Dec-19	Mar-20	Var.	Var. %
<b>Assets</b>				
Cash & Equivalents	103.1	150.1	47.0	45.6%
S-T Financial Investments <sup>(1)</sup>	32.9	27.5	(5.4)	(16.2%)
Accounts Receivable <sup>(2)</sup>	62.4	66.9	4.5	7.2%
Taxes Receivable <sup>(3)</sup>	91.0	79.5	(11.5)	(12.7%)
Prepaid Expenses	12.9	17.5	4.6	35.0%
Inventory	10.7	9.8	(0.9)	(9.0%)
Other Current Assets	0.0	0.0	0.0	n.a.
<b>Current Assets</b>	<b>313.0</b>	<b>351.1</b>	<b>38.1</b>	<b>12.2%</b>
Fixed Assets	403.3	346.1	(57.2)	(14.2%)
L-T Financial Investments	20.5	19.0	(1.5)	(7.1%)
Intangible Assets (excl. Goodwill)	374.0	333.9	(40.1)	(10.7%)
Right-of-Use Assets (IFRS 16)	254.7	228.1	(26.6)	(10.5%)
Goodwill	232.3	201.2	(31.1)	(13.4%)
Deferred Tax Assets	52.8	37.7	(15.1)	(28.7%)
Other Non-Current Assets	0.0	0.0	0.0	n.a.
<b>Total Assets</b>	<b>1,650.5</b>	<b>1,517.1</b>	<b>(133.4)</b>	<b>(8.1%)</b>
<b>Liabilities &amp; Shareholders' Equity</b>				
Accounts Payable <sup>(4)</sup>	107.5	112.7	5.2	4.8%
S-T Provisions <sup>(5)</sup>	4.8	4.7	(0.1)	(3.5%)
S-T Taxes Payable <sup>(6)</sup>	133.9	132.3	(1.6)	(1.1%)
S-T Financial Debt	36.6	51.7	15.1	41.3%
S-T Deferred Payments <sup>(7)</sup>	51.8	49.1	(2.7)	(5.3%)
S-T Capital Leases (IFRS 16)	46.0	44.7	(1.3)	(2.9%)
Other Current Liabilities	5.3	6.2	0.9	16.2%
<b>Current Liabilities</b>	<b>385.9</b>	<b>401.3</b>	<b>15.4</b>	<b>4.0%</b>
L-T Provisions <sup>(8)</sup>	22.0	20.5	(1.5)	(6.6%)
L-T Taxes Payable	10.8	9.7	(1.1)	(10.5%)
L-T Financial Debt	867.8	924.4	56.6	6.5%
L-T Deferred Payments <sup>(7)</sup>	20.0	16.0	(4.0)	(20.1%)
L-T Capital Leases (IFRS 16)	205.1	181.2	(23.9)	(11.6%)
Deferred Tax Liabilities	95.7	82.6	(13.1)	(13.7%)
Other Non-Current Liabilities	0.1	0.1	0.0	(4.4%)
<b>Total Liabilities</b>	<b>1,607.5</b>	<b>1,635.9</b>	<b>28.4</b>	<b>1.8%</b>
Minority Interests	81.1	61.6	(19.5)	(24.0%)
Shareholders' Equity	(38.0)	(180.4)	(142.4)	n.a.
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,650.5</b>	<b>1,517.1</b>	<b>(133.4)</b>	<b>(8.1%)</b>
<b>End of Period Exchange Rates</b>				
EUR/ARS	67.28	70.63	3.35	5.0%
EUR/MXN	21.19	25.73	4.54	21.4%
EUR/USD	1.12	1.10	(0.03)	(2.5%)
EUR/COP	3,682	4,453	772	21.0%
EUR/UYU	41.91	47.12	5.21	12.4%
USD/UYU	37.31	43.01	5.70	15.3%

<sup>1</sup> Includes €5.1 and €2.6 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-19	Mar-20	Var.	Var. %
<b>Assets</b>				
Accounts Receivable	62.4	66.9	4.5	7.2%
Taxes Receivable <sup>(2)</sup>	64.4	60.8	(3.6)	(5.5%)
Prepaid Expenses	12.9	17.5	4.6	35.0%
Inventory	10.7	9.8	(0.9)	(9.0%)
Other Current Assets <sup>(3)</sup>	0.0	0.0	0.0	-
<b>Total</b>	<b>150.4</b>	<b>154.9</b>	<b>4.5</b>	<b>3.0%</b>
<b>Liabilities</b>				
Accounts Payable	107.5	112.7	(5.2)	4.8%
S-T Provisions <sup>(4)</sup>	3.3	3.1	0.2	(5.5%)
Taxes Payable <sup>(2)</sup>	120.5	122.0	(1.5)	1.3%
Deferred Payments <sup>(5)</sup>	1.1	2.4	(1.3)	n.a.
Other Current Liabilities <sup>(3)</sup>	2.6	3.7	(1.1)	42.9%
<b>Total</b>	<b>235.0</b>	<b>243.8</b>	<b>(8.8)</b>	<b>3.8%</b>
<b>Net Working Capital</b>	<b>(84.6)</b>	<b>(88.9)</b>	<b>(4.3)</b>	<b>(5.2%)</b>

## Balance Sheet

- Total assets decreased by €133.4 mm in Q1 2020. This decrease is principally attributable to a decrease in fixed assets, intangible assets and goodwill.
- Current Assets increased by €38.1 mm, as a result of a €47.0 mm increase in Cash & equivalents following the additional financings and drawing on the SSRCF, partially offset by a €11.5 mm decrease in taxes receivable.
- Financial debt, including both the short and long term portion increased by €71.7 mm as a result of a €41.3 mm drawing on the SSRCF, the €21.1 mm increase in the USD denominated Senior Notes due to the appreciation of the USD against the Euro and the €10.3 mm increase in OpCo debt (including capital leases) following the securing of a new MXN 500 mm loan in Mexico.
- Minority interests decreased by €19.5 mm to €61.6 mm and shareholders' equity decreased by €142.4 mm to negative €180.4 mm due to the €97.1 mm loss in the period together with exchange rate impacts.

## Net Working Capital

- Net working capital decreased by €4.3 mm to negative €88.9 mm.
- This change in net working capital was primarily due to a €5.2 mm increase in accounts payable and a €5.1 mm increase in taxes payable, net<sup>6</sup>, partially offset by a €4.6 mm increase in prepaid expenses and a €4.5 mm increase in accounts receivable.

<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-19	Mar-20	Var.	Var. %
<b>Capitalization</b>				
S-T Financial Debt <sup>(1)</sup>	36.6	51.7	15.1	41.3%
L-T Financial Debt <sup>(1)</sup>	867.8	924.4	56.6	6.5%
<b>Total Financial Debt</b>	<b>904.4</b>	<b>976.1</b>	<b>71.7</b>	<b>7.9%</b>
Minority Interests	81.1	61.6	(19.5)	(24.0%)
Shareholders' Equity	(38.0)	(180.4)	(142.4)	n.a.
<b>Total Capitalization</b>	<b>947.5</b>	<b>857.4</b>	<b>(90.1)</b>	<b>(9.5%)</b>
<b>Financial Debt<sup>(1)</sup></b>				
OpCo Debt (excl. Capital Leases)	81.0	91.3	10.3	12.7%
OpCo Capital Leases	7.1	6.1	(1.0)	(13.9%)
<b>Sub-Total</b>	<b>88.2</b>	<b>97.4</b>	<b>9.2</b>	<b>10.5%</b>
Super Senior Revolving Credit Facility	45.3	86.6	41.3	91.1%
Senior Notes	770.9	792.0	21.1	2.7%
<b>Total Financial Debt</b>	<b>904.4</b>	<b>976.1</b>	<b>71.7</b>	<b>7.9%</b>
Capitalization of Operating Leases <sup>(2)</sup>	251.1	225.9	(25.2)	(10.0%)
<b>Total Adjusted Debt</b>	<b>1,155.6</b>	<b>1,202.0</b>	<b>46.4</b>	<b>4.0%</b>
<b>Cash &amp; Equivalents</b>				
Mexico	20.0	27.1	7.1	35.2%
Argentina	16.9	7.6	(9.3)	(55.0%)
Spain	7.6	19.0	11.4	n.a.
Italy	17.3	19.2	1.9	11.3%
Other Operations	24.1	14.1	(10.0)	(41.5%)
<b>Sub-Total</b>	<b>85.9</b>	<b>87.1</b>	<b>1.2</b>	<b>1.3%</b>
Corporate	17.1	63.0	45.9	n.a.
<b>Total</b>	<b>103.1</b>	<b>150.1</b>	<b>47.0</b>	<b>45.6%</b>
Europe (incl. Corporate)	42.0	101.3	59.3	n.a.
Latam	61.1	48.8	(12.3)	(20.1%)
<b>Total</b>	<b>103.1</b>	<b>150.1</b>	<b>47.0</b>	<b>45.6%</b>
<b>Credit Statistics</b>				
<b>LTM Adjusted EBITDA</b>	<b>319.0</b>	<b>285.8</b>	<b>(33.2)</b>	<b>(10.4%)</b>
Proforma Interest Expense <sup>(3)</sup>	86.8	88.3	1.5	1.7%
<b>Leverage:</b>				
Senior Financial Debt <sup>(4)</sup> / LTM Adjusted EBITDA	0.4x	0.6x	0.2x	47.8%
<b>Total Adj. Net Debt / LTM Adj. EBITDA</b>	<b>3.3x</b>	<b>3.7x</b>	<b>0.4x</b>	<b>12.1%</b>
<i>Including Inflation Accounting</i>	3.3x	3.7x	0.4x	12.0%
<b>Coverage:</b>				
<b>LTM Adjusted EBITDA / Proforma Interest Expense</b>	<b>3.7x</b>	<b>3.2x</b>	<b>(0.5x)</b>	<b>(13.6%)</b>
<i>Including Inflation Accounting</i>	3.7x	3.2x	(0.5x)	(13.7%)

<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, 2019 and March 31, 2020, as applicable, financial debt outstanding and interest rates; excludes fees on unused revolver availability.

<sup>4</sup> Includes structurally senior OpCo debt (including capital leases) plus drawn amounts outstanding under the €95 mm SSRCF.

## 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	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<b>Latin America</b>												
Argentina	13	13	-	-	-	-	-	-	-	-	13	13
Mexico <sup>(6)</sup>	95	95	-	-	-	-	90	93	1	1	96	96
Panama <sup>(6,7)</sup>	11	11	-	-	-	-	8	8	1	1	12	12
Colombia	9	9	139	132	-	-	142	59	-	-	290	200
Uruguay (CN)	1	1	-	-	-	-	-	-	-	-	1	1
Uruguay (HRU) <sup>(8)</sup>	5	5	-	-	-	-	28	27	2	2	30	29
Brazil	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>134</b>	<b>134</b>	<b>139</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>268</b>	<b>187</b>	<b>4</b>	<b>4</b>	<b>442</b>	<b>351</b>
<b>Europe</b>												
Italy	11	11	-	-	2,194	2,125	-	-	-	-	2,205	2,136
Spain <sup>(9)</sup>	3	3	1,018	1,036	7,704	7,067	62	58	-	-	8,787	8,164
<b>Total</b>	<b>14</b>	<b>14</b>	<b>1,018</b>	<b>1,036</b>	<b>9,898</b>	<b>9,192</b>	<b>62</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>10,992</b>	<b>10,300</b>
<b>Total Group</b>	<b>148</b>	<b>148</b>	<b>1,157</b>	<b>1,168</b>	<b>9,898</b>	<b>9,192</b>	<b>330</b>	<b>245</b>	<b>4</b>	<b>4</b>	<b>11,434</b>	<b>10,651</b>
<b>Operator</b>												
Codere	148	148	180	173	-	-	188	186	4	4	275	346
Third Party	-	-	977	995	9,898	9,192	142	59	-	-	11,017	10,246
<b>Total</b>	<b>148</b>	<b>148</b>	<b>1,157</b>	<b>1,168</b>	<b>9,898</b>	<b>9,192</b>	<b>330</b>	<b>245</b>	<b>4</b>	<b>4</b>	<b>11,292</b>	<b>10,592</b>
<b>Spain</b>												
SSTs Only <sup>(10)</sup>	-	-	980	995	1,123	1,027	21	17	-	-	2,124	2,039
AWPs & SSTs	3	3	38	41	370	334	41	41	-	-	452	419
<b>Sub-Total</b>	<b>3</b>	<b>3</b>	<b>1,018</b>	<b>1,036</b>	<b>1,493</b>	<b>1,361</b>	<b>62</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>2,576</b>	<b>2,458</b>
AWPs Only	-	-	-	-	6,211	5,706	-	-	-	-	6,211	5,706
<b>Total</b>	<b>3</b>	<b>3</b>	<b>1,018</b>	<b>1,036</b>	<b>7,704</b>	<b>7,067</b>	<b>62</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>8,787</b>	<b>8,164</b>

<sup>1</sup> Figures as at March 31, 2019 and 2020, 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 38 affiliated agencies (horserace betting only).

<sup>8</sup> Figure for sports betting shops includes 5 sports books co-located within HRU operated gaming halls.

<sup>9</sup> Sports betting shops excludes 47 and 43, respectively, franchised locations (included in Arcades).

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

## 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		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
<b>Latin America</b>													
Argentina	6,861	6,861	-	-	11,692	11,692	-	-	-	-	18,553	18,553	
Mexico	21,829	21,401	2,178	1,704	11,217	10,965	741	742	-	-	35,965	34,812	
Panama <sup>(6)</sup>	2,940	2,890	306	324	-	-	42	49	-	-	3,288	3,263	
Colombia	4,346	4,340	132	108	500	447	638	567	-	-	5,616	5,462	
Uruguay (CN)	403	408	144	162	-	-	-	-	-	-	547	570	
Uruguay (HRU)	1,875	1,889	-	-	-	-	28	27	-	-	1,903	1,916	
Brazil	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>38,254</b>	<b>37,789</b>	<b>2,760</b>	<b>2,298</b>	<b>23,409</b>	<b>23,104</b>	<b>1,449</b>	<b>1,385</b>	<b>-</b>	<b>-</b>	<b>65,872</b>	<b>64,576</b>	
<b>Europe</b>													
Italy <sup>(7)</sup>	8,124	7,993	-	-	5,139	5,139	-	-	14,231	13,610	20,481	19,731	
AWP <sup>(8)</sup>	7,215	7,168	-	-	-	-	-	-	12,726	12,347	13,785	13,289	
VLT <sup>(9)</sup>	909	825	-	-	-	-	-	-	1,505	1,263	1,557	1,303	
Spain <sup>(10)</sup>	10,298	9,864	-	-	1,064	1,064	7,165	7,078	-	-	18,527	18,006	
<b>Total</b>	<b>18,422</b>	<b>17,857</b>	<b>-</b>	<b>-</b>	<b>6,203</b>	<b>6,203</b>	<b>7,165</b>	<b>7,078</b>	<b>14,231</b>	<b>13,610</b>	<b>39,008</b>	<b>37,737</b>	
<b>Total Group</b>	<b>56,676</b>	<b>55,646</b>	<b>2,760</b>	<b>2,298</b>	<b>29,612</b>	<b>29,307</b>	<b>8,614</b>	<b>8,463</b>	<b>14,231</b>	<b>13,610</b>	<b>104,880</b>	<b>102,313</b>	
<b>Gaming Venue</b>													
Gaming Halls	36,044	35,627	2,760	2,298	29,612	29,307	876	887	-	-	69,292	68,119	
Arcades	4,437	4,376	-	-	-	-	5,469	5,678	-	-	9,906	10,054	
Bars	16,071	15,515	-	-	-	-	1,541	1,361	-	-	17,612	16,876	
Sports Betting Shops	124	128	-	-	-	-	728	537	-	-	852	665	
Network <sup>(11)</sup>	-	-	-	-	-	-	-	-	14,231	13,610	7,218	6,599	
<b>Total Group</b>	<b>56,676</b>	<b>55,646</b>	<b>2,760</b>	<b>2,298</b>	<b>29,612</b>	<b>29,307</b>	<b>8,614</b>	<b>8,463</b>	<b>14,231</b>	<b>13,610</b>	<b>104,880</b>	<b>102,313</b>	

<sup>1</sup> Figures as at March 31, 2019 and 2020, 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.

<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 38 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 1,059 and 942 units, respectively, connected to 3<sup>rd</sup> party networks.

<sup>9</sup> Figures for slots include 52 and 40 units, respectively, 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 impact to our business and actions taken thereafter.** Following the global outbreak of COVID-19 and the lockdowns imposed by governments across the globe, the Company temporarily closed all of its retail operations between March 8 and March 25. Only our online business remained in operation, although impacted by the cancellation of sports competitions which drive sports betting activity. As of today, only our Uruguayan racetracks have resumed operations, with most of the other markets expected to reopen during June and July.

Following these material disruptions, we put in place a contingency plan to preserve liquidity and ensure business continuity, reducing and deferring our main expenses (personnel, rentals and taxes, among others). Through this plan, we have managed to cut fixed operating expenses by more than half, considerably reducing our monthly cash consumption. As of this week, our liquidity amounts to approximately €121 mm, prior to the coupon payment on our senior notes.

Together with these efforts to preserve liquidity, we have also launched a formal process with financial advisors, to raise an incremental €105 mm senior debt in order to provide the Company with sufficient flexibility to bridge to the restart of our operations and to achieve a revenue run rate that allows us to start generating cash with sufficient room to face potential additional uncertainties in the next months.

- **Coupon deferral on senior secured notes.** On April 27, 2020 we announced the deferral of our coupon payment due on April 30 to May 30, making use of the 30-day grace period provided under the Indenture governing said notes. The Board of Directors, taking into consideration that the news in the period have not changed materially our expectations for the second half of 2020 and the progress of our liquidity position and liquidity initiatives, confirmed yesterday the payment of the coupon before the grace period expires.
- **New financings secured.** On March 13, 2020, the company secured a MXN 500 million bank loan in Mexico, with maturity in 2025. Additionally, during Q1, the Company fully drew remaining liquidity available within its €95 mm super senior revolving credit facility.
- **Inflation accounting in Argentina.** The company started to apply IAS 29 (inflation accounting) in Q3 2018. Under this International Accounting Standard, financial statements have been adjusted applying inflation to the end of the period on Income Statement items and using end of period exchange rates. Inflation accounting resulted in the following impacts in Q1 2020:
  - (i) Negative impact of €3.4 mm on Operating Profit, broken down as follows:
    - a. impact on EBITDA of negative €0.3 mm;
    - b. impact on Other Opex below EBITDA of negative €3.0 mm;
  - (ii) Inflation adjustment as interest income (€1.3 mm) and
  - (iii) Inflation adjustment as higher corporate income tax (€1.3 mm).
- **Adjustments to EBITDA:** In Q1 2020, we incurred in €(3.3) mm non-recurring items, broken down as follows:
  - (i) Operational and personnel restructuring: €(0.8) mm
  - (ii) Litigation related to shareholders: €(0.3) mm
  - (iii) Tax contingencies and selected advisories: €(1.9) mm
  - (iv) Other: €(0.3) mm

In addition, the company invested €4.4 mm in online growth marketing initiatives (reported as operational expense).

## Contact Information

Codere is a leading international gaming operator with nearly 57,000 slot machines, 30,000 bingo seats and 8,500 sports betting terminals in Latin America, Spain and Italy, across various gaming venues, including 148 gaming halls, 1,200 arcades, 9,200 bars, 245 sports betting shops and 4 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.