

# Codere Cleansing Materials

March 2023



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# Introduction

01

# 01. Executive Summary

- Following the restructuring process that took place in 2021 the Company has continued improving operating performance vs. Covid-impacted years
- The Company continued to show top line growth across most of the markets with strong recovery particularly in Spain, Argentina and Italy
- Notwithstanding the encouraging sales performance, **Codere continues to face headwinds and liquidity pressure** mainly related to:
  - Higher than expected **increases in expenses associated with cash repatriation from Argentina** (Pre-covid cost between 5-30% vs. over 50% now)
  - Increased competition in certain key geographies** (i.e. Mexico and Panama) has materially impacted profitability (2022 Adj. Retail EBITDA for Panama and Mexico c. 45% and 70% below 2019 levels)
  - Slower than expected recovery** mainly related to restrictions in 2022 in key geographies, and delayed CAPEX investments
  - Required normalization of legacy payments of €49m** from Covid, mainly deferred working capital, gaming taxes and capex financing related to one-off Argentina license payments (€17m including financing cost)
- To address these issues the Company took actions in **2 key areas**:
  - Operational review:** Over the last few months the Company completed a full internal review process and put in place a number of specific measures to improve and strengthen current reporting, management and forecasting processes, including:
    - A review of the Short Term Cash Flow process to allow the Company to monitor cash proactively and assess liquidity headroom
    - Development of a country by country bottom up budget and business plan model
    - Hired local advisors to stress test and validate key assumptions and global advisors to help in the preparation and build of the budget and business plan
    - Hired external Operating Partners (see bios on following slide) to help review Codere's business in certain key geographies and the associated budget and business plan
    - Identification of several incremental levers to support the profitability improvement during the Business Plan
  - Capital Structure:**
    - To allow for a successful implementation of the business plan and provide the Company with the appropriate liquidity cushion the Company is seeking to **raise €100m of First Priority Notes** that will be offered out pro-rata to all New Super Senior Noteholders ("NSSNs")
    - The proposal has the support of the Ad Hoc Committee of Noteholders ("AHC") that represent **c.60% of the New Super Senior Notes, c.58% of the EUR Senior Secured Notes ("EUR SSNs"), c.62% of the USD Senior Secured Notes ("USD SSNs"), c.66% of the Subordinated HoldCo PIK / Class A shares and 62% of the ordinary Equity** (Class A plus Class B Shares) and all associated approvals for the proposed transaction and respective amendments have been considered
    - Detailed terms of the proposed transaction can be found on section 4



# 01. Recent Events

## Management Team Update

- Alberto González del Solar and Alejandro Rodino, who have held the joint position of CEO will step down effective 31 March 2023.
- Codere has strengthened its management team through the appointment of Emilio Zaffignani as Interim Manager. Emilio has covered similar roles over the last 10 years (CFO, CEO and CRO) and has professional experience in other global businesses such as GE, Diversy, Dow, La Seda and Douglas Spain.
- New permanent CEO agreed and expected to be formally appointed in the summer of 2023. Strong profile aligned with the Company's priorities: Proven operational impact in a variety of contexts (turnaround situations, merger integration, growth). Wide international experience (including responsibilities for large scale Latam operations of regulated businesses). In a previous role as a CEO of a private equity owned company, successfully exited to a strategic buyer.
- Neil Robson has also joined the board of Codere New TopCo. Neil brings extensive experience as a non-executive director, board member and chief performance officer across a number of different sectors.

## Operating Partners

- **Anton Alba:** Over 22 years of experience in the gambling industry. Relevant previous roles in either finance or managing director roles include Cirsa, LUCKIA, WIN Systems and NORTIA
- **Francisco Vidal:** 25 years of experience in the casino industry. Relevant previous roles as Operations Director include Cirsa, Codere, Luckia, Logrand and Novomatic
- **Jacobo Lopez Zafrá:** Over 14 years of experience in the gambling industry. Relevant previous roles as COO and Business Development Director of Codere Spain and Codere Italy, CFO and COO of Victoria Apuestas
- **Guy Berchon:** Over 16 years of experience in the gambling industry. Relevant previous roles as Codere Director in the North of Spain region, supporting the Corporate and Commercial Director of Grupo Cibeles
- **Pedro Vidal:** Over 28 years of experience in management roles, of which 16 years at Codere

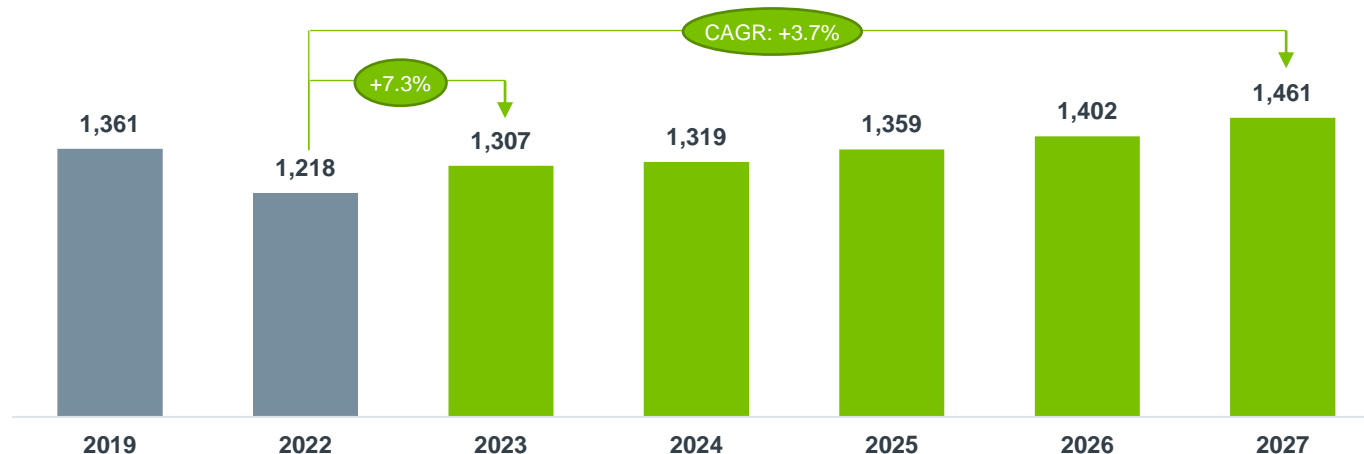
## Codere Mexico Tax Claim

- In 2008, Complejos Turísticos de Huatulco, S.A. de C.V. ("CTH") and other subsidiaries of Codere México merged into Codere México.
- As part of that transaction there were FX gains and losses on both sides.
- In 2012, the Mexican tax authority ("SAT") questioned the validity of the losses and filed a claim of Mex. Ps. 561 million (c.€27m). This claim was challenged by Codere and overturned by the local court.
- In mid-2018, SAT notified Codere of a new tax assessment for the 2008 financial year in the amount of Mex. Ps. 1,272 million (c.€61m). Codere challenged the tax assessment in September 2018 to nullify this claim, before a Federal Court for Administrative Matters. The Court ruled against Codere in December 2021. Then Codere filed an appeal before a Federal Circuit Court in March 2022. This appeal was however denied on January 20th, 2023, by the Federal Circuit Court.
- In 2019, Codere México granted security over a minority portion of its shares in Impulsora de Centro de Entretenimiento de las Américas SAPI de CV ("ICELA") to stay enforcement of the tax claim pending resolution of all available challenges.
- On February 24th, 2023, Codere México filed an appeal before the Mexican Supreme Court against the ruling based on constitutional violations.
- Codere believes that the basis for the 2018 tax assessment from SAT is without merit and holds a strong view that the disposition of the assessment will be in Codere's favour. In addition to the appeal before the Supreme Court, there are other options legally available to challenge the tax debt enforceable. Codere believes the most likely outcomes are either (1) success on its appeal or the other legally available options, resulting in extinguishment of the tax claims entirely and any associated liability, or (2) a significantly reduced liability resulting from successful petitions to relevant administrative authorities
- In the (unlikely, in Codere's view) event that those challenges are not successful, the current calculation of the total liability of Codere México would be approximately €50m (taking into account interest and eventual reduction of the potential surcharges, fines and assuming the payment is not deferred).
- For its FY2022 accounts Codere is expecting to recognise a provision of c.€50m
- Further detail available in slide 43.

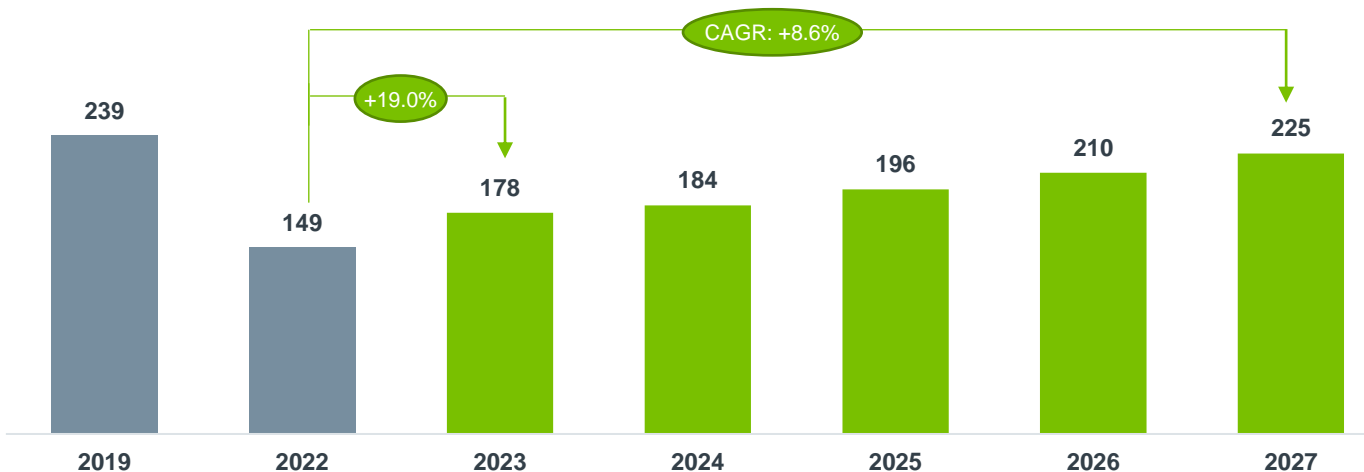
# 01. Key Business Plan Considerations (1/3)

The Company expects to see Gross Win recover to 2019 levels mainly driven by Spain, Argentina continued growth and Mexico recovery

## Gross Win Evolution Over Time (€m)



## Adjusted Retail EBITDA Over Time (€m)



## Key Commentary

- The Company has completed a comprehensive review of its budget and business plan and has worked with its advisors in the preparation of a bottom up forecast on a country by country basis
- The Company expects to see GW recover to 2019 levels during the course of 2025 mainly driven by Spain, Argentina continued growth and Mexico recovery
- Adj. Retail EBITDA is also expected to recover over time but the Company has prudently assumed that in 2027 it will still be c. 6% below pre-Covid levels
  - Main drivers of Adj. Retail EBITDA growth will be Spain, Argentina, and Uruguay
  - The strong Adj. Retail EBITDA contraction in Mexico (in 2027 forecasted to be at €45.9m, 45% below 2019 levels) significantly affect the overall Adj. Retail EBITDA growth of the Company
  - Conservative approach taken for Mexico mainly due to increased competition in the country as well as the reduced CAPEX investments in recent years

# 01. Key Business Plan Considerations (2/3)

The Group expects a total Gross Win of €1.3bn in 2023, recovering to pre-Covid levels in 2025. Over the Business Plan, Adj. Retail EBITDA expected to reach €225m in 2027, which remains below pre-covid profitability performance

€m	2019	2022	2023	2024	2025	2026	2027
<b>Gross Win:</b>							
Spain	221.6	208.5	214.2	221.3	228.6	236.9	243.4
Italy	374.7	310.3	329.1	343.0	361.3	365.8	368.7
Argentina	309.8	339.2	358.6	354.6	362.5	386.2	427.8
Mexico	290.7	216.6	240.9	234.3	236.0	236.9	239.1
Panama	70.3	68.9	74.4	77.3	79.5	81.5	84.2
Colombia	33.0	26.5	24.3	27.2	28.5	30.3	31.4
Uruguay	61.2	47.7	65.3	61.4	62.5	64.1	66.4
<b>Total Retail Gross Win</b>	<b>1,361.2</b>	<b>1,217.6</b>	<b>1,306.9</b>	<b>1,319.0</b>	<b>1,359.0</b>	<b>1,401.8</b>	<b>1,461.1</b>
<b>Operating Revenues:</b>							
Spain	189.8	172.9	182.4	190.8	196.8	202.9	207.0
Italy	343.3	283.4	299.1	311.8	328.4	332.5	335.1
Argentina	317.2	346.9	368.2	366.3	374.3	398.7	441.6
Mexico	307.8	233.0	257.2	250.1	252.2	253.1	255.6
Panama	78.2	71.8	77.7	80.3	82.6	84.6	87.2
Colombia	19.0	20.8	19.0	27.6	29.0	30.8	31.9
Uruguay	74.2	71.9	91.1	71.5	72.7	74.3	76.9
Online	59.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total Operating Revenues<sup>(1)</sup></b>	<b>1,389.3</b>	<b>1,200.7</b>	<b>1,294.7</b>	<b>1,298.4</b>	<b>1,335.9</b>	<b>1,376.9</b>	<b>1,435.3</b>
<b>Net Revenues:</b>							
Spain	137.0	126.1	134.4	142.1	147.2	152.5	155.9
Italy	102.5	89.4	93.8	97.4	102.2	103.4	104.1
Argentina	174.6	190.3	200.3	197.4	201.8	214.9	238.0
Mexico	242.4	181.7	203.7	196.9	196.8	197.4	199.2
Panama	56.8	53.7	58.5	60.5	62.2	63.7	65.6
Colombia	15.6	13.9	13.4	14.8	15.5	16.6	17.1
Uruguay	63.2	50.0	67.7	63.5	64.5	66.0	68.3
<b>Total Retail Net Revenues</b>	<b>792.2</b>	<b>705.1</b>	<b>771.8</b>	<b>772.5</b>	<b>790.2</b>	<b>814.5</b>	<b>848.3</b>
<b>Adj. EBITDA Pre-IFRS 16:</b>							
Spain	40.8	37.0	40.6	42.6	43.2	44.7	46.2
Italy	21.1	15.8	15.7	16.6	20.5	20.5	20.1
Argentina	72.7	75.4	71.6	71.7	75.0	81.4	91.1
Mexico	83.1	25.5	36.0	36.7	40.1	43.4	45.9
Panama	8.6	4.9	8.8	10.5	11.7	12.9	14.2
Colombia	3.3	3.7	3.4	3.8	4.1	4.4	4.6
Uruguay	20.6	6.3	19.3	18.6	19.3	20.4	21.7
HQ <sup>(2)</sup>	(10.8)	(19.5)	(17.8)	(17.0)	(17.5)	(18.0)	(18.6)
<b>Total Adj. EBITDA Retail Pre-IFRS 16</b>	<b>239.3</b>	<b>149.1</b>	<b>177.6</b>	<b>183.5</b>	<b>196.4</b>	<b>209.7</b>	<b>225.1</b>
Online	9.9						
Brazil	(0.1)	(0.1)					
<b>Total Adj. EBITDA Consolidated Pre-IFRS 16</b>	<b>249.1</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

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Note: Includes revenue recognition for HRU. On a pre-IFRS 16 basis.

(1) 2019 is the only year shown in which total operating revenues include Online operating revenues. (2) Excludes Brazil HQ costs, which are included within the Brazil Adj. Retail EBITDA. For homogeneity purposes Brazil has been excluded from the analysis of historical information as it has been discontinued.

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# 01. Key Business Plan Considerations (3/3)

As part of the internal review process the Company worked with Operating Partners (Ops) and external advisors and identified a number of additional levers it can pull to secure the current plan

The interim manager and the incoming new CEO will also further validate the proposed initiatives

1

## Cost Saving Initiatives

- Total Codere operating expenses in 2022 amounted to €556m (2023 budget: €594m). Of these operating expenses, €246.8m (44% of total operating expenses) relates to personnel expenses (2023 budget: €268.6m)
- Total opex as a percentage of gross win has increased from 41% in 2019, to 45% in 2022. Opex is expected to remain at a similar level in 2023B and higher than industry benchmarks
- The Company must focus on rationalizing costs to be more competitive, and one of the top priorities under the new management structure will be to introduce a disciplined approach to costs and capital allocation, and to identify and implement a cost reduction program, not reflected in the Company's budget and business plan

2

## Defensive CAPEX

- The OPs together with the Company focused on a deep review of the current Codere Mexico value proposition and the potential investment requirements and incremental Adj. Retail EBITDA that could be achieved through an accelerated capex program
- Latam OPs visited and analysed c.80% of halls in Mexico. They have identified specific improvement initiatives to enhance operating and financial KPIs
- Identified opportunities would require an **investment of ~€30-50m** to refurbish 35 halls with the highest potential of improvement. The investment would be tranching and phased based on prioritization across the existing hall footprint
- Key actions include halls remodeling, slots optimization, table expansions, customer service and targeted marketing actions

3

## Spanish M&A Pipeline

- Highly fragmented market with over 150.000 slots and 5.000 operators offering numerous potential targets for consolidation
- Growth strategy to focus on the acquisition of medium & small sized route operators
- The Company can leverage off an advanced and vetted pipeline that is ready to be executed, with a target IRR > 20% and Payback < 5 years
- The Company has a defined pipeline of initiatives and on slide 72 has detailed some of the key metrics analysed for 5 potential targets in Spain that can be actioned in the short term, but would have a time lag effect on free cash flow generation in Spain
- The OPs, together with the Company have reviewed and validated the assumptions and the potential of the opportunity

Near Term  
Actionability



# Short Term Cash Flow Forecast

02

# Short Term Cash Flow Forecast

## 2.1 Cash Analysis

2.1

## 2.1 Cash Analysis | Consolidated Cash Flows

Between March and the beginning of June '23 the Company estimates a €13.1m outflow, with total liquidity reducing to €63.7m on w/c 29-May (excluding €14.8m NSSNs and €2.3m SSNs coupon payment contractually due in March and April, respectively)

### Retail Consolidated Cash Flow Mar23 – Jun23 (€m)

€m	W12 13-MAR	W13 20-MAR	W14 27-MAR	W15 03-APR	W16 10-APR	W17 17-APR	W18 24-APR	W19 01-MAY	W20 08-MAY	W21 15-MAY	W22 22-MAY	W23 29-MAY	Total Forecast
Operational Income	24.8	34.5	23.6	28.6	30.4	26.0	35.7	22.6	31.2	24.2	34.8	25.3	341.5
Non Operational Income	(1.9)	3.0	0.4	0.0	0.0	0.0	0.4	1.0	0.0	0.0	1.1	8.0	12.3
Operational Expenses	(27.0)	(31.6)	(44.0)	(17.8)	(39.6)	(9.3)	(41.9)	(10.4)	(17.4)	(29.7)	(26.7)	(50.0)	(345.3)
Interco Movements	0.4	0.2	(0.2)	0.4	0.4	(0.2)	0.2	0.4	0.4	0.4	0.4	(0.2)	2.6
Arg. Cash Rep. Cost	(1.2)	(1.0)	-	-	-	(0.8)	-	-	-	-	-	-	(3.0)
<b>Operating Cash Flow</b>	<b>(4.8)</b>	<b>5.1</b>	<b>(20.2)</b>	<b>11.2</b>	<b>(8.8)</b>	<b>15.8</b>	<b>(5.6)</b>	<b>13.7</b>	<b>14.3</b>	<b>(5.1)</b>	<b>9.5</b>	<b>(16.9)</b>	<b>8.3</b>
<b>Investment Cash Flow</b>	<b>(0.8)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.6)</b>	<b>(2.7)</b>	<b>(1.9)</b>	<b>(1.6)</b>	<b>(0.4)</b>	<b>(2.5)</b>	<b>(1.2)</b>	<b>(0.8)</b>	<b>(1.0)</b>	<b>(14.8)</b>
<b>Financial Cash Flow</b>	<b>0.5</b>	<b>(0.6)</b>	<b>(0.8)</b>	<b>(0.5)</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>(1.0)</b>	<b>(0.4)</b>	<b>(2.2)</b>	<b>(0.3)</b>	<b>(1.1)</b>	<b>(0.4)</b>	<b>(8.0)</b>
<b>Total Cash Flow</b>	<b>(5.1)</b>	<b>3.9</b>	<b>(21.7)</b>	<b>10.1</b>	<b>(12.5)</b>	<b>13.8</b>	<b>(8.2)</b>	<b>12.8</b>	<b>9.5</b>	<b>(6.6)</b>	<b>7.7</b>	<b>(18.3)</b>	<b>(14.6)</b>
Online Collection (Interc.)	-	-	0.9	-	-	-	0.9	-	-	-	-	0.9	2.7
Minority Partners CF	(0.6)	1.1	(0.7)	1.2	(1.2)	1.2	(1.3)	(2.3)	0.2	1.4	(1.0)	0.2	(1.8)
Int. Transf. & Cash Pool.	(0.0)	-	0.6	-	-	-	-	-	-	-	-	-	0.6
<b>Net Cash Flow</b>	<b>(5.7)</b>	<b>5.0</b>	<b>(20.9)</b>	<b>11.3</b>	<b>(13.7)</b>	<b>15.0</b>	<b>(8.6)</b>	<b>10.5</b>	<b>9.7</b>	<b>(5.2)</b>	<b>6.6</b>	<b>(17.2)</b>	<b>(13.1)</b>
<b>Cash Balance BoP</b>	<b>76.8</b>	<b>71.0</b>	<b>76.0</b>	<b>55.1</b>	<b>66.5</b>	<b>52.8</b>	<b>67.8</b>	<b>59.2</b>	<b>69.7</b>	<b>79.5</b>	<b>74.2</b>	<b>80.9</b>	<b>76.8</b>
<b>Cash Balance EoP (A)</b>	<b>71.0</b>	<b>76.0</b>	<b>55.1</b>	<b>66.5</b>	<b>52.8</b>	<b>67.8</b>	<b>59.2</b>	<b>69.7</b>	<b>79.5</b>	<b>74.2</b>	<b>80.9</b>	<b>63.7</b>	<b>63.7</b>
<b>Non available cash (B)</b>	<b>28.9</b>	<b>30.4</b>	<b>30.9</b>	<b>30.7</b>	<b>30.6</b>	<b>30.5</b>	<b>31.3</b>	<b>31.5</b>	<b>30.3</b>	<b>30.3</b>	<b>30.2</b>	<b>30.8</b>	
<b>Available Cash (A-B)</b>	<b>42.1</b>	<b>45.6</b>	<b>24.2</b>	<b>35.8</b>	<b>22.1</b>	<b>37.2</b>	<b>27.9</b>	<b>38.3</b>	<b>49.1</b>	<b>44.0</b>	<b>50.7</b>	<b>32.9</b>	

Includes cash in slots and min operating liquidity in each country

### Key Commentary

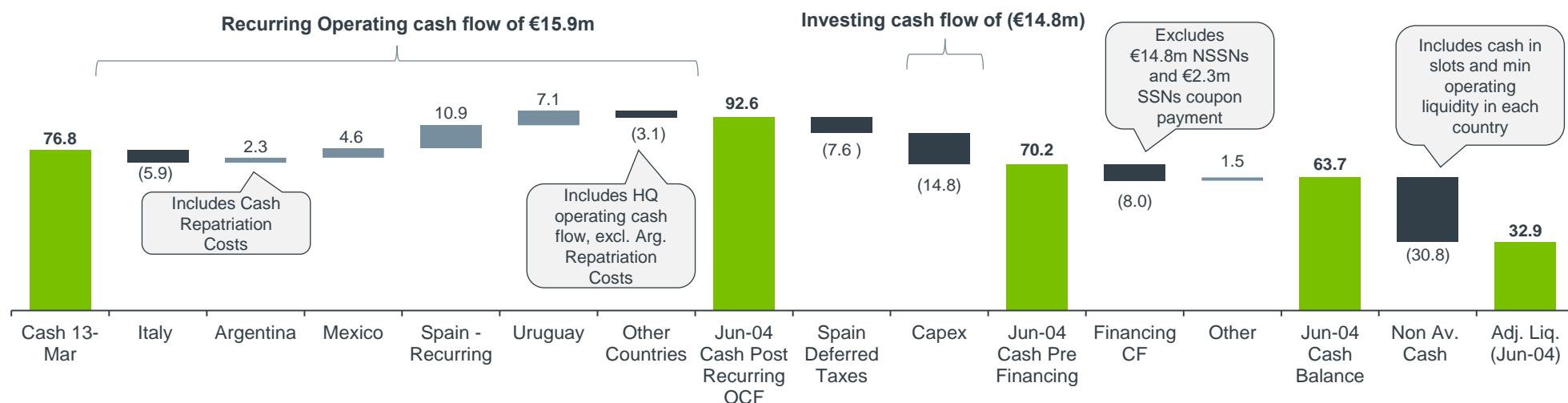
In the next 12 weeks, whilst operating CF is positive for €8.3m it is offset by deferred and current CAPEX investments of c. €14.8m and Financing costs of c. €8.0m

- This excludes the impact of the **NSSNs coupon payment** contractually due in W14 of **€14.8m** and the **SSNs coupon payment** contractually due in W18 of **€2.3m**
- Operational Expenses** vary along the forecast, mainly due to i) Gaming taxes payments, totalling €141m in the period and whose fluctuation is mainly impacted by payments in Italy, ii) Personnel Costs, of which €72m correspond to salaries and iii) Financial transaction advisors fee of €5.7m.
- Non-Operational Income** +€3.0m in W13 mainly due to racetrack subsidy in Panama (+€1.9m) and Uruguay's estimated recovery of €4.4m fiduciary trust (€1.1m in March and €1.1m in May) iii) +€8.0m in W23 mainly due to Italy's income recovery from Network society, returned by the administration
- Investment cash flow** is including CAPEX payment deferrals from previous year (€7.4m), Argentinian licences payment (€3.2m) and Panama gaming licences for Guayacanes Casino (€1.0m) and current year Investment (€3.2m)
- The Company has identified certain potential tactical actions that could be undertaken if required, not considered in the above cashflow forecast and that could provide additional liquidity of up to c. €20m (most of which would be temporary measures).

## 2.1 Cash Analysis | Consolidated Direct CF

Between March and the beginning of June '23 the Company estimates a €13.1m outflow, with total liquidity reducing to €63.7m on w/c 29-May (excluding €14.8m NSSNs and €2.3m SSNs coupon payment contractually due in March and April, respectively)

### Adjusted Consolidated Retail Cash Balance Variations by Country (€m)



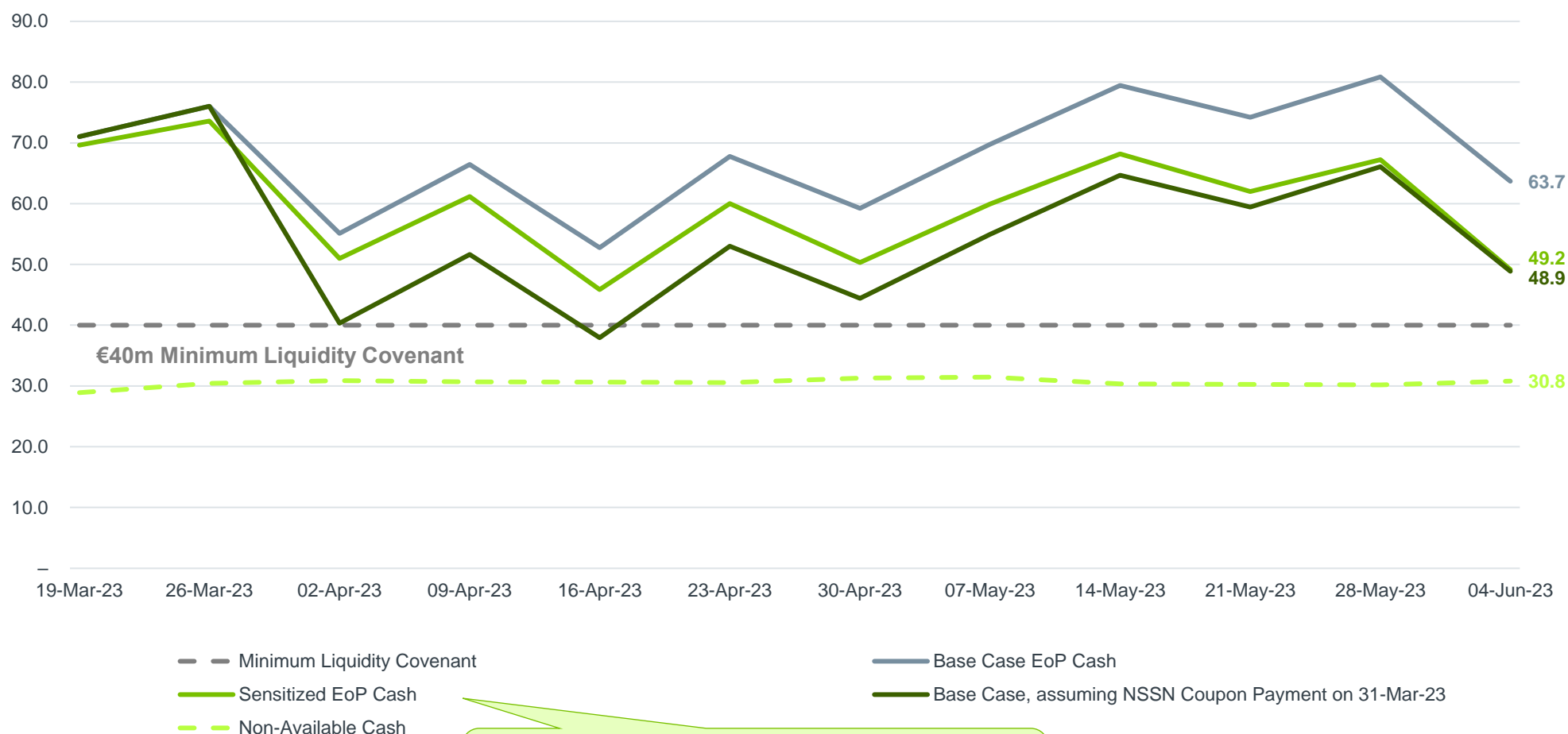
- From an operational perspective, Spain, Uruguay and Argentina are the most cash generative country with combined €20.3m of operational cash flow
  - Argentina has been one of the company's top performers, however, this is partly offset by Argentina Cash repatriation cost which totals €3m in the period
  - It should also be noted that Spain has been adjusted to exclude the payment of deferred taxes from the previous year (€7.6m)
- Total cash as of the 4<sup>th</sup> of June of €63.7m, of which €30.8m is non-available, resulting in an adjusted available liquidity of €32.9m**
  - If the Company were to pay the coupon due on 31<sup>st</sup> Mar, the April lowest adj. liquidity level would be close to €0m
- CAPEX payments refer mostly to maintenance CAPEX, with almost no growth payments expected to be made in the following months, mainly comprised of:
  - (€5.9m) in Argentina, mainly for licenses
  - (€5.1m) in Spain
  - (€1.9m) in Panama

No covenant breach as Liquidity Covenant is measured on a quarterly basis

## 2.1 Cash Analysis | Liquidity Analysis

Liquidity is expected to tighten in April as a result of current and deferred gaming taxes in Spain and Italy, and Panama License of c. €1m. Should the Company make the coupon payment at the end of March liquidity would drop below the minimum liquidity covenant set at €40m<sup>(2)</sup>

### Short Term Liquidity Analysis



Sensitivities have been applied to Operational Income and Operational Expenses based on each country deviation (Sensitized as lower operational income and higher Other Op. Expenses)<sup>(1)</sup>

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(1) Implies a c. (€15m) cumulative variation over the period Adj. Retail EBITDA.

(2) No covenant breach as Liquidity Covenant is measured on a quarterly basis



## 2.1 Cash Analysis | Spain

### Adjusted 12 Weeks Cash Flow | W12 to W23

€m	W12 13-MAR	W13 20-MAR	W14 27-MAR	W15 03-APR	W16 10-APR	W17 17-APR	W18 24-APR	W19 01-MAY	W20 08-MAY	W21 15-MAY	W22 22-MAY	W23 29-MAY	Total Forecast
Operational Income	4.3	4.3	4.5	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	3.4	50.9
Non Operational Income	0.0	-	0.3	-	-	-	-	-	-	-	-	-	0.3
Operational Expenses	(8.3)	(2.5)	(5.9)	(1.9)	(4.8)	(1.9)	(4.2)	(1.3)	(1.5)	(2.2)	(1.5)	(5.0)	(40.9)
Interco Movements	-	-	(4.4)	-	-	-	(1.3)	-	-	-	-	(1.3)	(7.0)
<b>Operating Cash Flow</b>	<b>(4.0)</b>	<b>1.8</b>	<b>(5.4)</b>	<b>2.4</b>	<b>(0.6)</b>	<b>2.4</b>	<b>(1.2)</b>	<b>3.1</b>	<b>2.8</b>	<b>2.2</b>	<b>2.8</b>	<b>(3.0)</b>	<b>3.3</b>
<b>Investment Cash Flow</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(5.1)</b>
<b>Financial Cash Flow</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(1.5)</b>
Minority Partners CF	-	-	(1.0)	-	-	-	-	-	-	-	-	(0.0)	(1.0)
<b>Net Cash Flow</b>	<b>(4.5)</b>	<b>1.4</b>	<b>(6.9)</b>	<b>1.7</b>	<b>(1.2)</b>	<b>1.9</b>	<b>(1.8)</b>	<b>2.5</b>	<b>2.2</b>	<b>1.6</b>	<b>2.2</b>	<b>(3.4)</b>	<b>(4.4)</b>
Cash Balance BoP	25.5	21.0	22.4	15.5	17.2	16.0	17.8	16.1	18.5	20.7	22.3	24.5	25.5
Cash Balance EoP (A)	21.0	22.4	15.5	17.2	16.0	17.8	16.1	18.5	20.7	22.3	24.5	21.1	21.1
Non available cash (B)	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	
<b>Available Cash (A-B)</b>	<b>9.0</b>	<b>10.4</b>	<b>3.5</b>	<b>5.2</b>	<b>4.0</b>	<b>5.8</b>	<b>4.1</b>	<b>6.5</b>	<b>8.7</b>	<b>10.3</b>	<b>12.5</b>	<b>9.1</b>	

### Key Commentary

- Spain's Operating Cash flow amounts to €3.3m, (€10.9m recurring cash flow, if excluding a €7.6m payment of legacy deferred taxes), and Net Cash Flow to (€4.4m)
- Spain has historically been one of the top cash flow generators for the Company, and for the forecasted 12 weeks there is an expected outflow of (€7.0m) to be sent to Headquarters
- The (€40.9m) operational expenses mainly comprise:
  - (€14.4m) in operational suppliers and sports betting prizes payments
  - (€16.4m) in gaming taxes out of which €7.6m are related to deferred gaming taxes from pandemic time
  - (€10.1m) in salaries
- €5.1m investment cash flow relates mainly to commercial capex for the maintenance of machines and agreements with the PoS

## 2.1 Cash Analysis | Argentina

### Adjusted 12 Weeks Cash Flow | W12 to W23

€m	W12 13-MAR	W13 20-MAR	W14 27-MAR	W15 03-APR	W16 10-APR	W17 17-APR	W18 24-APR	W19 01-MAY	W20 08-MAY	W21 15-MAY	W22 22-MAY	W23 29-MAY	Total Forecast
Operational Income	7.0	6.9	6.9	7.9	7.9	7.9	7.9	7.6	7.6	7.6	7.6	7.9	90.7
Non Operational Income	(1.9)	-	-	-	-	-	-	-	-	-	-	-	(1.9)
Operational Expenses	(4.7)	(4.6)	(6.3)	(4.1)	(7.1)	(5.4)	(7.8)	(3.8)	(4.8)	(14.6)	(3.5)	(11.2)	(77.9)
Interco Movements	(2.3)	(1.9)	-	-	-	(1.4)	-	-	-	-	-	-	(5.6)
Arg. Cash Rep. Cost	(1.2)	(1.0)	-	-	-	(0.8)	-	-	-	-	-	-	(3.0)
<b>Operating Cash Flow</b>	<b>(3.1)</b>	<b>(0.6)</b>	<b>0.6</b>	<b>3.8</b>	<b>0.8</b>	<b>0.4</b>	<b>0.1</b>	<b>3.7</b>	<b>2.8</b>	<b>(7.0)</b>	<b>4.1</b>	<b>(3.4)</b>	<b>2.3</b>
<b>Investment Cash Flow</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>(2.1)</b>	<b>-</b>	<b>(0.3)</b>	<b>-</b>	<b>(2.1)</b>	<b>(0.8)</b>	<b>-</b>	<b>-</b>	<b>(5.9)</b>
<b>Financial Cash Flow</b>	<b>0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.8</b>
Minority Partners CF	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow</b>	<b>(2.7)</b>	<b>(0.7)</b>	<b>0.6</b>	<b>3.8</b>	<b>(1.3)</b>	<b>0.4</b>	<b>(0.3)</b>	<b>3.7</b>	<b>0.8</b>	<b>(7.8)</b>	<b>4.1</b>	<b>(3.4)</b>	<b>(2.8)</b>
<b>Cash Balance BoP</b>	<b>8.8</b>	<b>6.1</b>	<b>5.4</b>	<b>6.0</b>	<b>9.7</b>	<b>8.4</b>	<b>8.8</b>	<b>8.6</b>	<b>12.3</b>	<b>13.1</b>	<b>5.3</b>	<b>9.4</b>	<b>8.8</b>
<b>Cash Balance EoP (A)</b>	<b>6.1</b>	<b>5.4</b>	<b>6.0</b>	<b>9.7</b>	<b>8.4</b>	<b>8.8</b>	<b>8.6</b>	<b>12.3</b>	<b>13.1</b>	<b>5.3</b>	<b>9.4</b>	<b>6.0</b>	<b>6.0</b>
<b>Non available cash (B)</b>	<b>3.7</b>	<b>3.7</b>	<b>4.3</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>4.3</b>	<b>4.4</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>4.0</b>	
<b>Available Cash (A-B)</b>	<b>2.4</b>	<b>1.7</b>	<b>1.6</b>	<b>6.3</b>	<b>5.0</b>	<b>5.3</b>	<b>4.3</b>	<b>7.9</b>	<b>9.8</b>	<b>2.0</b>	<b>6.1</b>	<b>2.0</b>	

### Key Commentary

- Argentina's Operating Cash flow amounts to €2.3m and Net Cash Flow to (€2.8m)
  - This includes the impact of cash repatriation costs (€3.0m), although technically incurred at the HQ level
- Liquidity in Argentina is impacted by the Licenses cash out (€3.2m) allocated in investment cash flow
- There are no deferred fees or financing debt to be paid in the following 12 weeks
- Argentina is undergoing through a volatile macroeconomic situation that translates into a challenge when forecasting FX and inflation rates

## 2.1 Cash Analysis | Mexico

### Adjusted 12 Weeks Cash Flow | W12 to W23

€m	W12 13-MAR	W13 20-MAR	W14 27-MAR	W15 03-APR	W16 10-APR	W17 17-APR	W18 24-APR	W19 01-MAY	W20 08-MAY	W21 15-MAY	W22 22-MAY	W23 29-MAY	Total Forecast
Operational Income	6.0	5.8	5.8	7.5	5.8	5.8	6.0	5.9	5.9	5.9	5.9	6.0	72.2
Non Operational Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Expenses	(6.2)	(5.9)	(6.1)	(7.1)	(5.4)	(2.9)	(8.4)	(1.7)	(4.3)	(7.2)	(2.8)	(9.9)	(67.6)
Interco Movements	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Cash Flow</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.3)</b>	<b>0.4</b>	<b>0.4</b>	<b>3.0</b>	<b>(2.4)</b>	<b>4.2</b>	<b>1.6</b>	<b>(1.3)</b>	<b>3.1</b>	<b>(3.9)</b>	<b>4.6</b>
<b>Investment Cash Flow</b>	<b>-</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.5)</b>	<b>(0.8)</b>
<b>Financial Cash Flow</b>	<b>(0.1)</b>	<b>(0.5)</b>	<b>-</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>(0.5)</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>(0.5)</b>	<b>(0.2)</b>	<b>(3.6)</b>
<b>Net Cash Flow</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(0.3)</b>	<b>0.2</b>	<b>(0.2)</b>	<b>2.9</b>	<b>(3.2)</b>	<b>4.0</b>	<b>1.0</b>	<b>(1.4)</b>	<b>2.6</b>	<b>(4.6)</b>	<b>0.2</b>
Cash Balance BoP	5.3	5.1	4.5	4.2	4.4	4.2	7.1	3.9	8.0	9.0	7.5	10.1	5.3
Cash Balance EoP (A)	5.1	4.5	4.2	4.4	4.2	7.1	3.9	8.0	9.0	7.5	10.1	5.5	5.5
Non available cash (B)	2.3	2.3	2.3	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.2	
Available Cash (A-B)	2.8	2.2	1.9	1.4	1.3	4.1	1.0	4.8	5.8	4.4	7.0	2.4	

### Key Commentary

- Mexico's Operating Cash flow amounts to €4.6m and Net Cash Flow to €0.2m
- Total income for the next 12 weeks of €72.2m is aligned with the current run-rate of the country
- Mexico has an expected outcome of deferred payments with suppliers from previous years, due to cash constraints the entity has faced previously and to ensure required cash to sustain operations is available at all times
- Financial cash flow payments refer to local debt payments and interests
- Most of the operational expenses are comprised of:
  - (€42.5m) operational suppliers and rentals
  - (€15.5m) salaries
  - (€9.6m) other taxes

## 2.1 Cash Analysis | Italy

### Adjusted 12 Weeks Cash Flow | W12 to W23

€m	W12 13-MAR	W13 20-MAR	W14 27-MAR	W15 03-APR	W16 10-APR	W17 17-APR	W18 24-APR	W19 01-MAY	W20 08-MAY	W21 15-MAY	W22 22-MAY	W23 29-MAY	Total Forecast
Operational Income	3.8	12.1	3.5	7.3	9.4	2.3	14.4	4.5	10.5	3.5	11.5	4.7	87.5
Non Operational Income	0.0	0.0	0.0	0.0	0.0	0.0	0.3	1.0	0.0	0.0	0.0	7.9	9.5
Operational Expenses	(1.8)	(15.3)	(17.8)	(1.4)	(14.6)	(1.0)	(16.0)	(1.3)	(0.8)	(1.3)	(15.4)	(16.1)	(103.0)
Interco Movements	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Cash Flow</b>	<b>2.0</b>	<b>(3.2)</b>	<b>(14.3)</b>	<b>5.9</b>	<b>(5.2)</b>	<b>1.4</b>	<b>(1.4)</b>	<b>4.2</b>	<b>9.8</b>	<b>2.2</b>	<b>(3.8)</b>	<b>(3.5)</b>	<b>(5.9)</b>
<b>Investment Cash Flow</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Cash Flow</b>	<b>(0.0)</b>	<b>-</b>	<b>(0.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.0)</b>	<b>(0.3)</b>
Minority Partners CF	(0.6)	1.1	0.3	1.2	(1.2)	1.2	(1.3)	(2.3)	0.2	1.4	(1.0)	0.2	(0.7)
<b>Net Cash Flow</b>	<b>1.3</b>	<b>(2.2)</b>	<b>(14.2)</b>	<b>7.2</b>	<b>(6.3)</b>	<b>2.6</b>	<b>(2.6)</b>	<b>1.9</b>	<b>10.0</b>	<b>3.6</b>	<b>(4.8)</b>	<b>(3.3)</b>	<b>(7.0)</b>
Cash Balance BoP	22.5	23.8	21.6	7.4	14.5	8.2	10.8	8.1	10.0	20.0	23.6	18.8	22.5
Cash Balance EoP (A)	23.8	21.6	7.4	14.5	8.2	10.8	8.1	10.0	20.0	23.6	18.8	15.5	15.5
Non available cash (B)	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	
<b>Available Cash (A-B)</b>	<b>17.9</b>	<b>15.7</b>	<b>1.5</b>	<b>8.6</b>	<b>2.3</b>	<b>4.9</b>	<b>2.2</b>	<b>4.1</b>	<b>14.1</b>	<b>17.7</b>	<b>12.9</b>	<b>9.6</b>	

### Key Commentary

- Italy's Operating Cash flow amounts to (€5.9m) and Net Cash Flow to (€7.0m)
  - Impacted by minority partners outflows of €0.7m
- Gaming taxes amount to (€84.9m), which are calculated in advance based in historical information and adjusted each quarter to best reflect the expected outcome
- Next most relevant item for operational expenses are suppliers, (€13.0m) for the forecasted period

## 2.1 Cash Analysis | Uruguay

### Adjusted 12 Weeks Cash Flow | W12 to W23

€m	W12 13-MAR	W13 20-MAR	W14 27-MAR	W15 03-APR	W16 10-APR	W17 17-APR	W18 24-APR	W19 01-MAY	W20 08-MAY	W21 15-MAY	W22 22-MAY	W23 29-MAY	Total Forecast
Operational Income	1.9	3.6	0.9	(0.2)	1.2	3.8	1.3	(0.6)	1.1	1.1	3.7	1.3	19.1
Non Operational Income	-	1.1	-	-	-	-	-	-	-	-	1.1	-	2.2
Operational Expenses	(1.4)	(1.2)	(1.7)	(1.1)	(1.1)	3.8	(1.6)	(1.0)	(1.9)	(1.4)	(0.3)	(1.4)	(10.2)
Interco Movements	-	(0.0)	-	(0.0)	-	(4.0)	-	-	-	-	(0.0)	-	(4.0)
<b>Operating Cash Flow</b>	<b>0.5</b>	<b>3.5</b>	<b>(0.8)</b>	<b>(1.3)</b>	<b>0.1</b>	<b>3.7</b>	<b>(0.3)</b>	<b>(1.6)</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>4.5</b>	<b>(0.1)</b>	<b>7.1</b>
<b>Investment Cash Flow</b>	<b>-</b>	<b>(0.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.3)</b>	<b>-</b>	<b>(0.9)</b>
<b>Financial Cash Flow</b>	<b>0.1</b>	<b>-</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>-</b>	<b>(0.4)</b>	<b>(0.0)</b>	<b>(1.4)</b>	<b>-</b>	<b>(0.4)</b>	<b>-</b>	<b>(3.1)</b>
<b>Net Cash Flow</b>	<b>0.6</b>	<b>3.4</b>	<b>(1.2)</b>	<b>(1.5)</b>	<b>(0.3)</b>	<b>3.3</b>	<b>(0.7)</b>	<b>(1.6)</b>	<b>(2.2)</b>	<b>(0.3)</b>	<b>3.7</b>	<b>(0.1)</b>	<b>3.1</b>
Cash Balance BoP	5.2	5.8	9.2	8.0	6.5	6.2	9.5	8.8	7.2	4.9	4.7	8.4	5.2
Cash Balance EoP (A)	5.8	9.2	8.0	6.5	6.2	9.5	8.8	7.2	4.9	4.7	8.4	8.3	8.3
Non available cash (B)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Available Cash (A-B)	4.3	7.6	6.4	4.9	4.7	7.9	7.2	5.6	3.4	3.1	6.8	6.7	

### Key Commentary

- Uruguay's Operating Cash flow amounts to €7.1m and Net Cash Flow to €3.1m
- The Company forecasts an increase in Gross Win with respect to the same period in 2022. This increase can be partly explained due to the overall recovery in the region
  - An important part of collections come from government entities and are a fraction of last years proceeds
- Operative costs are expected to increase, mainly due to higher personnel expenses (€4.9m salaries over the period)
- W17 Operational expenses includes the racetrack subsidy from local authorities (€4.0m)
- Uruguay estimated recovery of €4.4m fiduciary trust, €1.1m in W13 and €1.1m in W22.
- W17 cash repatriation to HQ is expected (€4.0m).

# Business Plan and 2023 Budget Presentation

03



# Business Plan and 2023 Budget Presentation

## 3.1 Introduction

3.1

## 3.1 Introduction

- The Company has completed a comprehensive review of its Budget and Business Plan, working with its advisors in the preparation of a bottom-up forecast on a country-by-country basis for 2023 and incorporating measures in each country for the rest of the period (2024FC-2027FC)
- The priority of the Budget and Business Plan described herein is to achieve a full recovery of Codere's top line revenues and maximize cash generation in 2023, reaching stability for the period between 2024FC-2027FC
- A detailed review of all key operating assumptions, CAPEX plans and potential upsides / contingencies was done on a country-by-country basis
- The Business Plan was built considering the latest trends of operational improvements, strengthening of competitive position in Codere's core markets and use of those levers to further accelerate revenue growth
- The key highlights of the Budget and Business Plan are:
  - Gross win in **2023** expected to **increase to almost pre-Covid levels reaching c. €1.3bn** as each jurisdiction ramps back up to normalized trading activity. Gross Win is then expected to recover to 2019 levels in 2025 and steadily increase thereafter **to c. €1.5bn in 2027** (vs. €1,361m in 2019)
  - Adj. Pre-IFRS 16 Retail EBITDA in 2023 to reach c. **€178m and c. 14% margin<sup>(1)</sup>** and then grow to c.**€225m and c. 15.4% margin in 2027** (vs. c.€240m and 17.6% margin in 2019)
    - **Spain:** Adj. Retail EBITDA expected to recover to pre-Covid levels in 2023 and then grow at a c. 3.3% CAGR between 2023 and 2027 mainly driven by the increase in active slots (from c. 9,000 in 2022 to c.9,500 by 2027), growth in Sports Bets ("SB"), (SB locations growing from c. 2,200 in 2022 to 2,400 by 2027), halls renovations and the rollout of the slot interconnection investment plan that will be undertaken in 2023-2024 and will translate into a more efficient cash collection process
    - **Argentina:** Company continues to see strong operating performance, with the Adj. Retail EBITDA in 2023 in EUR terms still slightly below 2019 levels due to the negative FX effects (€71.6m in 2023 vs. €72.7m in 2019). Starting from 2025 Adj. Retail EBITDA is forecasted to exceed 2019 levels as the Company forecasts an increase in slots driven by the increase of visits (from c.13.9m in 2022 to c.15.8m in 2027), coupled with a forecasted increase in price per slot in line with inflation to avoid negative impact on margins
    - **Mexico:** Expected to continue growing compared to 2022, with Net Revenue up c.14% driven by an improved product offering (capex invested for an increase of 2.1k average slots YoY and 70 tables) but Adj. Retail EBITDA of c. €36.0m still significantly below pre-Covid levels (€83.1m in 2019). However, Adj. Retail EBITDA is prudently forecasted to remain significantly below pre-Covid levels (2027 Adj. Retail EBITDA is forecasted to be at €45.9m, 45% below 2019 levels) mainly due to the increased competition in the country and the reduced investments in recent years
    - **Uruguay:** Adj. Retail EBITDA of c.€19.3m in 2023 (vs €20.6m in 2019) expected to recover to pre-Covid levels from 2025 on the back of increases in active slots from c. 2,000 in 2022 to 2,300 in 2023 (and associated capex investment), accompanied by an increase in average GW per slot of c. LCU 720 in 2022 to c. LCU 1,300 by 2027, 4 hall renovations, 1 new hall opening and the strengthening of VIP activity in the Carrasco Nobile Casino
- Other relevant updates:
  - Italy licenses: There is currently no definitive regulation on the amount and calendar payment for licenses in Italy. The Company has recorded an amount of €3.5m per year in the Business Plan assuming the extension of actual conditions, however the current conditions have only been extended until December 2024. An extension for a period of 9 years for Network and Bingo could amount to an estimated €44m.

# Business Plan and 2023 Budget Presentation

## 3.2 Consolidated Retail Business Plan and 2023 Budget

3.2

## 3.2 Business Plan | Retail

Adj. Retail EBITDA expected to reach €225m in 2027 (15.4% margin), which remains below pre-Covid profitability performance with an average annual CAPEX investment of €74.2m over the plan period

### Retail Consolidated Business Plan | 2019-2027FC | €m

€m	2019	2022	2023B	2024FC	2025FC	2026FC	2027FC	CAGR (22-27)
<b>Gross Win</b>	<b>1.361,2</b>	<b>1.217,6</b>	<b>1.306,9</b>	<b>1.319,0</b>	<b>1.359,0</b>	<b>1.401,8</b>	<b>1.461,1</b>	<b>3,7%</b>
Other Revenue	104,3	79,7	88,3	87,1	88,8	90,1	92,4	3,0%
Gaming Taxes	(488,1)	(439,4)	(466,8)	(474,1)	(490,8)	(505,8)	(528,4)	3,8%
Revenue Sharing	(130,7)	(109,6)	(111,6)	(114,8)	(120,8)	(124,7)	(129,2)	3,3%
Other Deductions	(54,6)	(43,1)	(45,0)	(44,7)	(46,1)	(46,9)	(47,7)	2,0%
<b>Net Revenue</b>	<b>792,2</b>	<b>705,1</b>	<b>771,8</b>	<b>772,5</b>	<b>790,2</b>	<b>814,5</b>	<b>848,3</b>	<b>3,8%</b>
Personnel	(178,5)	(182,7)	(202,9)	(202,4)	(203,9)	(207,5)	(215,0)	3,3%
OPEX	(284,4)	(261,0)	(273,9)	(268,3)	(269,3)	(274,6)	(281,3)	1,5%
<b>Operative Expenses</b>	<b>(462,9)</b>	<b>(443,7)</b>	<b>(476,9)</b>	<b>(470,7)</b>	<b>(473,3)</b>	<b>(482,0)</b>	<b>(496,3)</b>	<b>2,3%</b>
Personnel - HQ	(52,9)	(62,7)	(65,3)	(64,9)	(66,0)	(67,4)	(69,4)	2,0%
OPEX - HQ	(37,1)	(49,6)	(52,1)	(53,4)	(54,5)	(55,4)	(57,5)	3,0%
<b>HQ Costs</b>	<b>(90,0)</b>	<b>(112,3)</b>	<b>(117,3)</b>	<b>(118,3)</b>	<b>(120,5)</b>	<b>(122,7)</b>	<b>(126,8)</b>	<b>2,5%</b>
<b>Adj EBITDA Retail</b>	<b>239,3</b>	<b>149,1</b>	<b>177,6</b>	<b>183,5</b>	<b>196,4</b>	<b>209,7</b>	<b>225,1</b>	<b>8,6%</b>
Non recurring	(16,1)	(13,3)	(14,5)	(6,2)	(5,9)	(5,7)	(5,5)	-16,1%
<b>EBITDA consolidated</b>	<b>223,2</b>	<b>135,9</b>	<b>163,1</b>	<b>177,3</b>	<b>190,5</b>	<b>204,0</b>	<b>219,6</b>	<b>10,1%</b>
Other operating cash flows			(83,6)	(50,7)	(56,2)	(62,3)	(70,9)	
<b>Operating Cash flow</b>			<b>79,5</b>	<b>126,6</b>	<b>134,2</b>	<b>141,7</b>	<b>148,7</b>	
CAPEX			(77,2)	(70,6)	(72,5)	(73,1)	(77,6)	
Licenses			(0,9)	(10,2)	-	-	-	
Capex Financing <sup>(1)</sup>			(14,1)	(1,1)	1,3	1,1	2,1	
<b>CFADS</b>			<b>(12,7)</b>	<b>44,7</b>	<b>63,0</b>	<b>69,7</b>	<b>73,3</b>	
% of Gross Win								
Net Revenue	58,2%	57,9%	59,1%	58,6%	58,1%	58,1%	58,1%	
Operative Expenses	-34,0%	-36,4%	-36,5%	-35,7%	-34,8%	-34,4%	-34,0%	
HQ Costs	-6,6%	-9,2%	-9,0%	-9,0%	-8,9%	-8,8%	-8,7%	
Adj. EBITDA	17,6%	12,2%	13,6%	13,9%	14,5%	15,0%	15,4%	
<b>EBITDA consolidated</b>	<b>16,4%</b>	<b>11,2%</b>	<b>12,5%</b>	<b>13,4%</b>	<b>14,0%</b>	<b>14,6%</b>	<b>15,0%</b>	
Operating Revenues	1.329,5	1.200,7	1.294,7	1.298,4	1.335,9	1.376,9	1.435,3	
Adjusted EBITDA	239,3	149,1	177,6	183,5	196,4	209,7	225,1	
EBITDA	223,2	135,9	163,1	177,3	190,5	204,0	219,6	

- The Group estimates to achieve a **Gross Win of c.€1.5bln in 2027FC** (CAGR +3.7%) driven mostly by the recovery of the sector in Mexico, the recovery of active seats in slots from c. 44k in 2022 to 49k in 2027 and increase in visits of c.3.8m during the business plan period to c.27m in 2027
- Top line to recover to pre-covid levels already in 2025 but margin conservatively only expected to improve from 12.3% in 2022 to 14.5% over the period
- Adj. Retail EBITDA forecasted to reach c.€225m by 2027, an increase of c.€75m from c.€150m in 2022, with an underlying progressive increase in **Adj. Retail EBITDA margin in the period but still below 2019 levels by 2027** (15.4% in 2027FC vs. 17.6%), mainly due to the increase in costs in Mexico and Argentina
- Argentinian cash repatriation costs negatively impact cash flow throughout the business plan with cumulative cash burn of c.€110m, driven by underlying assumption that macro economic conditions in Argentina will remain challenging and repatriation cost stable around 53cents per euro (classified in Other operating cash flows)
- In addition 2023B CFADS negatively impacted by a normalization of working capital and deferred CAPEX
  - Total non-recurring cash flow of €49m, of which c.€5m classified below CFADS and related to interest of deferred licenses costs in Argentina

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Note: Consolidated historical figures exclude costs related with Brazil since the business has been discontinued. EBITDA on a pre-IFRS 16 basis

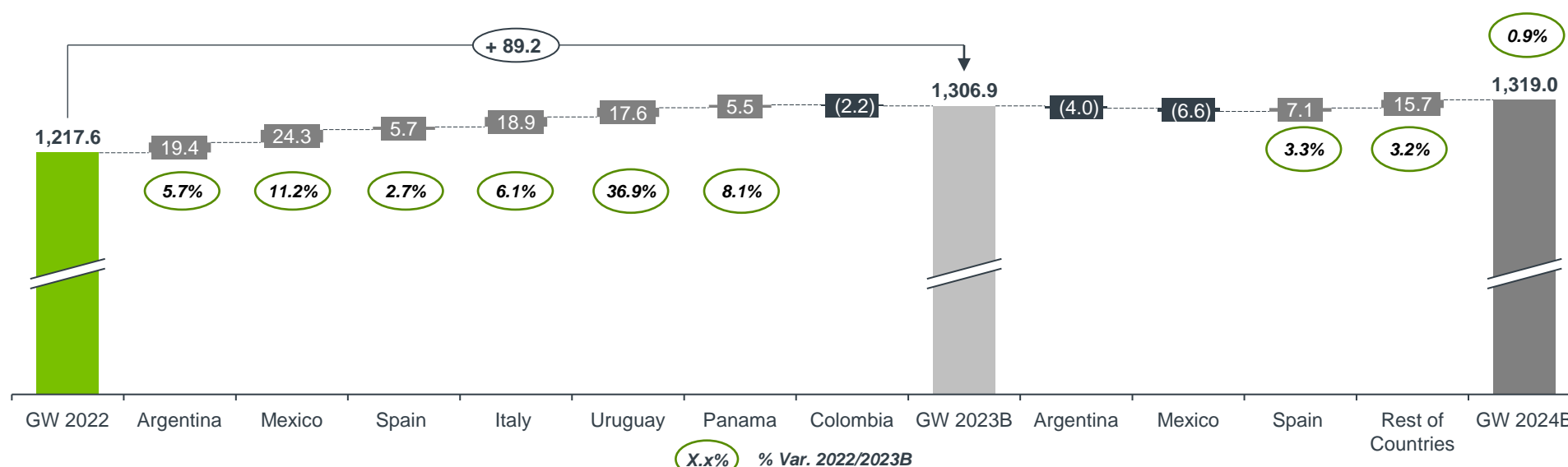
(1) Includes €12.5m of CAPEX financing related to Argentina licenses which, in conjunction with €4.5m of associated financing cost, totals €17m cash outflow related to deferred Argentina's licenses.

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## 3.2 Business Plan | GW Trend by Country | 2022 – 2024FC

Total GW to increase to c. €1.3bn in 2023B mainly driven by the recovery of the activity in Mexico (+11%) and Argentina (+6%)

### Gross Win by Country | 2022-2023B-2024FC | €m

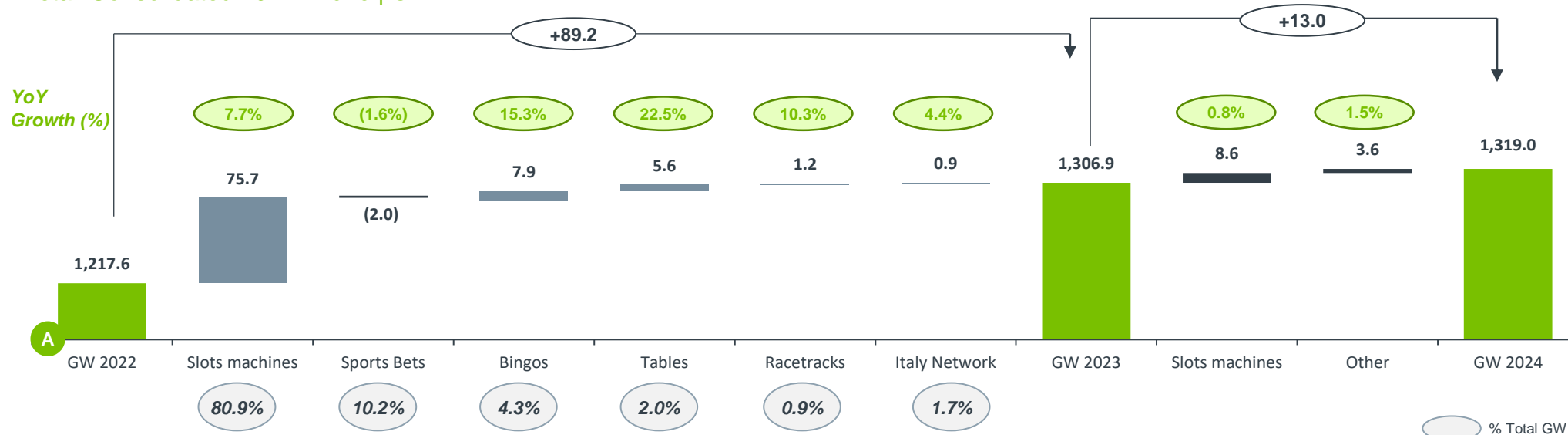


- **Mexico:** Significant growth is expected in 2023 due to the recovery of activity (increase in visits of c. 870k to c.7.3m in 2023), mostly driven by covid related restrictions (halls closure in H1 2022) and commercial restrictions that impacted ability and efficiency of commercial offers in Q2 2022, impacting overall 2022 performance. In 2024FC, although activity is expected to continue to recover (+5%), it will be offset by the expected negative exchange rate effects (LCU/€).
- **Argentina:** Strong GW performance, positively impacted by continuous improvement with increase in activity (from c.13.9m in 2022 to c.15.2m in 2023), increase in number of active slots of c.300 in 2023 and inflation of 95%, resulting in a GW of LCU 96,910m in 2023 and LCU 159,518m in 2024 vs. LCU 46,692m in 2022. However, negative impact of adverse foreign exchange rate, particularly in 2024, results in a total decrease of €4.0m from 2023 to 2024 in euro terms
- **Italy:** Growth in GW corresponds mainly to the reactivation of slot seats in 2023 vs. 2022 (7,900 in 2023 vs. 7,498 in 2022) due to the end of Covid restrictions in closed spaces, which impacted 2022 performance as slots had to be removed to comply with the minimum distance restrictions. In addition, the Sala Vittoria Hall (Parma) is expected to be relocated in 2023 to a bigger hall with higher slot capacity, leading to a further increase in slots from 2023 to 2024 of c.183, representing the main driver of GW increase in 2024 of c.€13.9m
- **Uruguay:** Due to Uruguay's 12-month revenue collection deferral system (HRU), a large part of the country's 2023 revenues is related to revenues from 2022 and reflect the recovery of activity in 2022 vs. 2021 which was heavily impacted by Covid (increase in active slots from 1,268 in 2021 vs. 1,982 in 2022). Additionally, GW win increase driven by the opening of a new hall in Nuevocentro, increasing number of slots. Codere will also launch a VIP plan for Carrasco Nobile gaming hall, increasing revenue per slot and tables for this gaming hall
- Further detail can be found on page 92

## 3.2 Budget 2023 | GW Trend by Product | 2022 – 2024FC

Company estimates an increase in Retail GW (+€89.2m in 2023B vs. 2022) driven by the recovery of activity and higher revenue in slots (+€75.7m). Growth is expected to normalize in 2024

Retail Consolidated 2022 - 2023 | €m



### A GW Trend per Country | Slots | 2022 – 2023 | €m

€m	2022	Q1-23B	Q2-23B	Q3-23B	Q4-23B	2023B	Var
Spain	103	27	27	27	29	109	6.3
Mexico	186	50	51	53	53	207	21.2
Argentina	334	80	86	91	94	350	15.6
Colombia	25	6	6	6	6	23	(2.3)
Panama	48	13	13	13	13	52	3.7
Italy	255	67	66	66	72	272	16.7
Uruguay	34	12	12	12	12	48	14.4
<b>Total</b>	<b>985</b>	<b>254</b>	<b>261</b>	<b>266</b>	<b>279</b>	<b>1,060</b>	<b>75.7</b>

- Gross Win growth of 7.1% in 2023 driven by increasing footfall, with a higher revenue per slot and improved slot capacity in most of the countries
- Most of the increase in Gross Win is driven by slot machines (€75.7), increasing across most countries
- Bingo growth mainly in Argentina, where Q1 2022 was closed because of COVID restriction
- Tables GW increase is related to an operational plan to improve Codere's offer in some markets
- Slightly offset by a (€2.0m) decline in Sports Bet mostly driven by Spain, with a more competitive context

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Note: Due to the effect of hyperinflation, GW has increased in line with costs in Argentina, resulting in an increase in expenses in the conversion to euros.

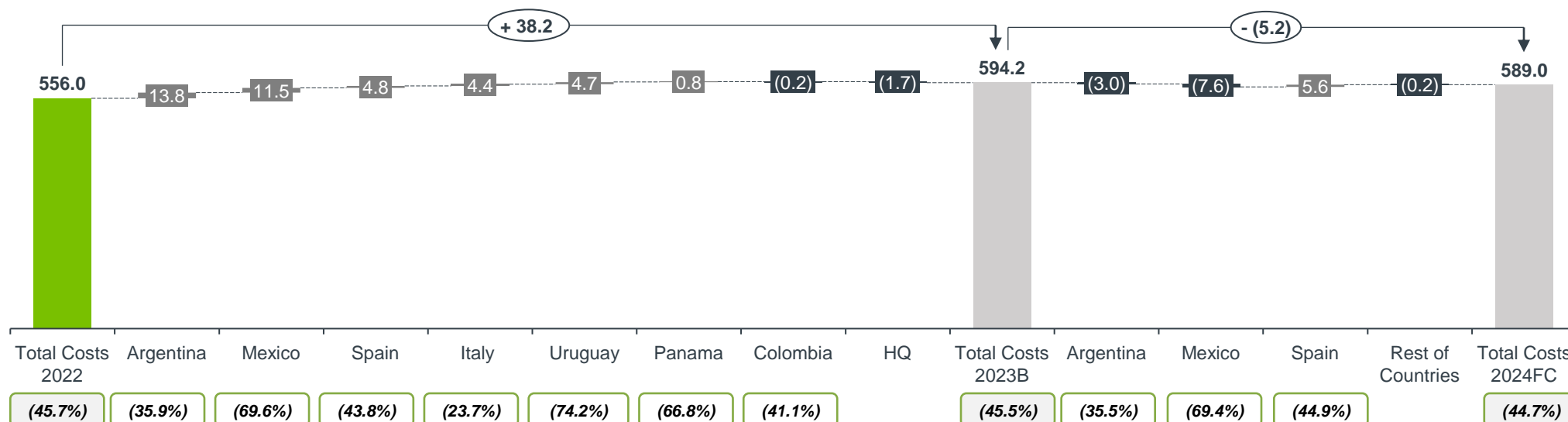
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## 3.2 Business Plan | OPEX 2022 – 2024FC

Total costs are estimated to reach c. €594m in 2023B mainly driven by an increase in personnel related costs of c. €14m in Argentina and c. €11m in Mexico to support anticipated GW growth. Total costs as a % of Gross Win marginally decline from c. 46% in 2022 to c. 45% by 2024

### OPEX by Country | 2022-2023B-2024FC | €m



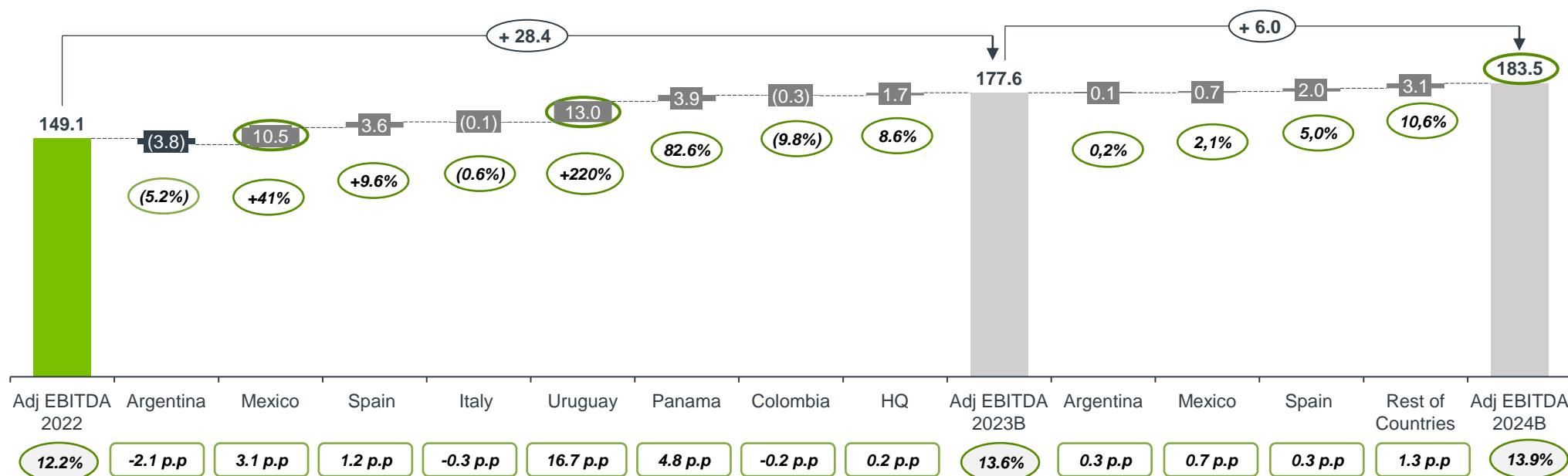
**Total OPEX in 2023B of c.€594m equates to c.45.5% of GW, compared to c.€556m and 45.6% in 2022 and €589m in 2024FC and 44.7%**

- **Mexico:** Total OPEX of €168m with increase in 2023B OPEX mainly driven by the additional FTE and operating costs to support the higher slot capacity and tables growth plan, together with new regulation requiring a certain share of profits to be shared with employees or PTU. Total OPEX is estimated to increase by 3.2% in LCU in 2024FC in line with CPI, but decreases in Euro terms due to exchange rate movements
- **Argentina:** Increase in 2023B OPEX also driven by increase in FTEs due to the growth of Bingo operations vs. 2022 where halls were opened only from Q2 22 onwards. In addition, average salary expected increase of 119%, above the 95.0% CPI was factored in, following a scheduled salary review with labour unions. In 2024FC costs are estimated to increase by 65.5% in LCU in line with CPI (67.8% in 2024FC), but due to FX adverse effect, total negative €3.0m impact in euros
- **Uruguay:** Total OPEX of c.€48m, representing 74.2% of GW (vs. 92.0% in 2022); with an increase in FTEs to support the higher level of activity, the new hall management program, and higher commercial cost for the new VIP customer program. The reduction in costs as % of GW is principally driven by the higher GW from the deferred revenue recognition.

## 3.2 Business Plan | Adjusted Retail EBITDA Trend 2022 – 2024FC

Adj. Retail EBITDA to reach c.€178m in 2023B mainly due to the recovery of the activity in Mexico (€10.5m) and Uruguay (€13m)

### Adjusted Retail EBITDA by Country | 2022-2023B-2024FC | €m



Company has forecasted an increase in Adj. Retail EBITDA of **+€28.4m in 2023B vs. 2022**, with an increase in margin of 1.4bps to 13.6% in 2023; in the following year Adj. Retail EBITDA expected to stabilize at c. €184m. Key assumptions include:

- Mexico:** Estimated **recovery of activity in Mexico** after Covid impact driven by an increase in visits and wider product offering (VIP area, increase in number of tables and slots) offset by increased competition and reduction of investment in recent years
- Uruguay:** Return to pre-covid Adj. Retail EBITDA levels on the back of increase in active slots, 4 hall renovations and a new hall opening (Nuevo Centro) in 2023B. Additionally, as previously explained, the revenue collection deferral system has a material impact on the country financials
- Argentina:** Increase in Adj. Retail EBITDA of c.LCU 9,646m driven by increase in visits (15.2m in 2023 vs. 13.9m in 2022) is negatively impacted by adverse FX rate, resulting in a decrease in Adj. Retail EBITDA in euro terms of €3.8m in 2023B vs. 2022
- Italy:** Expected decrease in Adj. Retail EBITDA in 2023B vs. 2022 driven by change in the accounting recording of the licenses as OPEX from July 2023 onwards (€1.3m in 2023B)
- Panama:** 2023B Adj. Retail EBITDA of €8.8, representing a €3.9m increase in Adj. Retail EBITDA vs. 2022 driven by full year impact of new hall opening, increased parking space that will improve accessibility to facilities and racetracks that will further drive growth

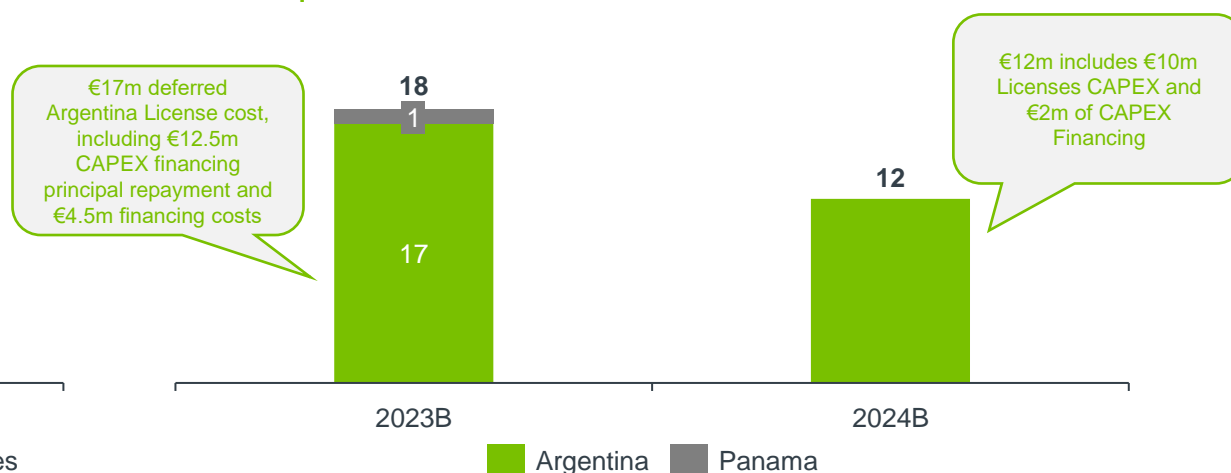
## 3.2 Business Plan | CAPEX Trend 2022 – 2024C

Maintenance CAPEX for 2023B and 2024FC mainly focused on Spain, Argentina and HQ, with total Maintenance and License CAPEX for 2023B of €78m and an additional €17m cost related with deferred Argentina licenses CAPEX financing

Maintenance CAPEX by Country | 2023B – 2024FC | €m



Licenses CAPEX / CAPEX Financing by Country | 2023B – 2024FC | €m



Maintenance CAPEX is expected to stabilize at c. **€74m per year on average** during the period 2023B-2027FC.

**Total CAPEX of €78m in 2023B** comprised of c. €77m maintenance and c. €1m License CAPEX and mainly relates to:

- €20m CAPEX investment in Spain, representing the most significant country in terms of Maintenance CAPEX, mainly due to Commercial CAPEX requirements related to required investment to maintain 5 year exclusivity agreements with 3<sup>rd</sup> party owned slots utilisations and represent around 50% of total CAPEX in the country
- €18m maintenance CAPEX investment in Argentina (excluding licenses) directed towards slot renewals, hall maintenance and refurbishment and further modernization of current gaming rooms, financed by the cash generation in the country
- HQ's €12m CAPEX in 2023B relate to software and IT expenses and includes costs of €3m paid every 3 years in connection with software licenses, resulting in an average maintenance CAPEX of c.€11m per year through 2023B-2027FC
- Additionally, the Company has included a License CAPEX payment of €1m in Panama in 2023B
- The €78m 2023B figure excludes €17m related to CAPEX Financing costs for licenses in Argentina, of which €12.5m correspond to principal payments under CAPEX financing agreements and €4.5m relate to associated financing costs, classified as financial expenses, and all associated with license payments

In addition, the Company forecasts total Licenses payments of €10m in Argentina in 2024FC. In Italy, an annual payment of €3.5m related to licenses has been included in OPEX instead of assuming a higher upfront payment. However the current conditions have only been extended until December 2024. An extension for a period of 9 years for Network and Bingo could amount to an estimated €44m. Further licenses costs have not been included and are not expected to be required for other countries in the Business Plan

## 3.2 Business Plan | 2023 Normalized Net Working Capital

2023B includes a significant working capital cash outflow driven by previous years deferred payables which normalizes in 2024FC-2027FC, with NWC turning cash flow positive for the remainder of the forecasted period

### Working Capital Variations

€m	Q1-23e	Q2-23e	Q3-23e	Q4-23e	NWC Variation Q1	NWC Variation Q2	NWC Variation Q3	NWC Variation Q4	FY NWC Variation
<b>Assets</b>									
Accounts Receivable	62.7	60.6	58.7	62.0	1.8	2.1	2.0	(3.3)	2.6
Taxes Receivable	47.2	41.1	42.6	44.4	(1.7)	6.1	(1.6)	(1.8)	1.1
Prepaid Expenses	13.1	12.7	12.3	13.5	0.4	0.4	0.4	(1.2)	-
Inventory	8.1	7.3	7.5	7.5	0.2	0.8	(0.2)	0.0	0.9
Other Current Assets	0.0	0.0	0.0	0.0	-	-	-	-	-
<b>Total Assets</b>	<b>131.1</b>	<b>121.7</b>	<b>121.1</b>	<b>127.4</b>	<b>0.8</b>	<b>9.4</b>	<b>0.6</b>	<b>(6.2)</b>	<b>4.5</b>
<b>Liabilities</b>									
Accounts Payable	107.3	94.5	97.4	97.3	(3.9)	(12.8)	2.9	(0.1)	(14.0)
S-T Provisions	2.9	2.4	2.5	2.5	(0.2)	(0.5)	0.1	(0.0)	(0.5)
Taxes Payable	88.0	84.0	82.6	87.4	(9.3)	(4.0)	(1.5)	4.9	(9.9)
Deferred Payments	9.4	8.9	9.0	9.0	(0.2)	(0.5)	0.1	(0.0)	(0.6)
Other Current Liabilities	4.5	4.3	4.3	4.3	(0.1)	(0.3)	0.1	(0.0)	(0.3)
<b>Total Liabilities</b>	<b>212.2</b>	<b>194.1</b>	<b>195.8</b>	<b>200.5</b>	<b>(13.7)</b>	<b>(18.1)</b>	<b>1.7</b>	<b>4.7</b>	<b>(25.3)</b>
<b>Reported Net Working Capital</b>	<b>(81.1)</b>	<b>(72.4)</b>	<b>(74.7)</b>	<b>(73.2)</b>	<b>(12.9)</b>	<b>(8.7)</b>	<b>2.3</b>	<b>(1.5)</b>	<b>(20.8)</b>
Argentinian License Deferrals					2.5				2.5
3rd Parties Deferral from Previous Year					10.4				10.4
Other Non-Current Cash Out						3.5			3.5
<b>Non Current Cash Out</b>					<b>12.9</b>	<b>3.5</b>	<b>-</b>	<b>-</b>	<b>16.4</b>
<b>Normalized Net Working Capital</b>					<b>-</b>	<b>(5.2)</b>	<b>2.3</b>	<b>(1.5)</b>	<b>(4.4)</b>

### Key Commentary

- 2023B sees a negative (€20.8m) change in working capital
- The non-recurring portion of such working capital variation is related to €10.4m of 3<sup>rd</sup> parties supplier deferrals and other one-off items including provision for short term retention payments and Argentina license deferrals
- Normalised 2023B Net Working Capital of (€4.4m), more in line with 2024-2027 average positive Net Working Capital of c.€2m

## 3.2 Business Plan | Budget 2023 Key Cash Flows Considerations

The 2023 Budget envisages a €49m cash outflow related to non-recurring payments, resulting in a negative CFADS for the year. However, after normalisation of operating cash flow, CFADS turns positive from 2024 onwards

### Financials 2023B - Adjustments

(€m) - Operating Case - Base Case	FY2023	FY2023 - Non-Recurring	FY2023 - Recurring
Gross Win	1,307	–	1,307
<b>Net Revenues</b>	<b>772</b>	<b>–</b>	<b>772</b>
Operative Expenses	(477)	–	(477)
HQ Costs	(117)	–	(117)
<b>Adj. Retail EBITDA</b>	<b>178</b>	<b>–</b>	<b>178</b>
Adjustments	1 (14)	–	(14)
<b>Retail EBITDA</b>	<b>163</b>	<b>–</b>	<b>163</b>
Var. WC	(21)	2 (16)	(4)
Argen. Cash Repatriation Cost	(18)	–	(18)
FX Cost	(8)	–	(8)
Minority Shareholders	(7)	–	(7)
Taxes	(34)	3 (9)	(25)
Other Var.	4	4 4	–
<b>Operating CF</b>	<b>79</b>	<b>(21)</b>	<b>101</b>
Maintenance CAPEX	(77)	–	(77)
Var. Debt (CAPEX) <sup>(1)</sup>	(14)	5 (23)	9
Licenses	(1)	–	(1)
Expansion CAPEX	–	–	–
<b>Cash available for Debt Service</b>	<b>(13)</b>	<b>(44)</b>	<b>32</b>
Local Debt Interest Expense <sup>(1)</sup>	(14)	6 (5)	(9)
<b>Cash available for Debt Service Post Interest on Local Debt</b>	<b>(27)</b>	<b>(49)</b>	<b>22</b>

### Key Adjustments

The Company has identified the following non-recurring items:

- 1 Not encompassed as historically the Company has included some Adj. Retail EBITDA adjustments<sup>(2)</sup>
- 2 Negative working capital, not in line with historical trends (2019 reported working capital inflow of €11.6m), driven by €10.4m of 3<sup>rd</sup> parties supplier deferrals and other one-off items including provision for short term retention payments
- 3 Due to €9.1m deferred gaming taxes
- 4 Related to the release of a €4.2m deposit in Uruguay
- 5 Includes €12.5m of one-off licenses in Argentina and €10.5 CAPEX payment deferrals from previous years. CAPEX deferrals are mainly related to slot purchases in Mexico, Argentina and Spain
- 6 €4.5m of interest expenses on one-off licenses-related financings in Argentina, included within local debt interest expense

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Note: Adj. Retail and Retail EBITDA on a pre-IFRS 16 basis.

(1) Total CAPEX financing costs related with Argentina's licences of €17m of which €12.5m included within Var. Debt (CAPEX) and €4.5m associated financing costs included within local debt interest expense.

(2) Total 2023 non-recurring costs of €14m include legal costs of c.€11m, guarantees, severance payments and one-off Opex for efficiency projects.

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# Business Plan and 2023 Budget Presentation

## 3.3 Business Plan and 2023 Budget Breakdown by Country

3.3



## 3.3 Business Plan Spain | Main Assumptions

The group expects to reach an Adjusted Retail EBITDA of c.€41m in Spain in 2023B and of c.€46m by 2027

<b>Gross Win</b>	<p><b>Company has estimated an increase in GW in 2023B vs. 2022 of 2.7%, reaching €214m and a 2022-2027 CAGR of 3.1%, reaching €243m by 2027</b></p> <ul style="list-style-type: none"> <li>Sustained revenue growth due to the increase in avg. active seats slots mainly driven by the deployment of Company owned arcades in 2H 2022 and 1Q 2023, changes in the layout of slots and use of the CRM Salesforce software, enabling a more efficient targeting and retention of clients, with ADNW increasing due to renovation of machines and thereafter based on CPI forecast renovation</li> <li>A decrease in Sports Bets GW is estimated mainly due to sports betting volatility and increasing competition, partnership termination with certain key arcade accounts, partially offset by the acquisition of new customers and the renewal of terminals</li> <li>Bingo activity is expected to recover in 2023B due to a lower pay-out, the return to normality of the Real Madrid Stadium (near Canoe, which was under renovation) and the reversal of Omicron impact in Jan-Feb 2022</li> </ul>
<b>Other Revenues</b>	<ul style="list-style-type: none"> <li>Increase in other revenues of c.10% in 2023 due to (i) increase in Codere's F&amp;B business unit from the full year of Bingo recovery, (ii) increase in revenues of non gaming machines in tourist facilities (like Mallorca) and expansion plan in one hall, (iii) development of white label brand and (iv) increased contribution of Online business</li> </ul>
<b>Gaming Tax Revenue Sharing Other Deductions</b>	<ul style="list-style-type: none"> <li>2023 gaming tax over GW levels assumed to be maintained vs. 2022 and then progressively decreased throughout 2024-2027</li> <li>Decrease in revenue sharing over GW levels is estimated due to the increase of revenues in slots vs. SB, which have a lower revenue sharing percentage vs. SB, and the discontinuity of some Arcades from some of the Company's key accounts that had better revenue sharing conditions</li> </ul>
<b>Operating Expenses</b>	<ul style="list-style-type: none"> <li>HQ expenses expected to increase by over 1p.p over GW mainly due to an increase in personnel expenses, development of the white label project, end of some rentals grace period (Post COVID agreements) and lower income (€0.5m) from intercompany charges, which increases operating expenses</li> </ul>
<b>Adj. Retail EBITDA Margin</b>	<ul style="list-style-type: none"> <li>Adj. Retail EBITDA margin expected to increase as overall cost increases are estimated based on CPI coupled with a significant increase in GW (c.€35m over the forecasted period) without a further increase to the Company's fixed cost structure</li> <li>In addition, the Company is working on the implementation of interconnection plan in slots which is forecasted to improve the Adj. Retail EBITDA Margin from 17.8% in 2022 to 19.0% in 2027 as it will allow to improve portfolio management, increase efficiency in the management of third party PoS, improving relationship with owners, allowing to analyse profitability per slot and to identify potential opportunities to duplicate slots in one PoS</li> </ul>

## 3.3 Business Plan Spain | Key Risks and Opportunities

Spain's Business Plan estimates a progressive growth based on the recovery of activity post covid and supported by the implementation of Salesforce software and interconnection investment plan in slots

### Key Opportunities

- The interconnection initiative to be implemented between 2023-2026 will allow for **efficiencies** in terms of cash management, collection of information on slot machines and on customer behavior
- The Company has also identified potential improvements in some of its halls, including layout changes and reducing the pay-outs in bingos
- The Business Plan also includes the **implementation of the Salesforce CRM software**, which will allow for greater traceability of the Group's portfolio and **to track key performance indicators increasing growth in a number of bars and corners**

### Key Risks

- The development in recent years of **online activity** and the **change in consumer habits** could have an impact on the development and growth of the retail activity
- Potential new entrants (certain competitors have recently received approval of its licenses in some autonomous communities)
- The Spanish tax authorities **are currently conducting a VAT analysis exercise** on the commercial relationship between the gaming operator and corner's owners (revenue sharing currently does not include VAT). This potential risk could lead to an increase in revenue sharing

## 3.3 Business Plan Spain | P&L

The implementation of special projects in halls in 2023, the use of Salesforce and the interconnection plan in slots is expected to lead to a recovery in Adj. Retail EBITDA with margin broadly in line with 2019 levels

### Retail Spain Business Plan 2019-2027FC (€m)

€m	2019	2022	2023B	2024B	2025B	2026B	2027B	CAGR (2022-2027)
<b>A Gross Win</b>	<b>221.6</b>	<b>208.5</b>	<b>214.2</b>	<b>221.3</b>	<b>228.6</b>	<b>236.9</b>	<b>243.4</b>	<b>3.1%</b>
Gaming Taxes	(49.1)	(45.0)	(45.6)	(46.0)	(46.8)	(47.6)	(48.3)	1.4%
Other Revenues	9.4	9.9	10.9	11.9	12.2	12.5	12.7	5.1%
Revenue Sharing	(44.8)	(46.9)	(44.7)	(44.7)	(46.4)	(48.9)	(51.6)	1.9%
Other deductions	(0.1)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	2.8%
<b>Net Income</b>	<b>137.0</b>	<b>126.1</b>	<b>134.4</b>	<b>142.1</b>	<b>147.2</b>	<b>152.5</b>	<b>155.9</b>	<b>4.3%</b>
<b>B Operating Expenses</b>	<b>(81.9)</b>	<b>(76.1)</b>	<b>(77.9)</b>	<b>(81.4)</b>	<b>(85.2)</b>	<b>(88.9)</b>	<b>(90.7)</b>	<b>3.6%</b>
HQs Expenses	(14.4)	(13.0)	(15.9)	(18.0)	(18.8)	(18.9)	(19.0)	7.9%
<b>Adjusted EBITDA</b>	<b>40.8</b>	<b>37.0</b>	<b>40.6</b>	<b>42.6</b>	<b>43.2</b>	<b>44.7</b>	<b>46.2</b>	<b>4.5%</b>
Non recurring items	(2.0)	(1.0)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	-21.9%
<b>EBITDA</b>	<b>38.8</b>	<b>36.1</b>	<b>40.4</b>	<b>42.3</b>	<b>42.9</b>	<b>44.4</b>	<b>45.9</b>	<b>4.9%</b>
Gaming Taxes as % of GW	(22.1%)	(21.6%)	(21.3%)	(20.8%)	(20.5%)	(20.1%)	(19.8%)	
Adj EBITDA Margin	18.4%	17.8%	18.9%	19.3%	18.9%	18.9%	19.0%	
<b>Main KPIS</b>								
# Active seats (slots)	10,085.1	9,047.2	9,350.0	9,395.2	9,445.2	9,495.2	9,545.2	1.1%
Average GW per seat (slots)	31.0	31.2	32.0	33.0	33.5	34.2	34.4	2.0%
# Locations owned (sports bets)	-	2,196.0	2,193.0	2,210.6	2,263.3	2,336.1	2,366.1	1.5%
Average GW per SB location	-	121.6	119.0	119.9	121.4	123.5	127.9	1.0%
# Bingo locations	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0.0%
Average GW per bingo location	3,700.2	2,025.5	2,683.1	3,233.7	3,732.4	4,231.1	4,307.8	16.3%
<b>€m</b>								
Operating Revenue	189.8	172.9	182.4	190.8	196.8	202.9	207.0	3.7%
Adj. EBITDA	40.8	37.0	40.6	42.6	43.2	44.7	46.2	4.5%
EBITDA	38.8	36.1	40.4	42.3	42.9	44.4	45.9	4.9%

- A** Gross Win is estimated to reach €243.4m (+€34.9m, CAGR22-27 +3.1%), driven by:
- **€16.9m related to slots** with an increase in active seats of 1.1% and 2.0% in ADNW based on CPI estimations
  - **€13.0m related to Sports Betting** with a slight average increase per year in Point of Sales of 1.5% and an average increase in the ADNW of 1.0%
- B** In terms of costs, increase in Opex is related to the interconnection plan, including Salesforce CRM software implementation which are required investments to achieve the forecasted growth in Gross Win

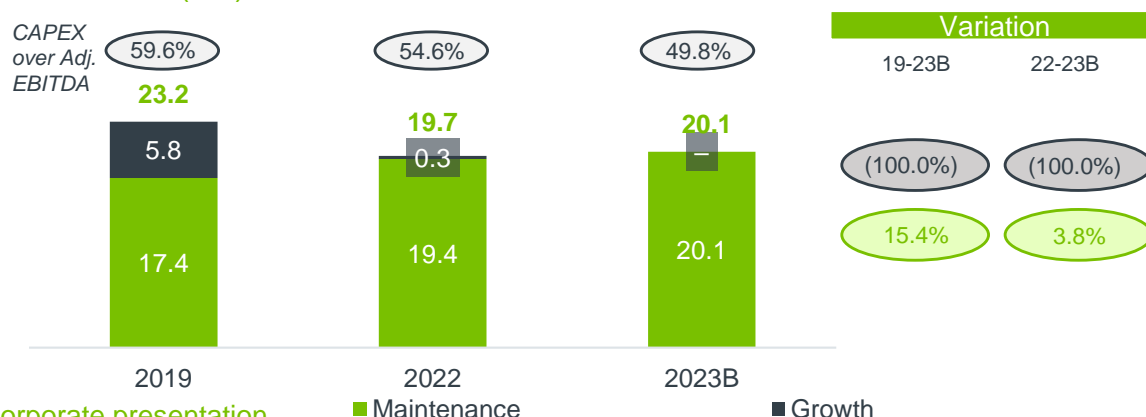
## 3.3 Business Plan Spain | 2023 Budget P&L

Company expects to achieve an Adj. Retail EBITDA of c.€41m and Adj. Retail EBITDA Margin of 18.9% in 2023B, recovering to 2019 levels (c.€41m and 18.4%)

### Spain Retail P&L (€m)

	€m	2019	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023B	Var 19-23B	Var 22-23B
	<b>Gross Win<sup>(1)</sup></b>	221.6	208.5	55.6	53.4	49.6	55.7	214.2	(3.3%)	2.7%
	<b>Operating Revenues</b>	189.8	172.9	45.9	45.4	43.9	47.2	182.4	(3.9%)	5.5%
	Other Expenses	(52.7)	(46.7)	(12.2)	(12.0)	(11.6)	(12.2)	(47.9)	(9.1%)	2.5%
<b>A</b>	<b>Net Revenues</b>	137.0	126.1	33.7	33.4	32.3	35.0	134.4	(1.9%)	6.6%
<b>B</b>	Operative Expenses	(81.9)	(76.1)	(19.7)	(19.8)	(18.8)	(19.7)	(77.9)	(4.9%)	2.4%
<b>C</b>	HQ Costs	(14.4)	(13.0)	(3.8)	(4.0)	(4.0)	(4.1)	(15.9)	10.8%	22.6%
	<b>Adj. Pre-IFRS 16 EBITDA</b>	40.8	37.0	10.2	9.6	9.6	11.2	40.6	(0.4%)	9.6%
	Non recurring	(2.0)	(1.0)	(0.1)	(0.0)	(0.0)	—	(0.2)	(90.4%)	(80.6%)
	<b>Pre-IFRS 16 EBITDA</b>	38.8	36.1	10.1	9.6	9.5	11.2	40.4	4.2%	12.0%
	Capex	(23.2)	(19.7)	(5.2)	(3.4)	(5.7)	(5.7)	(20.1)	(13.3%)	2.1%
	<b>EBITDA - Capex</b>	15.6	16.4	4.8	6.2	3.8	5.5	20.3	30.1%	23.9%
<b>% of Gross Win</b>										
<b>A</b>	Net Revenue	61.8%	60.5%	60.6%	62.6%	65.2%	62.9%	62.8%	0.9%	2.3%
<b>B</b>	Operative Expenses	(37.0%)	(36.5%)	(35.4%)	(37.1%)	(37.9%)	(35.3%)	(36.4%)	0.6%	0.1%
<b>C</b>	HQ Costs	(6.5%)	(6.2%)	(6.9%)	(7.6%)	(8.1%)	(7.3%)	(7.4%)	(0.9%)	(1.2%)
	Adjusted EBITDA	18.4%	17.8%	18.3%	18.0%	19.3%	20.2%	18.9%	0.6%	1.2%
	<b>EBITDA Retail</b>	17.5%	17.3%	18.1%	17.9%	19.2%	20.2%	18.9%	1.4%	1.6%

### Total CAPEX (€m)



- A** 2023 Budget net revenue of €134.4m, a €8m increase vs. 2022 but still under 2019 levels (1.9%) mainly due:
- Increase in gross win by c.€6m in 2023B vs. previous year mainly due an increase in avg. active slots driven by organic growth in route and renovation of the halls, contributing to an improvement of ADNW
  - Increase in other income of 10% mainly due to full recovery of Codere's F&B business unit from the full year of Bingo recovery, together with delayed recovery of revenues of non gaming vending machines in tourist areas
- Despite increases in volume activity in 2023B, the Group doesn't expect to return to 2019 levels during 2023B (GW at 97% of 2019 levels)
- B** Operative expenses over GW levels of 36.4%, in line with 2019 values mainly due to the reduction of direct personnel expenses of c.€2m to a total of c.€30m driven by the operational efficiencies in the Route business and the closure of non profitable LBOs
- C** HQ costs over gross win expected to increase by c.1p.p in 2023B vs. 2022 mainly due to an increase in HQ operating expenses driven by the development of the white label project and higher intercompany expenses offset with lower operational charges
- Company has estimated a total CAPEX of €20.1m, of which 48% corresponds to Commercial CAPEX related to exclusivity agreements with bars for the slot's instalment, and 37% to Product CAPEX, of which most relates to slots (€4.5m)

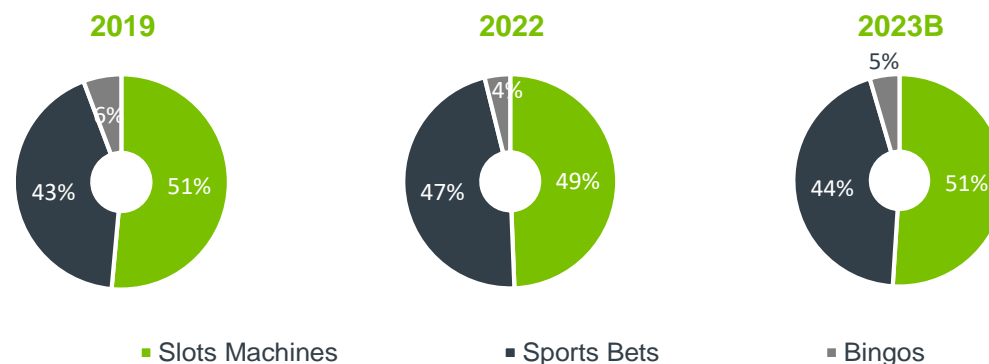
## 3.3 Business Plan Spain | 2023 Budget Gross Win by Product

Gross Win increase mainly driven by third party slots (€4m), owned slots (€2m) and bingo business (c.€2m)

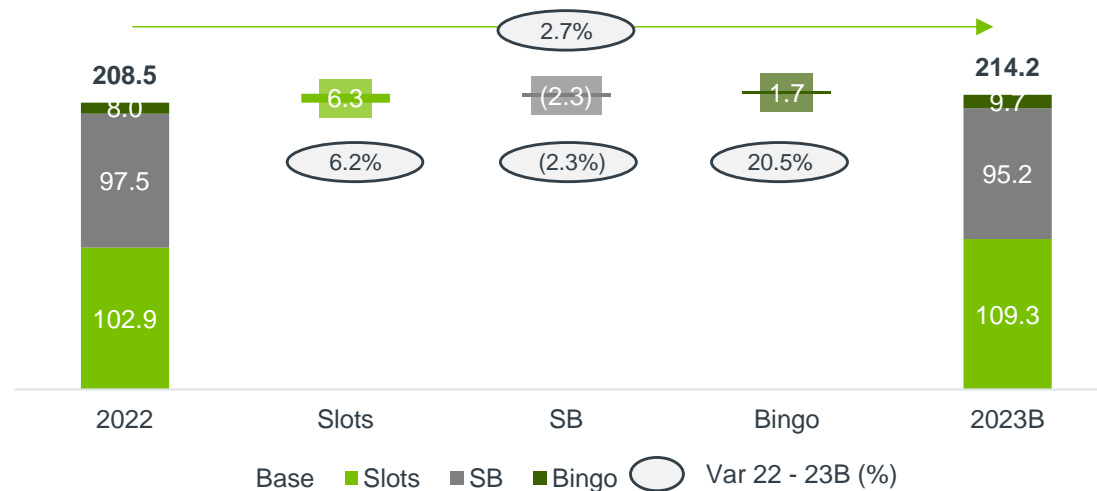
### Overview

- Gross Win is expected to increase by €5.7m in 2023B vs. 2022, mainly due to the increase in slots activity (c.€4m from third parties and c.€2m from own parties) and Bingo business
- Slots increase is driven partially by an increase of average active seats due to deployment through 2022 of new Codere Arcades, higher number of new agreements with Bars, doubling in 3<sup>rd</sup> parties, changes to the layout of owned halls and implementation of special projects
- Sports Bets is expected to reduce by c.€2m, mainly driven by a reduction of PoS in corners as a result of lower number of operating arcades (reconfiguration of agreements with some key operators), partly offset by the capture of new agreements

### Gross Win by Product (%)



### Spain Retail | Gross Win



## 3.3 Business Plan Mexico | Main Assumptions

The group expects to reach an Adjusted Retail EBITDA of €36m (LCU 772m) in Mexico for 2023B and of €46m (LCU 1,196m) by 2027

Gross Win	<p>Company has estimated an increase in GW in 2023B vs. 2022 of c.11% in EUR and c.13% in LCU), reaching a total GW of c.€241m (LCU \$5,155m)</p> <ul style="list-style-type: none"><li>Between 2019 and the first half of 2022, 60 new casinos opened throughout the country, of these 39 have affected the Codere business.<ul style="list-style-type: none"><li>63 of the 87 Casinos Codere currently in operation have been affected by the new openings, and 57% of the gross win generated by the Company has been attacked with different levels of intensity.</li></ul></li><li>Throughout the business plan, slots activity represent on average 86% of total GW and is expected to grow at a 1.8% CAGR in the Business Plan, with growth mainly driven by an increase of c. 2700 slots machines in 2023, stable thereafter, while ADNW per slot is expected to decrease by c.6% in 2023 and increase the following years (2024-2027) by c.19% resulting in an average increase in GW per year of 4.5% in local currency</li><li>Bingo and tables GW will increase 36% and 26%, respectively, in 2023 driven by the new strategies to be implemented in these categories: increase in number of tables (c.100 in 2023), new equipment, training, and marketing</li></ul>
Other Revenues	<ul style="list-style-type: none"><li>Improvement in other revenues through a reduced menu strategy, price update and beer-sponsorship benefit that improves purchase costs</li></ul>
EBITDA Margin	<ul style="list-style-type: none"><li>During the forecasted period operating costs are growing at a lower rate than revenues in LCU terms, resulting in improving EBITDA margins. This is due to a high percentage of fixed costs. Furthermore, efficiencies are generated by initiatives such as the electricity cost saving project</li></ul>
Gaming Tax Revenue Sharing Other Deductions	<ul style="list-style-type: none"><li>Gaming tax as % of GW expected to remain stable</li></ul>
Operating Expenses	<ul style="list-style-type: none"><li>Overall operating expenses increase according to CPI, however certain cost savings are expected as a result of efficiency projects related to electricity costs, with yearly savings estimated of c. LCU 25-35m</li><li>The company estimates an increase in FTEs of 218, principally related to the planned increase in tables and secondarily for bingo and slots</li></ul>

### 3.3 Business Plan Mexico | Key Risks and Opportunities

Activity in Mexico is expected to increase over the Business Plan but not expected to recover to pre-Covid levels, mainly impacted by lost market share to competitors which could be regained with incremental catch-up investments to ensure quality of facilities is aligned with market standards, not included in Company BP

#### Key Opportunities

- Increase in customer visits and spend per visit through implementation of action plan based on i) recovery of the economy and ii) renewal of facilities (halls, VIP area and layout)
- New strategies in tables and bingo
  - New customer relationship model implemented in Latam
  - Service upgrade on table's activity
  - Enhanced bingo activity through own operations
  - Focus on high-profitable gaming halls
- With limited additional investment, the Company could quickly regain its position as market leader
- Improvement in costs through renegotiations of contracts and energy efficiencies

#### Key Risks

- Underinvestment over the past few years and outdated halls compared to those of the competitors restrict attraction of new customers
- Unstable macroeconomic and political outlook
- Declining consumer disposable income could slow the expected sector recovery



## 3.3 Business Plan Mexico | P&L

Adjusted Retail EBITDA margins to improve from 11.8% in 2022 to 15.7% in 2024FC driven by increase in GW above inflationary levels in 2023 while costs increase according to CPI, with expected savings in energy costs

### Retail Mexico Business Plan 2019-2027FC (LCU m)

LCU m	2019	2022	2023B	2024B	2025B	2026B	2027B	CAGR (2022-2027)
<b>A Gross Win</b>	<b>6,267.5</b>	<b>4,576.6</b>	<b>5,155.1</b>	<b>5,413.3</b>	<b>5,681.1</b>	<b>5,953.6</b>	<b>6,233.2</b>	<b>6.4%</b>
Gaming Taxes	(1,106.8)	(772.3)	(876.6)	(928.9)	(974.8)	(1,021.5)	(1,069.4)	6.7%
Other Revenues	1,291.7	678.4	794.3	853.7	898.7	941.5	986.3	7.8%
Revenue Sharing	(808.7)	(395.1)	(444.9)	(507.7)	(574.9)	(604.7)	(637.7)	10.0%
Other deductions	(358.4)	(250.9)	(269.4)	(281.5)	(294.0)	(306.8)	(320.0)	5.0%
<b>Net Income</b>	<b>5,285.3</b>	<b>3,836.7</b>	<b>4,358.6</b>	<b>4,548.9</b>	<b>4,736.1</b>	<b>4,962.1</b>	<b>5,192.4</b>	<b>6.2%</b>
<b>B Operating Expenses</b>	<b>(3,146.8)</b>	<b>(2,853.3)</b>	<b>(3,092.8)</b>	<b>(3,171.5)</b>	<b>(3,222.3)</b>	<b>(3,306.1)</b>	<b>(3,413.8)</b>	<b>3.7%</b>
HQs Expenses	(344.7)	(443.4)	(493.8)	(528.8)	(548.7)	(565.2)	(582.3)	5.6%
<b>Adjusted EBITDA</b>	<b>1,793.7</b>	<b>540.0</b>	<b>771.9</b>	<b>848.6</b>	<b>965.2</b>	<b>1,090.8</b>	<b>1,196.3</b>	<b>17.2%</b>
Non recurring items	(71.7)	(200.9)	(86.4)	(61.5)	(61.5)	(61.5)	(61.5)	-21.1%
<b>EBITDA</b>	<b>1,722.1</b>	<b>339.1</b>	<b>685.6</b>	<b>787.2</b>	<b>903.7</b>	<b>1,029.3</b>	<b>1,134.8</b>	<b>27.3%</b>
<b>EBITDA (€ m)</b>	<b>79.8</b>	<b>15.8</b>	<b>31.9</b>	<b>34.1</b>	<b>37.5</b>	<b>41.0</b>	<b>43.5</b>	<b>22.5%</b>
Gaming Taxes as % of GW	(17.7%)	(16.9%)	(17.0%)	(17.2%)	(17.2%)	(17.2%)	(17.2%)	
Adj EBITDA Margin	28.6%	11.8%	15.0%	15.7%	17.0%	18.3%	19.2%	

#### Main KPIS

# Active seats (slots)	21,902	13,313	15,996	15,996	15,996	15,996	15,996	3.7%
Average GW per seat (slots)	252.9	294.7	276.7	288.9	302.0	315.6	329.5	2.3%
# Tables	361	218	313	313	313	313	313	7.5%
Average GW per table	0.7	0.9	0.8	0.9	0.9	1.0	1.1	3.1%

#### €m

Operating Revenue	307.8	233.0	257.2	250.1	252.2	253.1	255.6	1.9%
Adj. EBITDA	83.1	25.5	36.0	36.7	40.1	43.4	45.9	12.5%
EBITDA	79.8	15.8	31.9	34.1	37.5	41.0	43.5	22.5%

**A** Gross Win is estimated to reach LCU. \$6,233m by 2027 driven by:

- Average GW per seat of c.\$330k, with a CAGR of 2.3% and active slot increase of c.2,700 in 2023 to c.16,000
- Average GW per table of \$1m, with a CAGR of 3.1% and table increase from c.220 to. c.310 in 2023

**B** Personnel Costs will slightly increase to provide improved customer experience (VIP Area) and to cover services in incremental tables and slots. However, the Company already has the required fixed cost base in place to operate the additional number of slots and tables



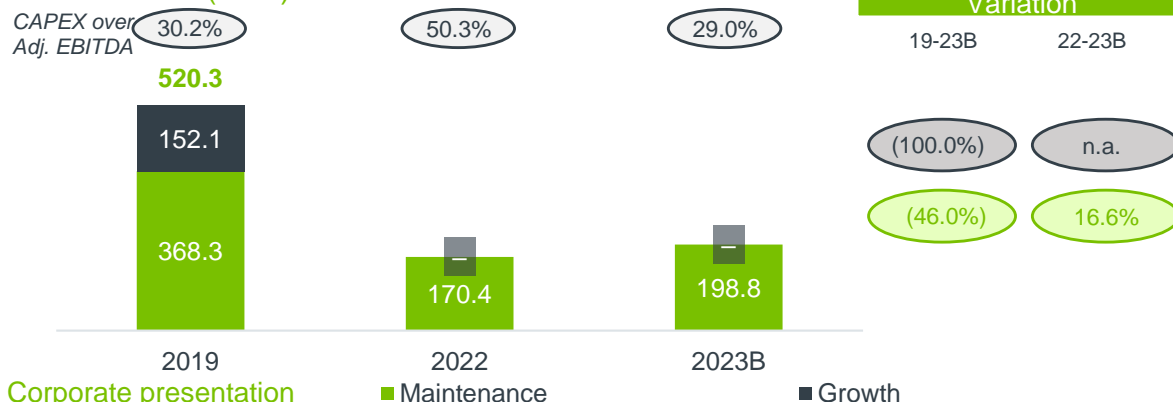
## 3.3 Business Plan Mexico | 2023 Budget P&L

Company expects to achieve an Adj. Retail EBITDA of €36.0m (LCU 772m) and Adj. Retail EBITDA Margin of 15.0% in 2023B, improving QoQ, but still below 2019 levels (€83.2m (LCU 1,794m) and 28.6%)

### Mexico Retail P&L (LCU)

LCU	2019	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023B	Var 19-23B	Var 22-23B
<b>A</b> Gross Win	6,267.5	4,576.6	1,213.3	1,260.9	1,318.4	1,362.5	5,155.1	(17.7%)	12.6%
Operating Revenues	6,696.7	4,916.1	1,293.2	1,357.0	1,408.4	1,444.8	5,503.5	(17.8%)	11.9%
Other Expenses	(1,411.4)	(1,079.5)	(262.5)	(282.2)	(297.3)	(302.8)	(1,144.9)	(18.9%)	6.1%
<b>Net Revenues</b>	<b>5,285.3</b>	<b>3,836.7</b>	<b>1,030.7</b>	<b>1,074.8</b>	<b>1,111.2</b>	<b>1,142.0</b>	<b>4,358.6</b>	<b>(17.5%)</b>	<b>13.6%</b>
<b>B</b> Operative Expenses	(3,146.8)	(2,853.3)	(759.6)	(772.6)	(775.8)	(784.8)	(3,092.8)	(1.7%)	8.4%
<b>C</b> HQ Costs	(344.7)	(443.4)	(117.1)	(122.7)	(127.9)	(126.1)	(493.8)	43.3%	11.4%
<b>Adj. Pre-IFRS 16 EBITDA</b>	<b>1,793.7</b>	<b>540.0</b>	<b>153.9</b>	<b>179.4</b>	<b>207.5</b>	<b>231.1</b>	<b>771.9</b>	<b>(57.0%)</b>	<b>43.0%</b>
Non recurring	(71.7)	(200.9)	(19.1)	(31.2)	(15.6)	(20.5)	(86.4)	20.5%	(57.0%)
<b>Pre-IFRS 16 EBITDA</b>	<b>1,722.1</b>	<b>339.1</b>	<b>134.9</b>	<b>148.3</b>	<b>191.9</b>	<b>210.6</b>	<b>685.6</b>	<b>(60.2%)</b>	<b>102.2%</b>
Capex	(520.3)	(170.4)	(18.5)	(33.7)	(78.1)	(68.5)	(198.8)	(61.8%)	16.6%
<b>EBITDA - Capex</b>	<b>1,201.7</b>	<b>168.7</b>	<b>116.3</b>	<b>114.6</b>	<b>113.8</b>	<b>142.1</b>	<b>486.8</b>	<b>(59.5%)</b>	<b>188.5%</b>
<b>Memo in €m</b>									
<b>Adj. Pre-IFRS 16 EBITDA</b>	<b>83.1</b>	<b>25.5</b>	<b>7.4</b>	<b>8.5</b>	<b>9.6</b>	<b>10.5</b>	<b>36.0</b>	<b>(56.7%)</b>	<b>41.3%</b>
<b>% of Gross Win</b>									
Net Revenue	84.3%	83.8%	84.9%	85.2%	84.3%	83.8%	84.5%	0.2%	0.7%
Operative Expenses	(50.2%)	(62.3%)	(62.6%)	(61.3%)	(58.8%)	(57.6%)	(60.0%)	(9.8%)	2.4%
HQ Costs	(5.5%)	(9.7%)	(9.6%)	(9.7%)	(9.7%)	(9.3%)	(9.6%)	(4.1%)	0.1%
Adjusted EBITDA	28.6%	11.8%	12.7%	14.2%	15.7%	17.0%	15.0%	(13.6%)	3.2%
<b>EBITDA Retail</b>	<b>27.5%</b>	<b>7.4%</b>	<b>11.1%</b>	<b>11.8%</b>	<b>14.6%</b>	<b>15.5%</b>	<b>13.3%</b>	<b>(14.2%)</b>	<b>5.9%</b>

### Total CAPEX (LCU)



- A** Increase of GW of c.12.6% mostly driven by slots (86% of total GW 2023B)
- Number of slots expected to increase by 2,141 (13% vs. 2022), slightly offset by a decrease in gross win per slot of 3%
  - Sports Bets, the 2<sup>nd</sup> most relevant product in Mexico, is expected to stay relatively stable vs. 2022
  - However, considering increased competition and a slower than expected economic recovery, overall 2023B performance to continue subdued in relation to 2019 levels
  - Occupancy is expected to increase compared to 2022 but to remain significantly below 2019 levels (7.3m visits in 2023B vs. 11.0m in 2019)
- B** Operational expenses increase is mostly driven by an increase in personnel expenses (218 new FTEs and 11.8% average increase in personnel expenses, namely salaries) to support the additional tables, bingos, and slots
- Higher personnel cost also driven by the inclusion of PTU (Revenue sharing) and the increase in the bonus provision PTU (Net result sharing with the employees)
- C** HQ costs were considerably impacted in 2022 by multiple extraordinary expenses that were initially not considered in the budget (included under non-recurring) which are not expected to impact 2023B

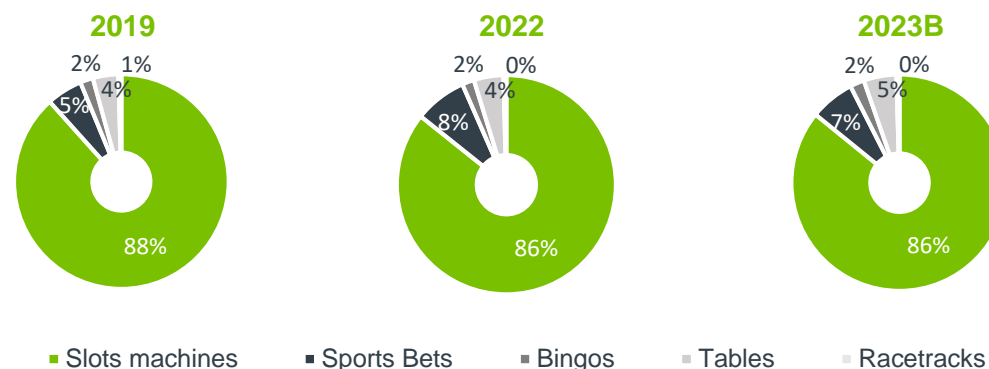
# 3.3 Business Plan Mexico | 2023 Budget Gross Win by Product

Gross Win increase mainly driven by slots (€21.2m), Bingo (€1.3m) and Tables business (€2.3m)

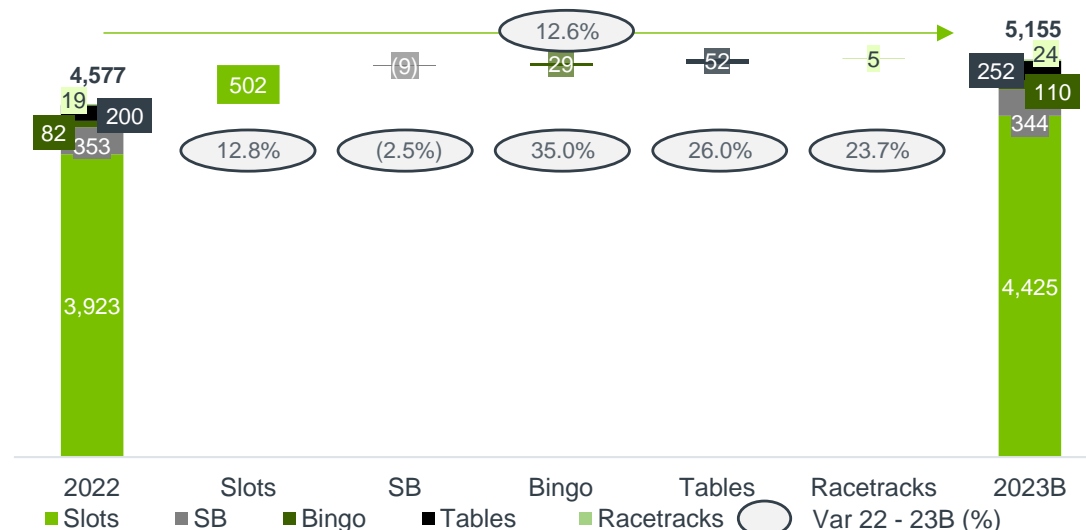
## Overview

- The Company is investing mostly in slots and tables in order to counter the lagging effects of the pandemic
- Company expects to boost GW by investing in slots, the major contributor to GW, and optimize the available space of their current gaming halls
  - However, GW slots contribution for 2023B still well below 2019 levels (€206.8m vs. €256.9m)
- In addition, the Company is investing in more tables (32% increase in number of tables), shufflers and equipment for the tables, training for croupiers and a new layout in the halls with the objective to attract more customers and planning to host events to boost occupancy, such as poker tournaments
  - These events will impact positively GW in other items such as Food & Beverage
- Sports Bets is the second most relevant item, representing, on average, 7% of GW
  - This item is expected to decrease when compared to 2022, which was positively impacted by the World Cup (no major sport competition in 2023)

## Gross Win by Product



## Mexico Retail | Gross Win



## 3.3 Business Plan Mexico | Update on Recent Events

### Recent Events and Actions taken

#### Codere Mexico Tax Contingency:

##### Background of the tax liability

- In 2008, Complejos Turísticos de Huatulco, S.A. de C.V. ("CTH") and other subsidiaries of Codere México merged into Codere México. Prior to the merger, Codere México had a large USD denominated debt payable by CTH. These credits generated a significant exchange rate gain for Codere México during the merger and generated the corresponding exchange rate loss at CTH. When the 2008 financial accounts were submitted to the SAT following the merger, the corresponding amounts were not cancelled, and the accounts continued to show the forex gains and losses in the accounts as they offset each other.
- In 2012, the SAT questioned the validity of the losses and whether such losses qualified for tax deductible treatment and did not accept Codere's initial explanation that that such losses are offset by an equivalent gain. Accordingly, SAT filed a claim in the total amount of Mex. Ps. 561 million (c.€27m) against Codere México.
- Codere appealed this claim and was successful - the SAT's tax assessment was declared a nullity by the Federal Court of Administrative Justice. However, the ruling permitted the SAT to issue a new tax assessment.
- In mid-2018, SAT re-initiated a tax audit for the 2008 financial year and notified Codere of a new tax assessment in the amount of Mex. Ps. 1,272 million (c.€61m). Codere firmly believes that the basis for this second tax assessment from SAT are without merit and Codere accordingly filed a challenge in September 2018 to nullify the claim. This appeal was however ultimately denied on January 20th, 2023, by a Federal Circuit Court.
- In order to stay enforcement of the recognized tax claim, in 2019 the tax authority accepted security over a minority portion of Codere México's shares in Impulsora de Centro de Entretenimiento de las Américas SAPI de CV ("ICELA").
- During the course of 2012 and 2013, Codere made provisions for Mex. Ps. 36.2 million<sup>(1)</sup> (€2m) in respect of this liability. For its FY2022 accounts, Codere is expecting to recognise a provision of Mex Ps. 1,029 million (c.€50m), based on the most conservative outcome possible as of today (see below).
- While Codere pursues its available remedies to extinguish or reduce this tax liability, enforcement of the tax claim by SAT is stayed; however, interest will continue to accrue on the liability until payment is made. Such potential interest accrual is not included in the estimated liability set forth in this section.

##### Legal options for challenge or liability reduction

- On February 24th, 2023, Codere México filed an appeal before the Mexican Supreme Court against the ruling based on constitutional violations. If its appeal is admitted, Codere expects the Supreme Court process to take approximately 6 to 12 months to issue a ruling.
- If the appeal is admitted and successful, the tax assessment will be invalidated. Codere believes that, if its appeal to the Supreme Court is heard, it has a good prospect of success. In April 2023 it should find out if the appeal is admitted.
- In the event the appeal is dismissed (or not admitted), there are other options legally available to challenge the enforceable tax claim.
- In the (unlikely, in Codere's view) event that the claim was not successfully challenged or reduced through all of the options available to the company, the most likely scenario would be to claim the benefits under a combination of several articles of the Tax Code. On today's calculations this payment would equate to c.€50m, or c.€57m in case of deferring part of the payment in 36 monthly instalments.
- Based on the legal analysis performed, as of today, the Company meets all current applicable requirements to secure the benefits available under the relevant articles of the Tax Code.

## 3.3 Business Plan Argentina | Main Assumptions

The Company continues to see strong operating performance in Argentina, with the 2023 Adjusted Retail EBITDA in EUR terms slightly below 2019 levels but exceeding them from 2025

<b>Gross Win</b>	<ul style="list-style-type: none"> <li>The macroeconomic environment in Argentina is complex, with the Company forecasting a decline in nominal GDP growth for the coming years 2024-27 (93.4% for 2023), high inflation (95.0% in 2023) and an increasing devaluation of the local currency (267.3 EUR/ARS for 2023)</li> <li>Notwithstanding the macro headwinds, slots are operating at 100% after the 2022 expansion, implying a 4.7% GW growth (in EUR terms) in 2023 vs. 2022</li> <li>GW growth is mainly driven by slots revenues (Company targeting to acquire 250-350 slots in 2023B), which are expected to increase at a 4.7% annual growth rate (CAGR 56.2% in LCU) over the BP and represent 98% of total gross win</li> <li>Adj. Retail EBITDA margin estimated at c. 21% on average throughout the period 2022 -2027</li> <li>Bingos GW increases by 216% YoY in 2023. Q1 2022 was impacted by the Omicron variant (bingo halls did not operate due to Covid restrictions and restarted operations by the end of 2Q 2022)</li> </ul>
<b>Other Revenues</b>	<ul style="list-style-type: none"> <li>In 2023 a 124% increase in Foods &amp; Beverages revenues is expected (c. 29% considering a 95% inflation) with an associated operating margin of 52.5%. F&amp;B revenues are then expected to grow broadly in line with the inflation rate over the BP</li> </ul>
<b>Gaming Tax Revenue Sharing Other Deductions</b>	<ul style="list-style-type: none"> <li>The same level of gaming taxes is expected over the period</li> </ul>
<b>Operating Expenses</b>	<ul style="list-style-type: none"> <li>Operating expenses are projected to grow by 120% in 2023, with the projected inflation of 95% being the main driver for this increase</li> <li>A 123% increase in personnel expenses is forecasted due to the increase in the average salary (111% growth vs 95% inflation rate) and the increase in FTEs by 117</li> </ul>
<b>HQ</b>	<ul style="list-style-type: none"> <li>Increase in the average number of FTEs from c.240 to 280 in 2023, remaining stable thereafter</li> </ul>
<b>CAPEX</b>	<ul style="list-style-type: none"> <li>In 2023 a total capex of LCU 5,089m is forecasted, all related to maintenance capex. This number grows to LCU 18,216m in 2027</li> </ul>

### 3.3 Business Plan Argentina | Key Risks and Opportunities

Codere has firmly consolidated its leading position in the Argentinian market with further room to grow. However, the country's volatile economic and political landscape could affect the Business Plan execution

#### Key Opportunities

- The Company is consolidating its leading position in the market by increasing its presence in the slots business (expected to increase slots by 250-350 in 2023) while taking the necessary actions to prevent cannibalization of current machines/halls
- Refurbishment and further modernization of current gaming rooms to maintain current market positioning
- Implementation of commercial strategies to increase gaming halls visits and spend: new customer relationship model, Loyalty Club, VIP areas management
- Increase operating days for Bingo activity in 3 halls

#### Key Risks

- The high inflationary and volatile economic landscape could mean that the current inflation estimates may deviate significantly from reality, which would affect the bottom line significantly. Additionally, the current economic landscape could affect current GW estimates if the economic situation deteriorates as consumer disposable income will decrease along with consumer sentiment
- New anti tobacco regulations pose a risk to occupancy rates and gross income.
- 2023 is an election year (at all levels) which in a context of high political and economic complexity may influence changes in regulation

## 3.3 Business Plan Argentina | 2023 Budget P&L

Gross Win is expected to increase by c.108% in 2023B mainly driven by an increase in slots during the year and high inflationary environment. Adj. Retail EBITDA is expected to reach €91.1m in 2027, 25% above 2019 levels

### Retail Argentina Business Plan 2019-2027FC (LCU m)

LCU m	2019	2022	2023B	2024B	2025B	2026B	2027B	CAGR (2022-2027)
<b>A Gross Win</b>	<b>16,594.6</b>	<b>46,692.4</b>	<b>96,910.1</b>	<b>159,517.5</b>	<b>240,123.2</b>	<b>332,450.6</b>	<b>435,131.6</b>	<b>56.3%</b>
Gaming Taxes	(7,603.8)	(21,295.0)	(44,251.7)	(73,100.9)	(109,978.6)	(152,211.1)	(199,168.6)	56.4%
Other Revenues	590.6	1,556.2	3,352.5	5,262.4	7,840.6	10,725.6	13,953.8	55.1%
Revenue Sharing	(170.0)	(662.2)	(1,733.9)	(2,868.6)	(4,325.9)	(5,995.6)	(7,854.3)	64.0%
Other deductions	(52.3)	(87.0)	(176.3)	-	-	-	-	-100.0%
<b>Net Income</b>	<b>9,359.1</b>	<b>26,204.3</b>	<b>54,100.6</b>	<b>88,810.4</b>	<b>133,659.3</b>	<b>184,969.4</b>	<b>242,062.5</b>	<b>56.0%</b>
<b>B Operating Expenses</b>	<b>(4,213.6)</b>	<b>(12,061.0)</b>	<b>(26,572.9)</b>	<b>(43,964.3)</b>	<b>(65,029.6)</b>	<b>(89,013.8)</b>	<b>(115,758.1)</b>	<b>57.2%</b>
HQs Expenses	(1,217.2)	(3,843.4)	(7,582.0)	(12,592.4)	(18,925.3)	(25,890.6)	(33,684.7)	54.4%
<b>Adjusted EBITDA</b>	<b>3,928.3</b>	<b>10,300.0</b>	<b>19,945.7</b>	<b>32,253.7</b>	<b>49,704.5</b>	<b>70,065.1</b>	<b>92,619.7</b>	<b>55.2%</b>
Non recurring items	(166.7)	(19.9)	-	-	-	-	-	-100.0%
<b>EBITDA</b>	<b>3,761.6</b>	<b>10,280.1</b>	<b>19,945.7</b>	<b>32,253.7</b>	<b>49,704.5</b>	<b>70,065.1</b>	<b>92,619.7</b>	<b>55.2%</b>
<b>EBITDA (EUR m)</b>	<b>69.6</b>	<b>75.2</b>	<b>71.6</b>	<b>71.7</b>	<b>75.0</b>	<b>81.4</b>	<b>91.1</b>	<b>3.9%</b>
Gaming Taxes as % of GW	(45.8%)	(45.6%)	(45.7%)	(45.8%)	(45.8%)	(45.8%)	(45.8%)	
Adj EBITDA Margin	23.7%	22.1%	20.6%	20.2%	20.7%	21.1%	21.3%	

#### Main KPIS

# Active seats (slots)	6,861	6,636	6,935	6,935	6,935	6,935	6,935	0.9%
Average daily GW per seat (slots)	6.4	19.0	37.4	61.7	93.0	128.9	168.9	54.8%
# Bingo locations	13	13	13	13	13	13	13	0.0%
Average GW per bingo location	38.6	55.5	175.4	259.9	359.0	469.8	586.3	60.2%

#### €m

Operating Revenue	317,2	346,9	368,2	366,3	374,3	398,7	441,6	4,9%
Adj. EBITDA	72,7	75,4	71,6	71,7	75,0	81,4	91,1	3,9%
EBITDA	69,6	75,2	71,6	71,7	75,0	81,4	91,1	3,9%

- A** Gross Win is estimated to reach **LCU. \$435,131.6m by 2027** driven by:
- Average daily GW per seat to grow at a 54.8% CAGR over the BP, reaching \$168,890.9 in 2027, mainly driven by inflation and increase in slots
  - Slot number expected to remain stable after 2023 as the Company will reach maximum capacity in its current facilities
  - From 2023 onwards, 3 Bingo halls are forecasted to be open all days and 10 on the weekend only (vs. 2022 where all the halls were restricted to weekend operations)
- B** Operating Expenses increases mainly driven by increasing inflation, a higher number of slot machines as well as increased opening hours of the bingo halls throughout the whole year because of the lifting of covid restrictions compared to 2022

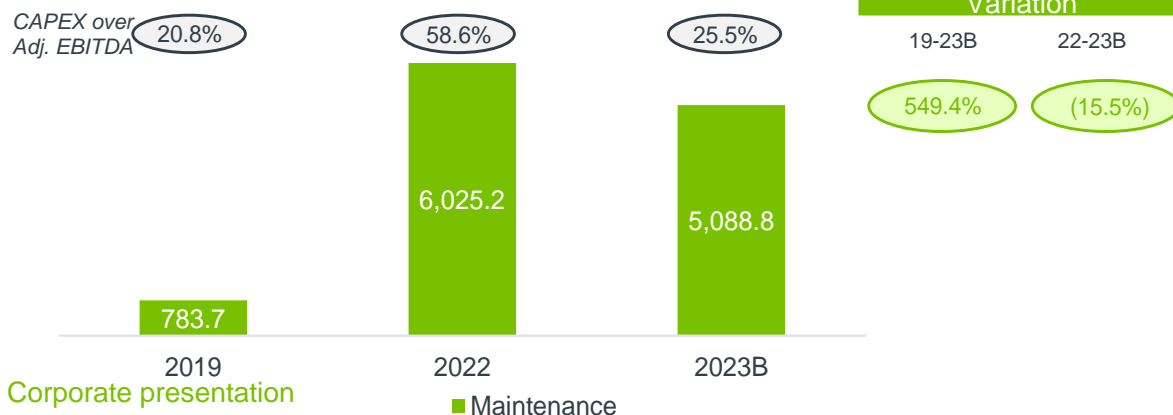
## 3.3 Business Plan Argentina | 2023 Budget P&L

Company expects to achieve an Adj. Retail EBITDA of LCU 19,946m (€71.6m) and Adj. Retail EBITDA Margin of 20.6% in 2023B, approaching 2019 levels on a post FX adj. basis (€72.7m and 23.7%)

### Argentina Retail P&L (LCU)

LCU	2019	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023B	Var 19-23B	Var 22-23B
<b>A Gross Win</b>	16,594.6	46,692.4	16,735.4	21,288.9	26,597.0	32,288.8	96,910.1	484.0%	107.5%
<b>Operating Revenues</b>	16,995.6	47,764.4	17,230.9	21,863.4	27,289.4	33,083.4	99,467.2	485.3%	108.2%
Other Expenses	(7,636.6)	(21,560.1)	(7,847.5)	(9,971.2)	(12,443.5)	(15,104.3)	(45,366.5)	494.1%	110.4%
<b>Net Revenues</b>	9,359.1	26,204.3	9,383.4	11,892.2	14,845.9	17,979.1	54,100.6	478.1%	106.5%
Operative Expenses	(4,213.6)	(12,061.0)	(5,308.7)	(6,163.0)	(7,086.5)	(8,014.7)	(26,572.9)	530.6%	120.3%
HQ Costs	(1,217.2)	(3,843.4)	(1,541.0)	(1,766.9)	(2,021.2)	(2,253.0)	(7,582.0)	522.9%	97.3%
<b>Adj. Pre-IFRS 16 EBITDA</b>	3,928.3	10,300.0	2,533.7	3,962.3	5,738.3	7,711.4	19,945.7	407.7%	93.6%
Non recurring	(166.7)	(19.9)	—	—	—	—	—	(100.0%)	(100.0%)
<b>Pre-IFRS 16 EBITDA</b>	3,761.6	10,280.1	2,533.7	3,962.3	5,738.3	7,711.4	19,945.7	430.2%	94.0%
Capex	(783.7)	(6,025.2)	(406.8)	(1,499.3)	(1,272.2)	(1,910.6)	(5,088.8)	549.4%	(15.5%)
<b>EBITDA - Capex</b>	2,977.9	4,254.9	2,127.0	2,463.0	4,466.1	5,800.8	14,856.9	398.9%	249.2%
<b>Memo in €m</b>									
<b>Adj. Pre-IFRS 16 EBITDA</b>	72.7	75.4	12.4	16.4	20.0	22.8	71.6	(1.5%)	(5.1%)
<b>% of Gross Win</b>									
Net Revenue	56.4%	56.1%	56.1%	55.9%	55.8%	55.7%	55.8%	(0.6%)	(0.3%)
Operative Expenses	(25.4%)	(25.8%)	(31.7%)	(28.9%)	(26.6%)	(24.8%)	(27.4%)	(2.0%)	(1.6%)
HQ Costs	(7.3%)	(8.2%)	(9.2%)	(8.3%)	(7.6%)	(7.0%)	(7.8%)	(0.5%)	0.4%
Adjusted EBITDA	23.7%	22.1%	15.1%	18.6%	21.6%	23.9%	20.6%	(3.1%)	(1.5%)
<b>EBITDA Retail</b>	22.7%	22.0%	15.1%	18.6%	21.6%	23.9%	20.6%	(2.1%)	(1.4%)

### Total CAPEX<sup>(1)</sup> (LCU)



- A** GW is expected to increase by 108% (11% after FX effect) and is composed by slots almost in its entirety
- Increase in slots is driven by an expected investment in 299 avg. slots
  - Increase in Bingos GW, representing 2% of total GW, of 216% due to lifting of 1Q and 2Q 2022 bingo halls operations Covid restrictions
  - Company expects visits to increase by 9% compared to 2022 (from c.13.9m in 2022 to c.15.2m in 2023)
  - Volatile inflationary environment and challenging economic landscape drive all the elements of the P&L, with inflation expected to reach 95%
  - Operating Expenses and HQ costs expected to increase, mainly driven by inflation
  - Argentina is subject additional macro, regulatory and political pressures, namely:
    - New anti-tobacco regulations pose a risk to occupancy rates and GW income
    - Election year in a context of high political and economic complexity, may influence changes in regulation

1) Excludes licenses.

**codere**



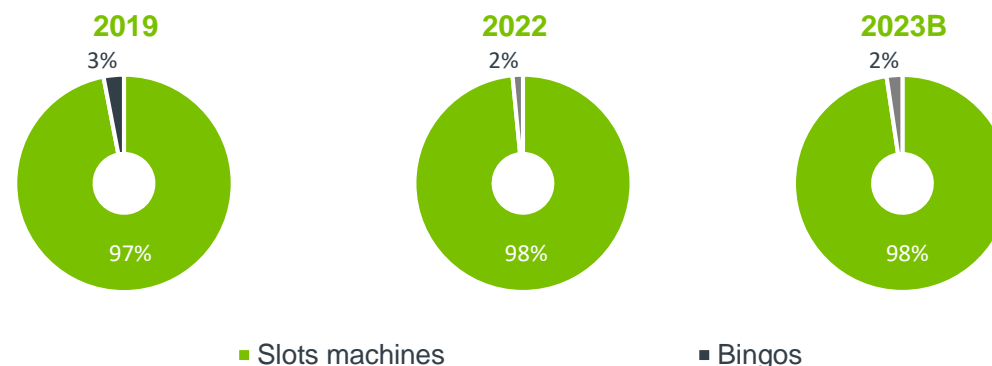
### 3.3 Business Plan Argentina | 2023 Budget Gross Win by Product

Gross Win increase mainly driven by slots (LCU 48,658m), which represent 98% of GW

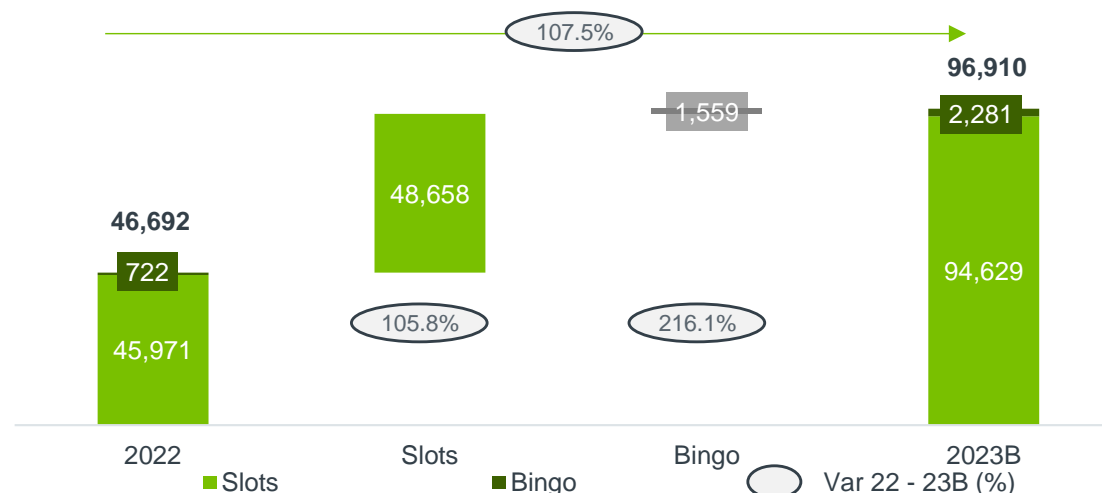
#### Overview

- Argentina's gross win is mostly driven by Slots, being the highest earning country in LATAM in this category
- In 2023B, slots GW are expected to grow by 108% (translating in an increase of only 11%, including effect of FX) due to an increase of 299 slot avg
- Argentina only has Slots and Bingo, both of which have already surpassed pre pandemic levels, mostly driven by an increase in pricing, with volumes relatively stable

#### Gross Win by Product



#### Argentina Retail | Gross Win





## 3.3 Business Plan Italy | Main Assumptions

The Group expects to reach an Adj. Retail EBITDA of €15.7m in Italy in 2023B, still 25% below 2019 levels but recovering close to pre-Covid levels starting from 2025

<b>Gross Win</b>	<ul style="list-style-type: none"> <li>Budget in 2023B includes a €18.9m, or 6.1%, increase in Gross Win vs. 2022 due to: <ul style="list-style-type: none"> <li>Increase in Slots' volumes and pricing, with a combined effect of €16.7m, due to the recovery of the activity and the renovation of products</li> <li>Increase in GW in bingos, increasing from €3.5m per bingo in average in 2022 to €3.6m in 2023B (3.6%)</li> <li>Codere Network is expected to recover and benefit from an increase in connected AWP and VLTs from 13,852 in 2022 to 14,417 in 2023B installed machines</li> </ul> </li> <li>Over the BP, the increased volume of activity combined with a stable fixed cost structure will lead to improved profitability, further enhanced by other OPEX measures identified by the Company to contain costs in an inflationary context, namely anticipating negotiations, consolidating operational efficiencies generated in the pandemic, deepening the search for operational synergies and containment of energy costs</li> </ul>
<b>Other Revenues</b>	<ul style="list-style-type: none"> <li>Company has estimates to maintain other revenues in line with historical trend and inflation.</li> </ul>
<b>Gaming Tax Revenue Sharing Other Deductions</b>	<ul style="list-style-type: none"> <li>Net revenue margin over GW reached in 2022 expected to remain stable</li> <li>BP does not include any additional taxes or increase in gaming taxes in Italy</li> </ul>
<b>Operating Expenses</b>	<ul style="list-style-type: none"> <li>Company expects to maintain a similar operating expense over gross ratio over the course of the BP</li> <li>The increase in OPEX in 2023 mainly corresponds to the extension of the Company's network licence from mid-2023 (bingo licence costs were instead already included as OPEX in 2022) and throughout the business plan (these licenses were previously accounted for as CAPEX). While the government will prepare a new national gaming market regulation, the Company accounts for these expected costs in the P&amp;L <ul style="list-style-type: none"> <li>The Business Plan includes in OPEX the annual payment of licenses amounting to €1.3m in 2023B (half year) and €3.5m per year from 2024FC onwards</li> </ul> </li> </ul>
<b>HQ</b>	<ul style="list-style-type: none"> <li>Company expects to maintain the HQ cost structure over gross win over the course of the BP</li> <li>A retention plan for employees has been carried out, resulting in an increase in salaries in 2022 Q2, whose full impact will be in 2023B</li> </ul>
<b>CAPEX</b>	<ul style="list-style-type: none"> <li>Budget in Italy includes an investment in maintenance CAPEX of €5.5m in 2023, decreasing over time</li> </ul>

## 3.3 Business Plan Italy | Main Assumptions

Relaxation of Covid-related restrictions and halls relocations will further drive growth in the coming years

### Key Opportunities

- **Relaxation of Covid-related safety measures:**
  - Italy has been significantly **affected by Covid** (including the Omicron variant during the first quarter of 2022), resulting in strict safety measures such as minimum **distance between machines** and the **health card** that **affected consumption** by limiting the number of machines and visits
  - The **end of these measures** allows for the **recovery of the activity** in the country
- **Halls relocation:** Codere **has relocated one of their hall** in Parma to a better location which should lead to additional growth

### Key Risks

- There is currently no definitive regulation on the amount and calendar payment for licenses in Italy. Company has recorded an amount of €3.5m per year throughout the Business Plan assuming the extension of the current conditions of yearly payments; However the current conditions have only been extended until December 2024. An extension for a period of 9 years for Network and Bingo could amount to an estimated €44m.

## 3.3 Business Plan Italy | P&L

The increase in the volume of activity coupled with a fixed cost structure will allow for a progressive improvement of Adj. Retail EBITDA Margin from 4.8% in 2023B to 5.4% in 2027FC, with Adj. Retail EBITDA recovering close to pre-covid levels by 2025

### Retail Italy Business Plan 2022-2027FC (€m)

€m	2019	2022	2023B	2024B	2025B	2026B	2027B	CAGR (2022-2027)
<b>A Gross Win</b>	<b>374.7</b>	<b>310.3</b>	<b>329.1</b>	<b>343.0</b>	<b>361.3</b>	<b>365.8</b>	<b>368.7</b>	<b>3.5%</b>
Gaming Taxes	(230.8)	(188.9)	(200.9)	(209.5)	(221.1)	(223.9)	(225.7)	3.6%
Other Revenues	12.5	12.4	12.5	13.0	13.8	14.0	14.1	2.5%
Revenue Sharing	(37.2)	(30.8)	(32.3)	(33.8)	(35.8)	(36.2)	(36.5)	3.4%
Other deductions	(16.7)	(13.5)	(14.6)	(15.2)	(16.1)	(16.3)	(16.4)	3.9%
<b>Net Income</b>	<b>102.5</b>	<b>89.4</b>	<b>93.8</b>	<b>97.4</b>	<b>102.2</b>	<b>103.4</b>	<b>104.1</b>	<b>3.1%</b>
<b>B Operating Expenses</b>	<b>(70.6)</b>	<b>(62.3)</b>	<b>(66.1)</b>	<b>(68.7)</b>	<b>(69.5)</b>	<b>(70.5)</b>	<b>(71.5)</b>	<b>2.8%</b>
HQs Expenses	(10.8)	(11.3)	(12.0)	(12.1)	(12.3)	(12.4)	(12.6)	2.2%
<b>Adjusted EBITDA</b>	<b>21.1</b>	<b>15.8</b>	<b>15.7</b>	<b>16.6</b>	<b>20.5</b>	<b>20.5</b>	<b>20.1</b>	<b>4.8%</b>
Non recurring items	(0.2)	(0.4)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	-32.6%
<b>EBITDA</b>	<b>20.9</b>	<b>15.4</b>	<b>15.7</b>	<b>16.6</b>	<b>20.4</b>	<b>20.5</b>	<b>20.0</b>	<b>5.3%</b>
Gaming Taxes as % of GW	(61.6%)	(60.9%)	(61.0%)	(61.1%)	(61.2%)	(61.2%)	(61.2%)	
Adj EBITDA Margin	5.6%	5.1%	4.8%	4.8%	5.7%	5.6%	5.4%	

#### Main KPIS

# Active seats (slots)	8,412.1	7,498.3	7,900.0	8,082.6	8,314.6	8,367.5	8,403.1	2.3%
Average GW per seat (slots)	77.8	71.2	94.2	95.6	98.3	99.0	99.4	6.9%
# Bingo locations	-	10.0	10.0	10.0	10.0	10.0	10.0	0.0%
Average GW per bingo location	-	3,489.9	3,614.2	3,794.9	3,984.7	4,024.5	4,044.6	3.0%
# Connected Machines			14,001.2	14,417.3	14,809.9	15,031.7	15,041.2	n/a

#### €m

Operating Revenue	343.3	283.4	299.1	311.8	328.4	332.5	335.1	3.4%
Adj. EBITDA	21.1	15.8	15.7	16.6	20.5	20.5	20.1	4.8%
EBITDA	20.9	15.4	15.7	16.6	20.4	20.5	20.0	5.3%

**A** Gross Win is estimated to reach €368.7m (+€58.4m, CAGR22-27 +3.5%) driven by:

- **€49.9m related to slots** with a CAGR in active seats of 2.3% and in ADNW of 1.3% mostly due to recovery of the activity in Italy in 2023B

**B** In terms of costs, a €3.5m yearly license payment is included from **2024FC to 2027FC**, until an official communication by the Government is made with regards to any change to the current legislation

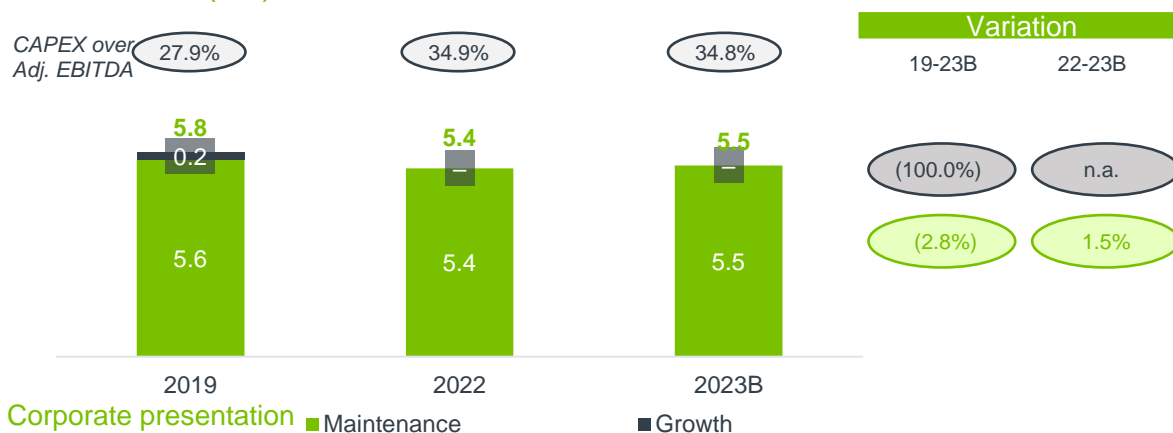
## 3.3 Business Plan Italy | 2023 Budget P&L

Company expects to achieve an Adj. Retail EBITDA of €15.7m and Adj. Retail EBITDA Margin of 4.8% in 2023B, remaining below 2019 levels (€21.1m and 5.6%)

### Italy Retail P&L (€m)

€m	2019	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023B	Var 19-23B	Var 22-23B
<b>A</b> Gross Win	374.7	310.3	82.0	80.5	79.6	87.1	329.1	(12.2%)	6.1%
Operating Revenues	343.3	283.4	74.7	73.0	72.3	79.3	299.1	(12.8%)	5.6%
Other Expenses	(240.7)	(193.9)	(51.0)	(50.1)	(49.5)	(54.8)	(205.4)	(14.7%)	5.9%
<b>Net Revenues</b>	<b>102.5</b>	<b>89.4</b>	<b>23.6</b>	<b>22.9</b>	<b>22.8</b>	<b>24.5</b>	<b>93.8</b>	<b>(8.5%)</b>	<b>4.8%</b>
<b>B</b> Operative Expenses	(70.6)	(62.3)	(16.6)	(16.1)	(16.4)	(17.1)	(66.1)	(6.4%)	6.0%
HQ Costs	(10.8)	(11.3)	(3.1)	(3.0)	(2.8)	(3.0)	(12.0)	10.4%	5.8%
<b>Adj. Pre-IFRS 16 EBITDA</b>	<b>21.1</b>	<b>15.8</b>	<b>4.0</b>	<b>3.8</b>	<b>3.6</b>	<b>4.4</b>	<b>15.7</b>	<b>(25.3%)</b>	<b>(0.6%)</b>
Non recurring	(0.2)	(0.4)	(0.0)	–	–	–	(0.0)	(77.3%)	(90.7%)
<b>Pre-IFRS 16 EBITDA</b>	<b>20.9</b>	<b>15.4</b>	<b>4.0</b>	<b>3.8</b>	<b>3.6</b>	<b>4.4</b>	<b>15.7</b>	<b>(24.8%)</b>	<b>1.8%</b>
Capex	(5.8)	(5.4)	(1.4)	(2.1)	(1.1)	(0.9)	(5.5)	(6.2%)	1.5%
<b>EBITDA - Capex</b>	<b>15.1</b>	<b>10.0</b>	<b>2.6</b>	<b>1.7</b>	<b>2.5</b>	<b>3.5</b>	<b>10.2</b>	<b>(32.1%)</b>	<b>1.9%</b>
<b>% of Gross Win</b>									
Net Revenue	27.4%	28.8%	28.8%	28.5%	28.6%	28.1%	28.5%	1.1%	(0.3%)
<b>B</b> Operative Expenses	(18.8%)	(20.1%)	(20.2%)	(20.0%)	(20.5%)	(19.6%)	(20.1%)	(1.2%)	0.0%
HQ Costs	(2.9%)	(3.6%)	(3.7%)	(3.8%)	(3.6%)	(3.5%)	(3.6%)	(0.7%)	0.0%
Adjusted EBITDA	5.6%	5.1%	4.9%	4.7%	4.5%	5.0%	4.8%	(0.8%)	(0.3%)
<b>EBITDA Retail</b>	<b>5.6%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>4.8%</b>	<b>(0.8%)</b>	<b>(0.2%)</b>

### Total CAPEX (€m)<sup>(1)</sup>



- A** GW is estimated to increase by €18.9m in 2023B vs 2022, mainly due to the increase in the number of active slots (3.7%) related to elimination of Covid restrictions in close spaces which implied removing slots to comply with distance measures
- Although an increase in volume of activity is expected, the Company doesn't estimate a return to 2019 levels during 2023B, with Adj. Retail EBITDA remaining at c. 75% of 2019 levels
    - The slower recovery is in part due to restrictions in the sector in terms of opening hours and minimum range of distance from sensitive locations (such as schools, hospitals and churches)
- B** Company estimates a ratio of operating expenses over gross win of 20.1%, aligned with historical performance in 2022 but higher than 2019 (18.8%) due to the increase in taxes in 2023B and the onerous extension of new licenses
- HQ costs are expected to stay constant over GW at 3.6%

1) Excludes licenses.

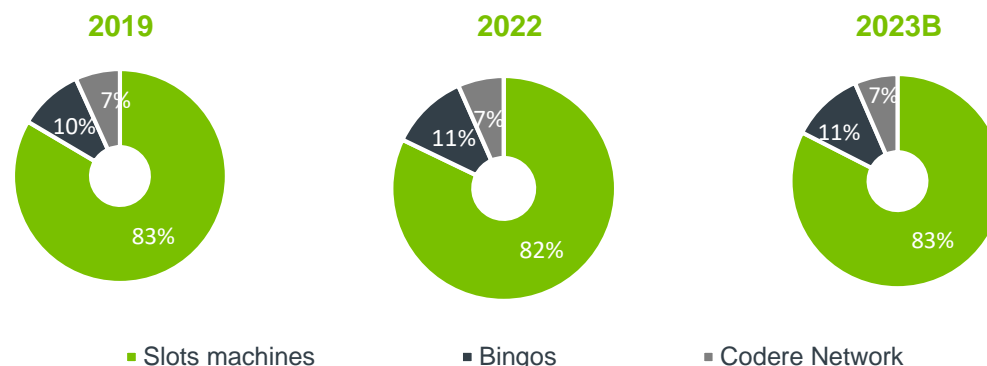
## 3.3 Business Plan Italy | 2023 Budget Gross Win by Product

Gross Win increase mainly driven by slots (€16.7m), which represents 83% of GW

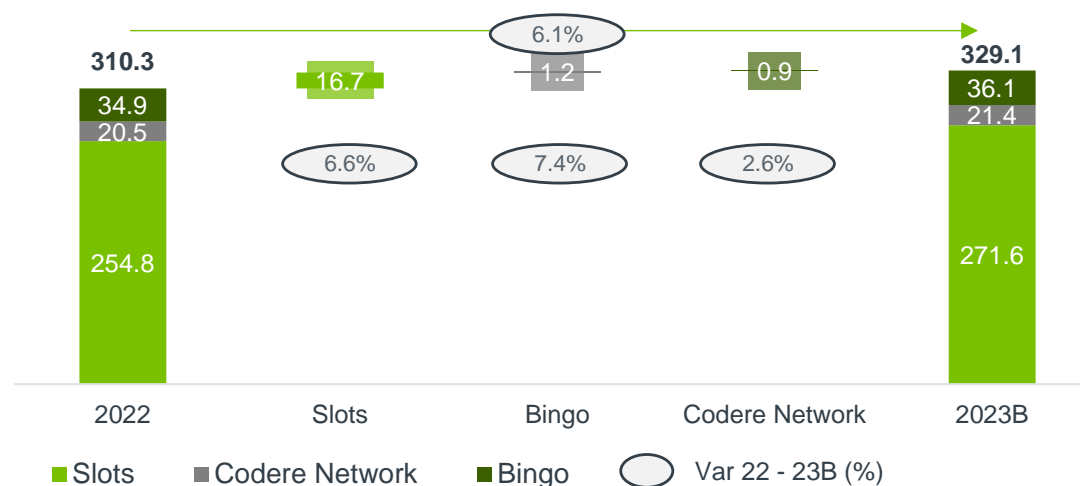
### Overview

- Company has estimated to recover the activity in Italy with an increase in GW of €18.9m, mainly due to the performance in slots (+€16.7m), being €4.5m by price effect and €12.2m by volume effect
- Budget also estimates a **recovery of the Bingo activity** in 2023B vs. 2022 due to the removal of **impact of Omicron** in 1Q 2022 and the impact of a renovation of bingos, marketing plan and the renovation of the product
- Codere Network is expected to increase in volume with an increase of 565 connected machines driven by an activity recovery
- 2023 also considers full deployment of Codere's Slot license (AWP and VLTs) gradually through the year, increase the Company's Route business and Network revenues

### Gross Win by Product



### Italy Retail | Gross Win



## 3.3 Business Plan Uruguay | Main Assumptions

The Company is expected to reach an Adj. Retail EBITDA of c.€19.3m in 2023 (vs €20.6m in 2019), and is forecasted to recover to pre-Covid levels from 2025 on the back of increases in active slots and GW/slot

### Gross Win

- Company has estimated a 42% increase GW in 2023B vs. 2022, reaching GW of LCU 2,906.5m
  - Increase partly due to recognition in HRU of 2022 revenues in 2023 (one-year delayed impact of COVID, from 2021 to 2022)
  - Overall, gross win is forecasted to increase at a CAGR of 7.1% in Euro between '22-27 with slot machines representing on average 75% of the total gross win
  - Slot seats are expected to increase by 14.7% in '2022-2023 reaching 2,273 seats in 2023 (+250 - 300). There is no further expected slot seat increase over the forecasted period
  - The company expects tables to decrease by ~2 in 2023 but with an increase of 90% in the gross win per table, driven by the opening of VIP sector
- Racetrack is expected to increase by 13.2% in 2023
- Sportsbets is expected to increase by 14.1% in 2023

### Other Revenues

- Hotel average occupancy estimated at 60% and at an average rate of USD \$183 in 2023
- Food and Beverage estimated operating margin of 40%

### Operating Expenses

- Operating expenses are estimated to increase by 15.1% in 2023, mainly due to the reincorporation of personnel in the hotel, along with the gradual incorporation of resources to the planned VIP sector for the tables

### HQ

- HQ expenses are estimated to increase by 11.8% in 2023 to LCU 315.3m

### CAPEX

- Maintenance CAPEX is expected to increase by 137% in 2023 to LCU 292.1m

### 3.3 Business Plan Uruguay | Key Risks and Opportunities

Uruguay is having a slower industry recovery. This represents an opportunity to increase market share. However, stricter online bet regulations could have a negative impact on gross win

#### Key Opportunities

- Due to **Codere's high market share** in the country (**82.4%**), the Company is well positioned to take advantage of the market recovery, which has not yet been completed
- Potential future expansion in the table market with the opening of the VIP tables and increase in allocated marketing expense
- Implementation of VIP segment strategy in Carrasco to improve gross win margin

#### Key Risks

- As the sector is operated with the State as a partner, a re-tendering of the licenses by the State could be an opportunity for relevant competitors
- Tendency for an increase in online bet regulation, which could end up being detrimental for Codere's retail Gross win

## 3.3 Business Plan Uruguay | P&L

Adj. Retail EBITDA to recover to pre-covid levels at c. 33% margin by 2027 driven by improved performance in slots and tables

### Retail Uruguay Business Plan 2022-2027FC (LCU m)

LCU m	2019	2022	2023B	2024B	2025B	2026B	2027B	CAGR (2022-2027)
<b>A Gross Win</b>	<b>2.412,5</b>	<b>2.045,8</b>	<b>2.906,5</b>	<b>3.105,9</b>	<b>3.350,4</b>	<b>3.606,8</b>	<b>3.875,4</b>	<b>13,6%</b>
Gaming Taxes	(58,7)	(92,6)	(110,4)	(117,7)	(130,3)	(143,2)	(156,9)	11,1%
Other Revenues	390,4	439,9	512,6	511,9	543,4	576,8	610,9	6,8%
Revenue Sharing	(11,7)	(9,5)	(11,4)	-	-	-	-	-100,0%
Other deductions	(241,7)	(240,8)	(282,5)	(288,8)	(308,9)	(327,8)	(347,0)	7,6%
<b>Net Income</b>	<b>2.490,8</b>	<b>2.142,9</b>	<b>3.014,7</b>	<b>3.211,3</b>	<b>3.454,6</b>	<b>3.712,6</b>	<b>3.982,4</b>	<b>13,2%</b>
<b>B Operating Expenses</b>	<b>(1.397,9)</b>	<b>(1.599,9)</b>	<b>(1.840,3)</b>	<b>(1.901,3)</b>	<b>(2.029,8)</b>	<b>(2.155,4)</b>	<b>(2.287,2)</b>	<b>7,4%</b>
HQs Expenses	(278,0)	(282,0)	(315,3)	(369,6)	(391,6)	(411,0)	(429,5)	8,8%
<b>Adjusted EBITDA</b>	<b>814,9</b>	<b>261,0</b>	<b>859,2</b>	<b>940,3</b>	<b>1.033,2</b>	<b>1.146,1</b>	<b>1.265,7</b>	<b>37,1%</b>
Non recurring items	(34,7)	-	(102,0)	-	-	-	-	n/a
<b>EBITDA</b>	<b>780,1</b>	<b>261,0</b>	<b>757,2</b>	<b>940,3</b>	<b>1.033,2</b>	<b>1.146,1</b>	<b>1.265,7</b>	<b>37,1%</b>
<b>EBITDA (EUR m)</b>	<b>19,7</b>	<b>6,3</b>	<b>16,9</b>	<b>18,6</b>	<b>19,3</b>	<b>20,4</b>	<b>21,7</b>	<b>28,2%</b>
Gaming Taxes as % of GW	(2,4%)	(4,5%)	(3,8%)	(3,8%)	(3,9%)	(4,0%)	(4,0%)	
Adj EBITDA Margin	33,8%	12,8%	29,6%	30,3%	30,8%	31,8%	32,7%	
<b>Main KPIS</b>								
# Active seats (slots)	2.267	1.982	2.273	2.273	2.273	2.273	2.273	2,8%
Average GW per seat (slots)	835,2	726,4	940,5	1.026,6	1.121,4	1.216,8	1.319,0	12,7%
# Tables	10	10	8	8	8	8	8	-4,4%
Average GW per table	17.871,7	20.853,7	39.639,1	32.054,2	34.352,0	36.412,9	38.394,0	13,0%
<b>€m</b>								
Operating Revenue	74.2	71.9	91.1	71.5	72.7	74.3	76.9	1.3%
Adj. EBITDA	20.6	6.3	19.3	18.6	19.3	20.4	21.7	28.1%
EBITDA	19.7	6.3	16.9	18.6	19.3	20.4	21.7	28.1%

- A** Gross Win is estimated to reach LCU. \$3,875.4 by 2027 driven by:
- Average GW per seat of \$1,318,972.4** with a CAGR of 12.7% and increase in active seats of 291 in 2023 as a result of an upgrade of 1 hall to another with higher capacity and stable there after
  - Average GW per table of \$38,393,969.9**, with a CAGR of 13%
- B** Overall Opex expected to increase driven by higher marketing expenses to boost number of customers and increase in personnel costs driven by inflation and delivery of improved customer experience in the VIP Area



## 3.3 Business Plan Uruguay | 2023 Budget P&L

Company expects to achieve an Adj. Retail EBITDA of LCU 859m and Adj. Retail EBITDA Margin of 29.6% in 2023B, in line with 2019 levels

### Uruguay Retail P&L (LCU)

LCU	2019	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023B	Var 19-23B	Var 22-23B
<b>A</b> Gross Win	2,412.5	2,045.8	699.0	691.6	739.8	776.1	2,906.5	20.5%	42.1%
Operating Revenues	2,928.6	3,084.8	940.6	949.4	1,018.6	1,150.2	4,058.8	38.6%	31.6%
<b>B</b> Other Expenses	(437.8)	(941.8)	(211.9)	(228.5)	(254.0)	(349.7)	(1,044.0)	138.5%	10.9%
<b>Net Revenues</b>	<b>2,490.8</b>	<b>2,142.9</b>	<b>728.6</b>	<b>721.0</b>	<b>764.6</b>	<b>800.6</b>	<b>3,014.7</b>	<b>21.0%</b>	<b>40.7%</b>
Operative Expenses	(1,397.9)	(1,599.2)	(449.7)	(455.4)	(465.8)	(469.4)	(1,840.3)	31.6%	15.1%
HQ Costs	(278.0)	(282.0)	(77.8)	(78.0)	(79.5)	(80.0)	(315.3)	13.4%	11.8%
<b>Adj. Pre-IFRS 16 EBITDA</b>	<b>814.9</b>	<b>261.7</b>	<b>201.1</b>	<b>187.6</b>	<b>219.3</b>	<b>251.2</b>	<b>859.2</b>	<b>5.4%</b>	<b>228.3%</b>
Non recurring	(34.7)	-	(102.0)	-	-	-	(102.0)	193.7%	n.a.
<b>Pre-IFRS 16 EBITDA</b>	<b>780.1</b>	<b>261.7</b>	<b>99.1</b>	<b>187.6</b>	<b>219.3</b>	<b>251.2</b>	<b>757.2</b>	<b>(2.9%)</b>	<b>189.3%</b>
Capex	(196.4)	(241.8)	(8.8)	(154.2)	(66.4)	(62.7)	(292.1)	48.7%	20.8%
<b>EBITDA - Capex</b>	<b>583.7</b>	<b>19.9</b>	<b>90.3</b>	<b>33.4</b>	<b>152.8</b>	<b>188.5</b>	<b>465.0</b>	<b>n.m.</b>	<b>2,236.2%</b>
<b>Memo in €m</b>									
<b>Adj. Pre-IFRS 16 EBITDA</b>	<b>20.6</b>	<b>6.3</b>	<b>4.7</b>	<b>4.3</b>	<b>4.9</b>	<b>5.5</b>	<b>19.3</b>	<b>(6.6%)</b>	<b>207.4%</b>
<b>% of Gross Win</b>									
<b>B</b> Net Revenue	103.2%	104.7%	104.2%	104.2%	103.3%	103.2%	103.7%	0.5%	(1.0%)
<b>C</b> Operative Expenses	(57.9%)	(78.2%)	(64.3%)	(65.8%)	(63.0%)	(60.5%)	(63.3%)	(5.4%)	14.9%
HQ Costs	(11.5%)	(13.8%)	(11.1%)	(11.3%)	(10.7%)	(10.3%)	(10.8%)	0.7%	2.9%
Adjusted EBITDA	33.8%	12.8%	28.8%	27.1%	29.6%	32.4%	29.6%	(4.2%)	16.8%
<b>EBITDA Retail</b>	<b>32.3%</b>	<b>12.8%</b>	<b>14.2%</b>	<b>27.1%</b>	<b>29.6%</b>	<b>32.4%</b>	<b>26.1%</b>	<b>(6.3%)</b>	<b>13.3%</b>

### Total CAPEX (LCU)

CAPEX over  
Adj. EBITDA

25.1%

92.4%

38.6%

### Variation

19-23B

22-23B

196.4

196.4

2019

241.8

118.8

123.0

2022

292.1

292.1

2023B

n.a.

48.7%

(100.0%)

137.6%

■ Maintenance

■ Growth

Corporate presentation

Strictly Private and Confidential

**A** Gross win is expected to grow by 42%, mainly due to:

- Increase in Slots GW due to (i) recognition in HRU (one-year delayed impact of COVID) and (ii) Slots increase of 291 vs. 2022
- Tables GW growth of 52% despite a decrease in number of tables by 2

**B** Operating expenses expected to increase mainly due to an increase in average expenses of FTEs by 4.6% and increase of 6.5% in operating FTEs related to implementation of a VIP plan, that would increase the Company's slot and tables revenues

**C** HQ cost structure over GW expected to stay aligned with 2022

- There are no tax payment in HRU since the license is held by the local authority, Codere has a concession and an agreement for the rental of 5 gaming halls

codere

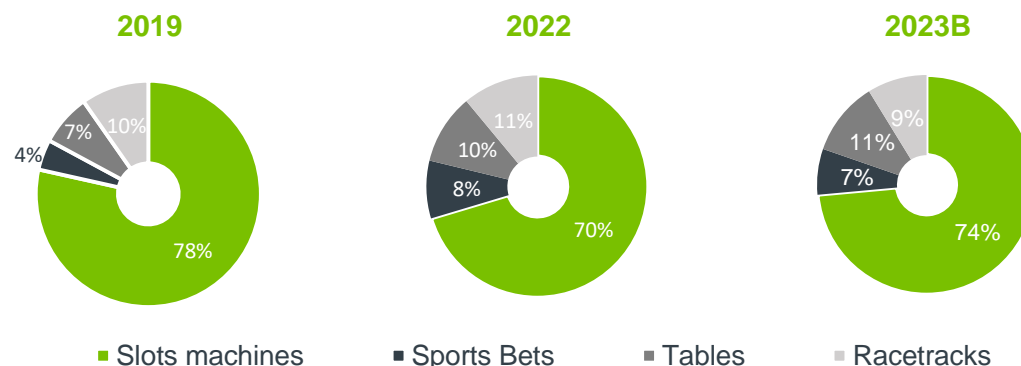
### 3.3 Business Plan Uruguay | 2023 Budget Gross Win by Product

Gross Win increase mainly driven by Slots (LCU 698m), representing 74% of GW, and Tables (LCU 109m)

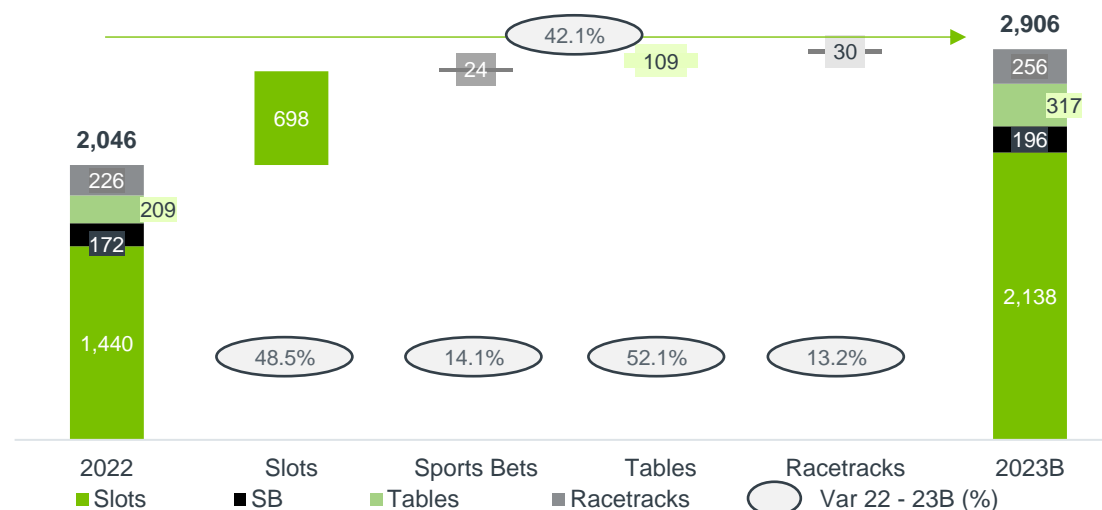
#### Overview

- Uruguay's gross win is mostly driven by slots, representing 74% of the total GW amount. Additionally, slots's GW is recorded delaying one year in HRU (entity in Uruguay) due to the accounting policy. This business is shared with the Government which collect 100% of the revenues in the actual year and pay one year later to the Group by agreement
- Sport bets and Tables represent c. 18% of the gross wins and are currently above pre pandemic levels
  - Additionally, the company expects to launch VIP service on tables which is expected to increase GW
- Racetracks are expected to represent c. 9% of GW in 2023
- Operations in Uruguay are divided between two companies:
  - HRU which has a concession from the government to operate state owned racetracks and halls and keep a percentage of the total profits generated
  - CANO which comprises of Company owned halls and which revenues correspond 100% to the Company

#### Gross Win by Product



#### Uruguay Retail | Gross Win



### 3.3 Business Plan Colombia | Main Assumptions

Codere's small market share in Colombia could offer interesting opportunities to grow and gain market share to the detriment of larger operators; however unstable regulatory outlook could hinder future growth

#### Key Assumptions

- Increase in total **visits at a 4.5% CAGR** from 2022 to 2027
- Increase in total GW at a 5.0% CAGR from 2022 till 2027, mainly driven by strong performance in slots, which represent 93% of total GW and are forecasted to increase at a 3.4% CAGR in euro terms, mainly due to an increase in slot machines of over c.150 in 2023
- Adj. Retail EBITDA margin estimated at 14% on average throughout the period 2022 – 2027, slightly improving over time due to the implementation of a rationalisation plan of slot machines to improve profitability

#### Key Opportunities

- Use of additional Capex growth investment in 2023 (LCU \$1,658m) to gain market share and attract customers
- The new opening of Bucaramanga and Cucuta Halls that took place in 2022 and the anticipated ramp-up / run rate will benefit of full year operations with no impact from Covid-related restrictions
- New hall opening expected in July 2023

#### Key Risks

- New government which has brought regulatory changes and policies, including an increase in minimum wage of 22%
- New board has been appointed for Coljuegos (government regulatory entity) which could lead to changes in regulation

## 3.3 Business Plan Colombia | P&L

Whilst Adj. Retail EBITDA margin is expected to remain broadly in line with 2022 results at c.14%, volumes are expected to increase led by increases in Slots and Sport Bets locations

### Retail Colombia Business Plan 2022-2027FC (€m)

LCU m	2019	2022	2023B	2024B	2025B	2026B	2027B	CAGR (2022-2027)
<b>A Gross Win</b>	<b>121,280.0</b>	<b>118,341.8</b>	<b>130,523.8</b>	<b>136,674.1</b>	<b>141,701.1</b>	<b>146,752.9</b>	<b>151,288.4</b>	<b>5.0%</b>
Gaming Taxes	(14,088.8)	(8,885.5)	(10,538.5)	(10,715.4)	(11,128.2)	(11,537.2)	(11,909.8)	6.0%
Other Revenues	2,692.9	1,798.2	2,126.5	2,230.0	2,296.4	2,365.5	2,436.7	6.3%
Revenue Sharing	(23,355.0)	(24,361.7)	(24,938.6)	(27,185.9)	(28,130.4)	(29,104.5)	(29,980.5)	4.2%
Other deductions	(29,280.3)	(25,000.1)	(25,326.1)	(26,683.1)	(27,524.3)	(28,395.8)	(29,249.9)	3.2%
<b>Net Income</b>	<b>57,248.9</b>	<b>61,892.7</b>	<b>71,847.1</b>	<b>74,319.6</b>	<b>77,214.5</b>	<b>80,080.9</b>	<b>82,584.8</b>	<b>5.9%</b>
<b>B Operating Expenses</b>	<b>(35,259.7)</b>	<b>(30,426.3)</b>	<b>(37,261.9)</b>	<b>(38,547.4)</b>	<b>(39,699.3)</b>	<b>(40,894.4)</b>	<b>(42,123.8)</b>	<b>6.7%</b>
HQs Expenses	(10,233.0)	(14,721.9)	(16,400.6)	(16,780.3)	(17,280.6)	(17,800.4)	(18,335.8)	4.5%
<b>Adjusted EBITDA</b>	<b>11,756.2</b>	<b>16,744.5</b>	<b>18,184.6</b>	<b>18,991.8</b>	<b>20,234.7</b>	<b>21,386.1</b>	<b>22,125.1</b>	<b>5.7%</b>
Non recurring items	(4,153.1)	(886.8)	(78.0)	(117.0)	(117.0)	(117.0)	(117.0)	-33.3%
<b>EBITDA</b>	<b>7,603.1</b>	<b>15,857.6</b>	<b>18,106.6</b>	<b>18,874.8</b>	<b>20,117.7</b>	<b>21,269.1</b>	<b>22,008.1</b>	<b>6.8%</b>
<b>EBITDA(EUR m)</b>	<b>2.2</b>	<b>3.5</b>	<b>3.4</b>	<b>3.8</b>	<b>4.1</b>	<b>4.4</b>	<b>4.6</b>	<b>5.2%</b>
Gaming Taxes as % of GW	(11.6%)	(7.5%)	(8.1%)	(7.8%)	(7.9%)	(7.9%)	(7.9%)	(7.9%)
Adj EBITDA Margin	9.7%	14.1%	13.9%	13.9%	14.3%	14.6%	14.6%	14.6%
<b>Main KPIS</b>								
# Active seats (slots)	4,371	3,485	3,648	3,648	3,648	3,648	3,648	0.9%
Average GW per seat (slots)	25,219.2	31,847.0	33,276.5	34,841.3	36,135.3	37,438.7	38,598.6	3.9%
# Sport Bets locations	581	451	500	500	500	500	500	2.1%
Average GW per sport bets location	8,222.5	7,966.4	7,552.7	8,043.6	8,283.4	8,532.6	8,788.9	2.0%
<b>€m</b>								
Operating Revenue	19.0	20.8	19.0	27.6	29.0	30.8	31.9	8.9%
Adj. EBITDA	3.3	3.7	3.4	3.8	4.1	4.4	4.6	4.3%
EBITDA	2.2	3.5	3.4	3.8	4.1	4.4	4.6	5.2%

- A** Gross Win is estimated to reach LCU. \$151bn driven by:
- Average GW per seat of c.**\$38,6m** with a CAGR of 3.9% and increase in active slots of over 150 in 2023
  - Average GW per sports location \$8.8m** with a CAGR of 2.0% and increase in Sports Bets locations of c.50 in 2023
- B** Opex increase for 2023 mostly related with increase in slots and Sports Bets location, increasing with inflation from 2023 onwards

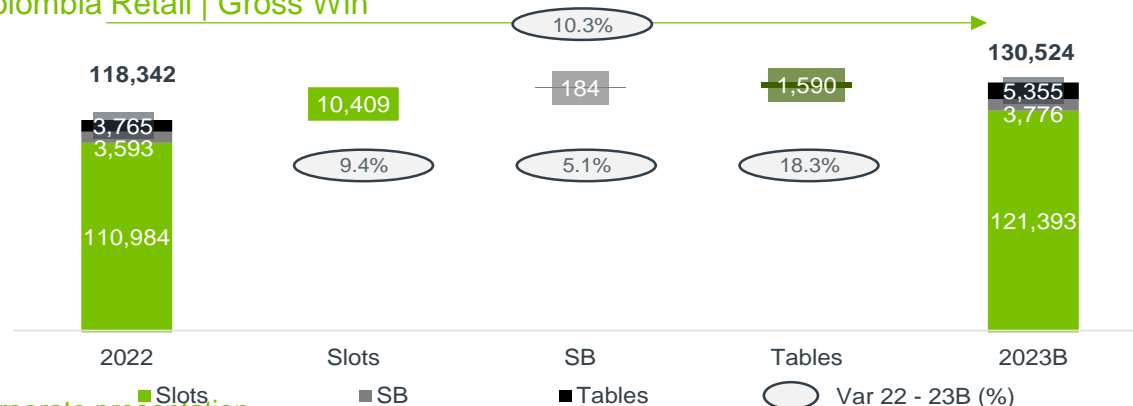
## 3.3 Business Plan Colombia | 2023 Budget P&L

Company expects to achieve an Adj. Retail EBITDA of LCU 18.185m (€3.4m) and Adj. EBITDA Margin of 13.9% in 2023B, reaching 2019 levels (€3.3m and 9.7% Adj. EBITDA Margin)

### Colombia Retail P&L (LCU)

LCU	2019	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023B	Var 19-23B	Var 22-23B
<b>A</b> Gross Win	121,280.0	118,341.8	31,463.2	31,711.3	33,156.7	34,192.7	130,523.8	7.6%	10.3%
Operating Revenues	69,761.7	92,605.9	24,624.0	24,830.7	25,950.4	26,735.7	102,140.8	46.4%	10.3%
Other Expenses	(12,512.9)	(30,713.3)	(7,534.4)	(7,513.5)	(7,542.1)	(7,703.6)	(30,293.6)	142.1%	(1.4%)
Net Revenues	57,248.9	61,892.7	17,089.6	17,317.3	18,408.3	19,032.0	71,847.1	25.5%	16.1%
<b>B</b> Operative Expenses	(35,259.7)	(30,426.3)	(8,742.7)	(8,901.3)	(9,805.6)	(9,812.3)	(37,261.9)	5.7%	22.5%
HQ Costs	(10,233.0)	(14,721.9)	(4,076.8)	(4,034.5)	(4,119.4)	(4,169.8)	(16,400.6)	60.3%	11.4%
Adj. Pre-IFRS 16 EBITDA	11,756.2	16,744.5	4,270.1	4,381.5	4,483.2	5,049.9	18,184.6	54.7%	8.6%
Non recurring	(4,153.1)	(886.8)	—	—	(39.5)	(38.5)	(78.0)	(98.1%)	(91.2%)
Pre-IFRS 16 EBITDA	7,603.1	15,857.6	4,270.1	4,381.5	4,443.7	5,011.4	18,106.6	138.1%	14.2%
Capex	(6,308.3)	(7,135.2)	(963.6)	(1,122.3)	(4,782.1)	(3,662.3)	(10,530.2)	66.9%	47.6%
EBITDA - Capex	1,294.7	8,722.5	3,306.5	3,259.2	(338.4)	1,349.1	7,576.4	485.2%	(13.1%)
Memo in €m									
Adj. Pre-IFRS 16 EBITDA	3.3	3.7	0.8	0.8	0.8	0.9	3.4	2.7%	(9.1%)
% of Gross Win									
Net Revenue	47.2%	52.3%	54.3%	54.6%	55.5%	55.7%	55.0%	7.8%	2.7%
<b>B</b> Operative Expenses	(29.1%)	(25.7%)	(27.8%)	(28.1%)	(29.6%)	(28.7%)	(28.5%)	0.5%	(2.8%)
HQ Costs	(8.4%)	(12.4%)	(13.0%)	(12.7%)	(12.4%)	(12.2%)	(12.6%)	(4.1%)	(0.1%)
Adjusted EBITDA	9.7%	14.1%	13.6%	13.8%	13.5%	14.8%	13.9%	4.2%	(0.2%)
EBITDA Retail	6.3%	13.4%	13.6%	13.8%	13.4%	14.7%	13.9%	7.6%	0.5%

### Colombia Retail | Gross Win



- A** GW expected to increase by c.10% driven mostly by an increase in slots which represent 93% of GW (increase in slots numbers and average daily win per slot)
  - The only revenue category unit which has not recovered to pre pandemic levels is Sports Bets, which is expected to increase by 5% in 2023, staying below 2019 levels
- Other revenues are expected to increase by c.18% aligned with the recovery of the activity
- Personnel expenses are expected to rise in 2023 mainly because of an increase of c.100 FTEs and an increase in the minimum wage by 22%
- B** Operating expenses are expected to rise by 23%, with Rentals and Electricity as the main contributors
- Budget includes a forecasted growth CAPEX of €0.3m which is destined for the internalization of halls and new equipment

## 3.3 Business Plan Panama | Main Assumptions

Operations in Panama present an opportunity for expansion, given the stable economic landscape, along with favorable changes in regulation for the company

### Key Assumptions

- Increase in total visits expected to grow at a 3.3% CAGR from 2022 to 2027 as the Company will increase targeted marketing efforts
- Increase in total Gross win at a 6.2% CAGR from 2022 to 2027, mainly driven by an increase in Slots GW, which represent 70% of total Gross win. Slots GW increase partly driven by full year impact of the new Chorrera hall opened in 2022
- Adj. Retail EBITDA margin estimated to increase from 11.8% in 2023 to 16.9% in 2027 due to a higher GW CAGR of 4.1% vs. Opex growth rate of 3 aligned with CPI forecasts

### Key Opportunities

- Consolidate activity of **Chorrera Hall** (opened in 2022) and the anticipated ramp-up / run rate, with no Covid related restrictions in upcoming years and re-launching of Aloft hall, which closed in 2020
- Increasing regulation for black market racetrack and online bets, **which are currently active in the country, reducing the competition**
- The Company has also launched a Parking Site Project that will involve partnering with a 3<sup>rd</sup> party to develop further parking spaces by the gaming halls. This will increase accessibility to Codere's venues by increasing the number of parking spots and lead to more visitors in Codere's facilities and an increase in other revenues (racetrack and OTBs)
- Renegotiation of contracts with potential cost efficiency

### Key Risks

- Radisson Colon renovation is still under negotiation. Failing to close this agreement could impact negatively 2023 revenue, however impact to EBITDA would be limited given low profitability and EBITDA contribution of this facility as a result of continuing high rental costs

## 3.3 Business Plan Panama | P&L

The expected performance in slots as well as tables will contribute to a recovery of the performance in Panama with a Adj. Retail EBITDA Margin of 16.9% in 2027FC vs. 12.4% in 2019

### Retail Panama Business Plan 2022-2027FC (€m)

LCU m	2019	2022	2023B	2024B	2025B	2026B	2027B	CAGR (2022-2027)
<b>A Gross Win</b>	<b>78.7</b>	<b>72.3</b>	<b>80.7</b>	<b>86.9</b>	<b>90.5</b>	<b>94.0</b>	<b>97.6</b>	<b>6.2%</b>
Gaming Taxes	(10.7)	(10.6)	(12.0)	(12.8)	(13.3)	(13.8)	(14.3)	6.2%
Other Revenues	4.0	3.0	3.6	3.4	3.5	3.5	3.5	3.2%
Revenue Sharing	(1.6)	(2.5)	(2.7)	(2.9)	(2.9)	(3.0)	(3.1)	3.7%
Other deductions	(6.8)	(5.8)	(6.2)	(6.6)	(6.9)	(7.3)	(7.6)	5.9%
<b>Net Income</b>	<b>63.7</b>	<b>56.4</b>	<b>63.4</b>	<b>68.1</b>	<b>70.8</b>	<b>73.4</b>	<b>76.1</b>	<b>6.2%</b>
<b>B Operating Expenses</b>	<b>(44.7)</b>	<b>(40.8)</b>	<b>(43.3)</b>	<b>(45.4)</b>	<b>(46.3)</b>	<b>(47.2)</b>	<b>(48.1)</b>	<b>3.4%</b>
HQs Expenses	(9.2)	(10.6)	(10.6)	(10.9)	(11.1)	(11.3)	(11.6)	1.8%
<b>Adjusted EBITDA</b>	<b>9.7</b>	<b>5.1</b>	<b>9.5</b>	<b>11.8</b>	<b>13.4</b>	<b>14.9</b>	<b>16.5</b>	<b>26.6%</b>
Non recurring items	(2.2)	(0.8)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	-24.2%
<b>EBITDA</b>	<b>7.5</b>	<b>4.3</b>	<b>9.4</b>	<b>11.7</b>	<b>13.2</b>	<b>14.7</b>	<b>16.3</b>	<b>30.5%</b>
<b>EBITDA (EUR m)</b>	<b>6.7</b>	<b>4.1</b>	<b>8.7</b>	<b>10.4</b>	<b>11.6</b>	<b>12.7</b>	<b>14.0</b>	<b>27.6%</b>
Gaming Taxes as % of GW	(13.5%)	(14.7%)	(14.9%)	(14.7%)	(14.7%)	(14.7%)	(14.7%)	
Adj EBITDA Margin	12.4%	7.0%	11.8%	13.6%	14.8%	15.8%	16.9%	
<b>Main KPIS</b>								
# Active seats (slots)	2,973	2,235	2,412	2,412	2,412	2,412	2,412	1.5%
Average GW per seat (slots)	18,925.7	22,733.5	23,439.1	25,240.5	26,290.0	27,310.6	28,371.3	4.5%
# Tables	52	59	66	72	72	72	72	3.9%
Average GW per table	158,834.5	170,479.5	173,430.4	176,451.4	183,225.5	190,265.0	197,580.2	3.0%
<b>€m</b>								
Operating Revenue	78.2	71.8	77.7	80.3	82.6	84.6	87.2	4.0%
Adj. EBITDA	8.6	4.9	8.8	10.5	11.7	12.9	14.2	23.9%
EBITDA	6.7	4.1	8.7	10.4	11.6	12.7	14.0	27.6%

**A** Gross Win is estimated to reach LCU. \$97.6m driven by:

- Increase in visits of 300k over business plan period to c.2,000k
- **Average GW per seat of \$28,371.3**, with a CAGR of 4.5% and increase in number of slots of 178 in 2023, stable thereafter
- **Average GW per table of \$197,580.2**, with a CAGR of 3.0%, and increase in number of tables of 13

**B** Opex increase will be mostly driven by increase slot machines and tables and related variable costs



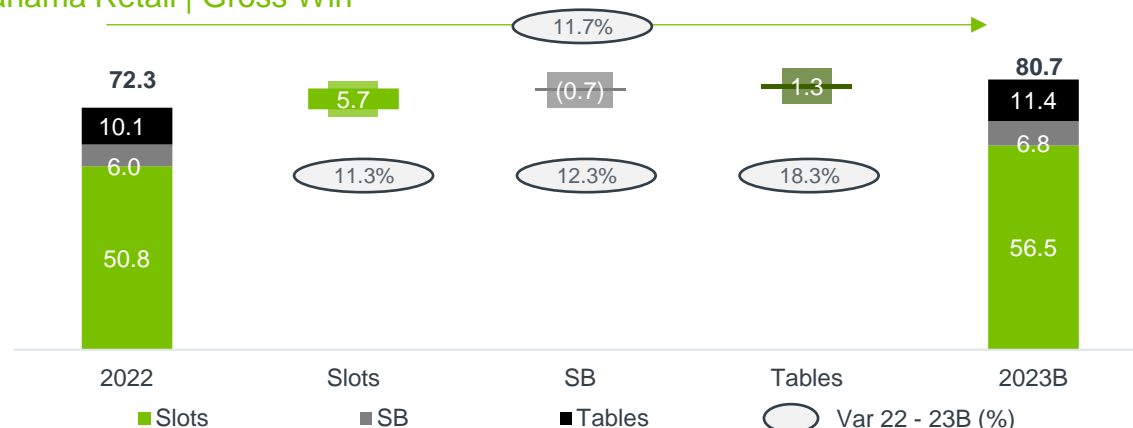
## 3.3 Business Plan Panama | 2023 Budget P&L

Company expects to achieve an Adj. Retail EBITDA of LCU 9.5m (€8.8m) and Adj. EBITDA Margin of 11.8% in 2023B, reaching 2019 levels (LCU 9.7m and 12.4% Adj. Retail EBITDA Margin)

### Panama Retail P&L (LCU)

LCU	2019	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023B	Var 19-23B	Var 22-23B
<b>A</b> Gross Win	78.7	72.3	19.2	19.7	20.7	21.2	80.7	2.6%	11.7%
Operating Revenues	87.5	75.4	20.0	20.6	21.6	22.1	84.3	(3.7%)	11.8%
Other Expenses	(23.9)	(19.0)	(5.0)	(5.2)	(5.4)	(5.4)	(20.9)	(12.6%)	9.9%
Net Revenues	63.7	56.4	15.0	15.4	16.2	16.7	63.4	(0.4%)	12.5%
Operative Expenses	(44.7)	(40.8)	(10.7)	(10.8)	(10.8)	(11.0)	(43.3)	(3.2%)	6.1%
HQ Costs	(9.2)	(10.6)	(2.6)	(2.7)	(2.7)	(2.6)	(10.6)	14.8%	0.5%
<b>B</b> Adj. Pre-IFRS 16 EBITDA	9.7	5.1	1.7	1.9	2.8	3.1	9.5	(2.0%)	88.5%
Non recurring	(2.2)	(0.8)	(0.0)	—	(0.1)	—	(0.1)	(94.3%)	(83.3%)
Pre-IFRS 16 EBITDA	7.5	4.3	1.7	1.9	2.7	3.1	9.4	24.9%	118.4%
Capex	(7.7)	(5.5)	(1.5)	(0.8)	(1.6)	(0.6)	(4.6)	(40.5%)	(17.3%)
EBITDA - Capex	(0.2)	(1.2)	0.2	1.1	1.0	2.5	4.8	(2,978.3%)	(494.3%)
<b>Memo in €m</b>									
Adj. Pre-IFRS 16 EBITDA	8.6	4.9	1.6	1.8	2.5	2.8	8.8	1.5%	80.4%
<b>% of Gross Win</b>									
Net Revenue	80.9%	78.0%	78.4%	78.2%	78.4%	79.1%	78.6%	(2.3%)	0.6%
Operative Expenses	(56.8%)	(56.4%)	(55.9%)	(54.8%)	(52.0%)	(51.9%)	(53.6%)	3.2%	2.8%
HQ Costs	(11.7%)	(14.6%)	(13.5%)	(13.6%)	(13.0%)	(12.5%)	(13.1%)	(1.4%)	1.5%
Adjusted EBITDA	12.4%	7.0%	9.1%	9.8%	13.3%	14.7%	11.8%	(0.6%)	4.8%
EBITDA Retail	9.6%	6.0%	8.9%	9.8%	12.8%	14.7%	11.7%	2.1%	5.7%

### Panama Retail | Gross Win



- A** GW to increase by 11.7% driven by (i) reactivation of seat slots in 2023B vs. 2022 due to the end of Covid restrictions in halls and of Aloft and Chorrera halls and (ii) increase of GW of 3% from 2022 to 2023B
- Number of tables planned to increase by 7, which would have a positive volume effect. Additionally, the company expects profitability per table to increase by 3% amounting to USD\$1.1m, based in Chorrera year-round and in an operational plan to reinforce leadership in tables
- B** HQ costs are expected to stay relatively stable with an increase of 0.5%, while personnel expenses expected to increase by 15.6% (mainly due to no bonus provision in 2022),
- Capex is limited and destined entirely to maintenance. Given the restrictions, priority has been given to the maintenance of smaller halls and to the Guayacanes license which is necessary to operate this hall



## 3.3 Business Plan HQ | 2023 Budget P&L

Total Retail HQ structure of the Group amounts to c. €137m in 2023, with c.€46m reinvoiced to countries

### HQ Costs, excluding Online <sup>(1)</sup> (€m)

Country	2022	2023B	Var 22-23B	
			€m	Var
Spain	(27,5)	(29,8)	(2,3)	8,2%
Mexico	(22,7)	(25,6)	(2,8)	12,4%
Argentina	(26,5)	(30,3)	(3,8)	14,3%
Colombia	(4,3)	(4,0)	0,3	(7,8%)
Panama	(9,8)	(10,3)	(0,5)	4,6%
Italy	(11,4)	(12,0)	(0,5)	4,5%
Uruguay	(6,6)	(7,6)	(0,9)	13,8%
HQ	(19,5)	(17,8)	1,7	(8,6%)
<b>Total HQ Adjusted</b>	<b>(128,4)</b>	<b>(137,2)</b>	<b>(8,7)</b>	<b>6,8%</b>
Non Recurring	12,0	11,6	(0,3)	(2,8%)
<b>Total HQ</b>	<b>(140,4)</b>	<b>(148,8)</b>	<b>(8,4)</b>	<b>6,0%</b>

### Re-invoiced costs by Country and Type (€m)

Country	Platform	Systems	Space	Building	Rest	Total
Spain	10.1	3.7	-	0.6	0.4	14.8
Mexico	1.3	3.5	1.8	-	0.5	7.1
Argentina	-	1.1	3.7	-	0.2	5.0
Colombia	0.1	0.8	0.1	-	0.0	1.0
Panama	0.1	0.7	0.5	-	0.1	1.4
Italy	-	0.7	-	-	0.3	0.9
Uruguay	-	0.4	-	-	0.0	0.4
Online	4.4	7.7	-	-	3.6	15.7
<b>Total</b>	<b>16.1</b>	<b>18.6</b>	<b>6.1</b>	<b>0.6</b>	<b>5.0</b>	<b>46.3</b>

- Total HQ structure amounts to c.€137m in 2023, of which c.€35m related to Platform & Systems and €4m related to Shared Service Center in Argentina
  - c.€18m are related to HQ and are not re-invoiced to the countries
- For the re-invoicing process,, the Group allocated the expenses by (i) Platform, related to GW in Sport Bets, (ii) Systems, related to number of active IT licenses per country and (iii) Space related to GW in slots in countries which use the space slot management app
- Platform expenses in 2023B are estimated at c.€16m
  - These expenses correspond to the costs related to sports content for the placement of bets and are re-invoiced 100% to each country
- Systems expenses of c.€19m mainly related to the software licenses such as Salesforce or windows. This cost is distributed by country based on the number of licenses in use

# Business Plan and 2023 Budget Presentation

## 3.4 Additional Levers of Growth

3.4

## 3.4 Additional Business Plan Levers | Introduction

Whilst the Company has prepared a detailed consolidated business plan for the period to 2027, it has simultaneously engaged two sets of industry Operating Partners to identify potential routes to accelerate growth for Codere in Spain and Mexico

The countries on which the majority of the focus has been dedicated are Spain and Mexico

- **Spain:** The Operating Partners focused on the definition plus structuring of a buy and build model to further expand the route business (slot machines in bars) in Spain
  - A particular focus has been devoted to potential synergies at a Revenue, Opex and Capex level
- **Mexico:** The Operating Partners focused on a deep review of the current Codere Mexico value proposition and the potential investment requirements and incremental Adj. Retail EBITDA that could be achieved through an accelerated capex program, this review included detailed site visits of ~80% of the hall footprint in Mexico
  - Here, the Company has to regain the activity levels lost during the past years. To achieve this, a renovation of the halls is under scrutiny, with Operating Partners focusing on the halls with the highest EBITDA contribution and / or growth potential

**These upside opportunities will continue to be assessed in more detail by the Company and execution will be subject to availability of capital**

## 3.4 Additional Business Plan Levers | Spain | Highlights

Codere's ambition is to consolidate slot operators to further expand its integrated network, amplifying revenue, cost and capex synergies through increased scale and digitalisation

### Business Overview

- Expand an **integrated network consolidating regional slot operators** accounting for several **thousand slot machines in bars in Spain**
- Additional **integration of smaller operators under the regional platforms** to increase the network further across Spain



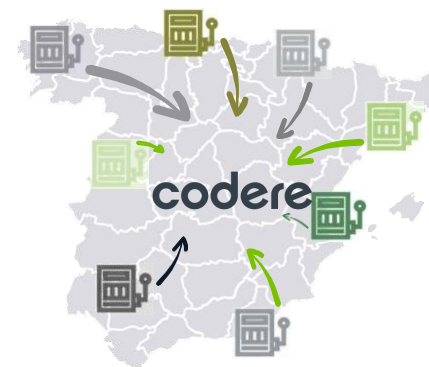
### Key Value Proposition Drivers

- **Maximized income** from optimizing usage and allocation of slots, resulting in higher slot income
- **Reduced operating cost** from optimizing processes for commercial, technical and collections teams and capturing synergies from back-office costs
- **Improved return on investments (4.5 – 5.5x EBITDA)**

### Key Objectives

- Maximized outcomes** (better product management and reduced breakdown periods)
- Reduced operational cost** (adding technology and diluting back office costs)
- Low execution risk** (ensuring targets have commercial agreements with bars recently renewed)

Over 5,000 operators



## 3.4 Additional Business Plan Levers | Spain | Value Creation

Value creation to come from revenue plus cost synergies (~30% in year 5)

### Revenue Synergies

**Slot usage optimization** through:

- i. The reduction of slots dischargers
- ii. Improvement of slots rotation
- iii. Improved allocation of slots by bar or location profile



### Costs Synergies

**Process optimization** based on:

- i. Optimized and improved commercial processes deriving from better knowledge of slots and bar profile
- ii. Optimized collection processes

**Back-office efficiency** through the consolidation of costs, benefiting from economies of scale / removing duplicates

**Optimized slot investment** through:

- i. The correct allocation of renovation sunk costs based on bar profile
- ii. The correct selection of slots resulting in higher return on investment
- iii. The higher discounts in cost per slot due to higher fleet size









### Value Creation

Estimated impacts from the value proposition are translated into:

- i. **Increase in net win per slot**
- ii. **Decrease in OPEX**
- iii. **Decrease in CAPEX**
- iv. **Efficiencies at HQ level**

## 3.4 Additional Business Plan Levers | Spain | Market Overview

The Spanish gaming market is deep enough to deploy capital and is highly fragmented with abundance of fungible targets

Footprint	Characteristics	Examples	Description
<b>National Operators</b>	>3,000 slots		<ul style="list-style-type: none"> <li>Integrated operators that are present in various segments of the Gaming industry: casinos, gaming halls, slots manufacturing, etc.</li> <li>High capillarity throughout the Spanish territory</li> <li>International presence</li> </ul>
	5 operators	 	
<b>Regional Operators</b>	100 – 3,000 slots		<ul style="list-style-type: none"> <li>Regional champions with concentrated footprint in few regions</li> <li>Limited diversification (Bingos, Casinos, etc.)</li> <li>Acquisitions of slots from large manufacturers (e.g.: Novomatic, Merkur, etc.)</li> </ul>
	c. 100 operators		
<b>Local Operators</b>	< 100 slots		<ul style="list-style-type: none"> <li>Smaller operators with few locations concentrated in one city or province</li> <li>C. 5,000 small, family-owned businesses</li> </ul>
	c. 5k operators		

~150,000

Slots in the market

split across

~5,000

Operators

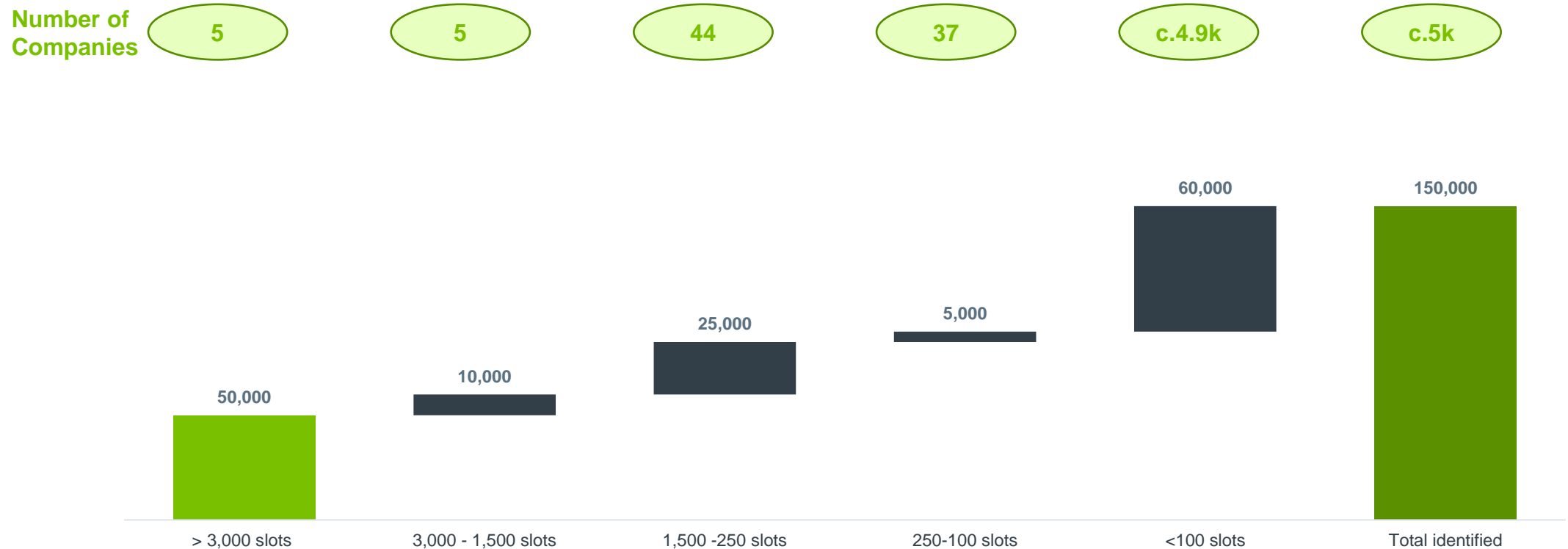
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Operates 7,500 Slots with remaining c.140,000 representing fungible targets in a market with favourable dynamics for consolidation

## 3.4 Additional Business Plan Levers | Spain | Market Overview

Growth strategy to focus on the acquisition of medium & small sized route operators

Spanish addressable market (2022; # of slots per operator)



## 3.4 Additional Business Plan Levers | Spain | Targets

Additional BP Levers include an advanced, vetted pipeline that is ready to be executed, with a target IRR > 20% and Payback < 5 years

Non-Exhaustive List of Targets Identified | Main figures

Target	KPIs		CAPEX (€m)			Financial (Year 1)		Indicative Performance	
	Slots (#)	ADNW (€)	Acq.	Maint. 5Y	Total	EBITDA (€m)	EBITDA Mg. (%)	IRR	Payback (#)
Target 1	400	35.0	11.6	2.3	13.9	2.4	45.7%	22.5%	4.9
Target 2	200	33.0	5.2	1.1	6.3	1.1	44.6%	23.5%	4.7
Target 3	200	32.0	4.7	1.0	5.7	1.0	40.5%	22.7%	4.9
Target 4	450	34.0	12.4	2.4	14.8	2.6	45.7%	22.9%	4.8
Target 5	350	33.0	9.1	2.0	11.1	2.0	45.0%	23.7%	4.7



## 3.4 Additional Business Plan Levers | Mexico | Highlights

Latam Operational Partners (OPs) visited and analysed c.80% of halls in Mexico. They have identified specific improvement initiatives to improve operating and financial KPIs



The current value proposition of the company has become obsolete over time and needs an urgent update to **secure competitiveness** in the long run and to take **full advantage of the large footprint** in the industry.



The pandemic has had a non-recurrent negative effect, but the **increase and evolution of the competition** has weakened Codere's ability to compete.



Identified opportunities consisting in **investing ~€30-50m** to refurbish 35 halls with the highest potential of improvement. The investment would be tranché and phased based on prioritization across the existing hall footprint



The OPs plan to implement **45 specific management initiatives** that have an impact in business and financial metrics. Compared to 2019 the Company experienced a 40% drop in visits and 30% drop in Gross Win.



The set of actions proposed are **interdependent**, with **physical renovation** of halls being the bedrock on which the other actions depend.

# Additional Business Plan Levers | Mexico | Initiatives

## 3.4 Summary

Concept		Main Assumptions		
Initiative	Description of the initiative	Capex (MXN m)	Illustrative incremental occupancy and other impacts	Illustrative Incremental EBITDA (MXN m)
Halls Remodeling	Building upgrade, expansion of current spaces.	Up to MXN 1,200m	~390-420k visits per year with incremental customer expenditure per visit	Up to MXN 280m
Slots Optimization	800+ additional machines, improved layouts for customer segmentation	~MXN 15-25m	~310-350k additional visits per year directly increasing the slots gross win by increasing the average RTP to 5.34%. F&B would also be positively impacted with the additional visitors	~MXN 60-80m
Table Expansion	100+ additional tables with a staff cost ratio of 3:1 per table; in addition to poker rooms, tournaments, new games, "side bets"	~MXN 20-30m	~210k visits per year in tables with an incremental 23.2% drop per visit and a 0.31 pp growth in the hold percentage. The additional tables visitors would also imply additional F&B sales	~MXN 55-65m
Marketing Strategy	Promotions and giveaways, cash back program, upgraded loyalty program	No required Capex	~110-130k visits per year	~MXN 70-90m
Customer Service	Targeted initiatives for specific customer segments	No Capex required	~50-70k visits per year	~MXN 50-60m
Total	These 5 strategies would impact the overall occupancy and consequently the gross wins and EBITDA.	~MXN 1,000-1,200m mainly from remodeling	The remodeling of the halls along with the other strategies would impact the overall number of visits as well as the average expenditure per visitor	~MXN 480-540m

# Capital Structure Considerations

04

## 04. Transaction Overview

Country specific (mainly Mexico) and macroeconomic factors led to underperformance in 2022. The business will require additional liquidity to navigate the next 12-18 months and invest on growth/transformation initiatives to bring the business profitability back to pre-Covid levels

### Introduction

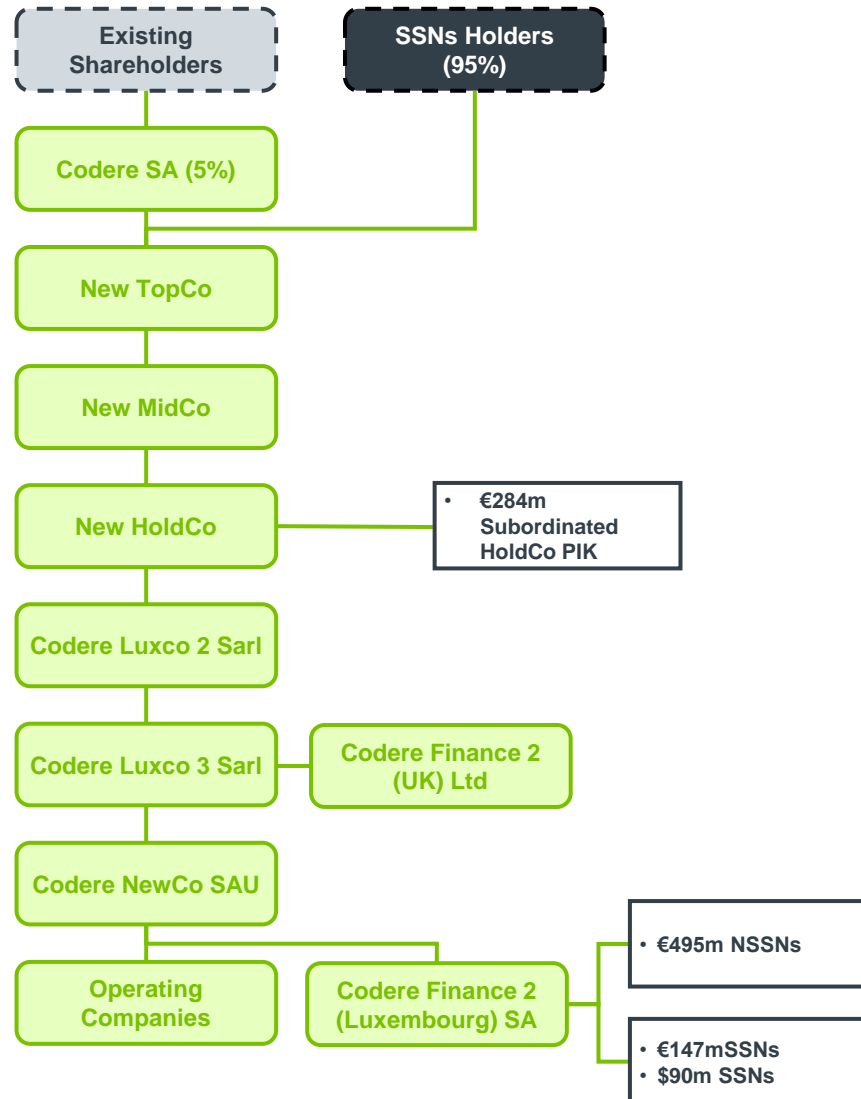
- The following financing proposal has been prepared by the Company to increase liquidity by (i) raising New Super Senior liquidity (First Priority Notes “FPNs”) and (ii) reducing cash interest burden under the NSSNs and the SSNs. The additional liquidity should provide cushion to navigate the next 12-18 months and allow for increased CAPEX investments to take the business profitability to pre-covid levels. Increased liquidity should also provide sufficient headroom in case the recovery takes longer than expected in the current business plan
- The proposal has the support of an Ad Hoc Committee of Noteholders (“AHC”) that represent c.60% of the New Super Senior Notes (“NSSNs”), c.58% of the EUR Senior Secured Notes (“EUR SSNs”), c.62% of the USD Senior Secured Notes (“USD SSNs”), c.66% of the Subordinated HoldCo PIK / Class A shares and 62% of the ordinary Equity (Class A plus Class B Shares)
- The Company is seeking the consent of all remaining Noteholders with a view of implementing the transaction via a consensual exchange offer that would provide for a swift implementation and a material reduction in transaction costs vis-à-vis other implementation options. Consenting noteholders will exchange into new instruments that reflect coupon and maturity changes to provide the Company with the additional liquidity and flexibility it needs to deliver on its business plan. Certain changes will be made to the notes held by any non-exchanging noteholders, including with respect to ranking and covenants.
- If 90% of the NSSNs and SSNs consent to the transaction, it will be implemented by way of consensual contractual amendments to the existing indenture documentation.
- For key next steps please refer to slide 83. For full details of the transaction terms, see the transaction term sheet included with the lock-up agreement.

### Key Transaction Highlights

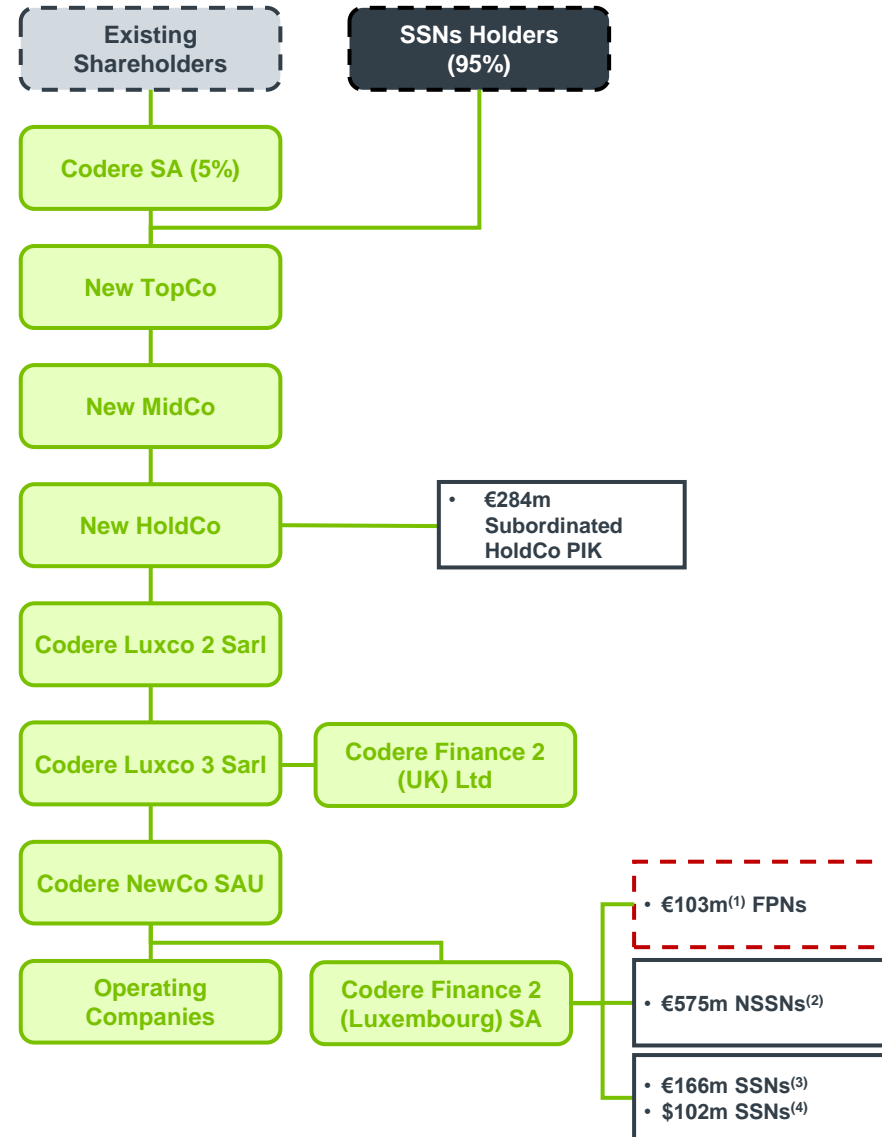
- **The key aspects of this proposal include:**
  - Provision of further liquidity to the Group
  - A material reduction in the running cash cost of servicing debt
  - Extension of current NSSNs debt maturity
- The key terms of the proposal include (but will not be limited to):
  - **Capital Raise:**
    - Indicative €100m of new funding in the form of FPNs at 11% cash interest ranking Senior to the NSSNs
    - FPNs to be offered out pro rata<sup>(1)</sup> to all consenting NSSNs holders
    - Capital raise to be backstopped by the AHC in exchange for a 3% backstop fee payable in the form of additional FPNs at closing
  - **Economic terms amendments<sup>(2)</sup>:**
    - NSSNs maturity extended to Sep-27
    - NSSNs interest to be amended through Sept-24 (inclusive) to 1% cash and 15% PIK and thereafter, at the option of the issuer, 6% cash and 10% PIK or 1% cash and 15% PIK (*base case assumes return to higher cash interest from Sep-24, exclusive, onwards*)
    - EUR and USD SSNs interest to be amended through Oct-24 (inclusive) to 0.25 % cash + 17.50% PIK and thereafter 2.0% cash + 15.75% PIK or 0.25 % cash + 17.50% PIK, and 0.25% cash + 18.375% PIK and thereafter 2.0% cash + 16.625% PIK or 0.25% cash + 18.375% PIK, respectively, at the option of the Issuer (*base case assumes return to higher cash interest from Oct-24, exclusive, onwards*)<sup>(3)</sup>
  - NSSN holders that agree to lock-up to the proposed terms by the relevant dates will receive 3.0% early bird lock-up fee and a 1.5% lock-up fee (payable in the form of additional NSSNs at closing)
  - SSNs holders that agree to lock-up to the proposed terms by the relevant dates will receive 0.5% early bird lock-up fee and a 0.25% lock-up fee (payable in the form of additional SSNs at closing)

## 04. Simplified Corporate Structure

### PRE-TRANSACTION



### POST-TRANSACTION



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Note: Pre-transaction balances include PIK up until RED.

(1) Includes €3m of Backstop Fee capitalized at RED.

(2) NSSNs post transaction include accrued PIK between September 2022 and RED amounting to c.€56m and Early Bird Lock-up Fees and Lock-up Fees amounting to c.€25m.

(3) EUR Reinstated SSNs post transaction include accrued PIK between October 2022 and RED amounting to c.€17m and Early Bird Lock-up Fees and Lock-up Fees amounting to c.€1m.

(4) USD Reinstated SSNs post transaction include accrued PIK between October 2022 and RED amounting to c.\$11m and Early Bird Lock-up Fees and Lock-up Fees amounting to c.\$1m. EUR / USD of 1.0666.

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## 04. High Level Preliminary Terms (1/2)

Summary terms only; full terms set out in the transaction term sheet

	Status Quo	Proposed Amendments
FPN	<ul style="list-style-type: none"> <li>n.a.</li> </ul>	<ul style="list-style-type: none"> <li><b>Amount:</b> €100m</li> <li><b>Issuer:</b> Codere Finance 2 (Luxembourg), S.A.</li> <li><b>Investors:</b> To be offered pro rata<sup>(1)</sup> to all consenting/exchanging NSSNs holders</li> <li><b>Fees:</b> 3% Backstop Fee capitalized as FPNs</li> <li><b>Deferred Issue Fee:</b> 5.0%</li> <li><b>Interest:</b> Paid semi-annually, 11.0% cash</li> <li><b>Maturity:</b> June 2027; or, if less than 90% consent of NSSNs achieved, if the NSSNs are outstanding and maturity is not extended, the FPNs maturity is automatically brought forward by 12 months to June 2026</li> <li><b>Covenants:</b> Same as NSSNs, subject to variation to reflect the relative priority of the FPNs</li> <li><b>Call Protection:</b> NC1 / Year 2 103 / Year 3 102 / par</li> <li><b>Other:</b> Consent threshold to amend coupon to be set at 75%</li> </ul>
NSSNs	<ul style="list-style-type: none"> <li><b>Amount:</b> €495m</li> <li><b>Issuer:</b> Codere Finance 2 (Luxembourg), S.A.</li> <li><b>Interest:</b> Paid semi-annually, until May-23, if Liquidity above €100m, 8.0% cash + 3.0% PIK otherwise 6.0% cash + 5.50% PIK; 8.0% cash + 3.0% PIK thereafter</li> <li><b>Maturity:</b> September 2026</li> <li><b>Ranking:</b> Senior to SSNs</li> </ul>	<ul style="list-style-type: none"> <li><b>Amount:</b> €575m at RED<sup>(2)</sup> (incl. accrued interest and capitalized Early Bird Lock-up and Lock-up fees)</li> <li><b>Issuer:</b> Codere Finance 2 (Luxembourg), S.A.</li> <li><b>If consent &gt; 90% or NSSNs belong to an exchanging holder:</b> <ul style="list-style-type: none"> <li><b>Fees:</b> 3.00% Early Bird Lock-up fee and 1.50% Lock-up fee, both capitalized as NSSNs or exchanging NSSNs, as applicable</li> <li><b>Interest:</b> Paid semi-annually, 1.0% cash + 15% PIK until Sep-24; thereafter, at the option of the Issuer<sup>(3)</sup>, 6% p.a. cash plus 10% p.a. PIK or 1.0% cash + 15% PIK, capitalizing on each coupon payment date</li> <li><b>Deferred Issue Fee:</b> 5.0%</li> <li><b>Maturity:</b> September 2027 or, if the non-exchanging NSSNs remain outstanding but the maturity date of the non-exchanging NSSNs is not extended to at least September 2027, September 2026</li> <li><b>Ranking (NSSNs of exchanging holders):</b> Senior to non-exchanging NSSNs and exchanging and non-exchanging SSNs; junior to FPNs</li> <li><b>Other:</b> Consent threshold to amend coupon to be set at 75%; March 2023 coupon to be paid to NSSNs or exchanging NSSNs Holders on the Transaction Effective Date retroactively at the new rate</li> </ul> </li> <li><b>If consent &lt; 90% and NSSNs belong to a non-exchanging holder:</b> <ul style="list-style-type: none"> <li>As per status quo except for: <ul style="list-style-type: none"> <li><b>Ranking:</b> Senior to non-exchanging SSNs, pari-passu to exchanging SSNs and junior to FPNs and exchanging NSSNs</li> <li><b>Covenants:</b> to be amended to remove most of the covenants</li> <li><b>Other:</b> March coupon to be paid to NSSNs Holders on the Transaction Effective Date at current terms, retroactively</li> </ul> </li> </ul> </li> </ul>

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(1) FPNs to be offered out pro-rata with the option to under / oversubscribe; (2) Assuming >90% consent to the transaction. Otherwise, the amount will be dependent on the portion of non-exchanging NSSNs who would be paid the March coupon retroactively at a 8% cash + 3% PIK rate. (3) Base case assumes Issuer elects to switch to higher cash interest rate from Sep-24 (exclusive) onwards.

## 04. High Level Preliminary Terms (2/2)

Summary terms only; full terms set out in the transaction term sheet

	Status Quo	Proposed Amendments
SSNs	<ul style="list-style-type: none"> <li><b>Amount:</b> €147m and \$90m</li> <li><b>Issuer:</b> Codere Finance 2 (Luxembourg), S.A.</li> <li><b>Interest:</b> <ul style="list-style-type: none"> <li>EUR notes: 2% cash + 10.75% PIK; accrued semi-annually</li> <li>USD notes: 2% cash + 11.625% PIK; accrued semi-annually</li> </ul> </li> <li><b>Maturity:</b> November 2027</li> <li><b>Ranking:</b> Structurally subordinated to NSSNs</li> </ul>	<ul style="list-style-type: none"> <li><b>Amount:</b> €166m and \$102m for EUR SSNs and USD SSNs, respectively at RED<sup>(1)</sup> (incl. accrued interest and capitalized Early Bird Lock-up and Lock-up fees)</li> <li><b>Issuer:</b> Codere Finance 2 (Luxembourg), S.A.</li> <li><b>If consent &gt; 90% or SSNs belong to an exchanging holder:</b> <ul style="list-style-type: none"> <li><b>Fees:</b> 0.50% Early Bird Lock-up fee and 0.25% Lock-up fee, both capitalized as SSNs or exchanging SSNs, as applicable</li> <li><b>Deferred Issue Fee:</b> 5.0%</li> <li><b>Interest:</b> <ul style="list-style-type: none"> <li><b>EUR notes:</b> Paid semi annually, 0.25% cash + 17.50% PIK until Oct-24 (included); thereafter, at the option of the Issuer, 2.0% cash + 15.75% PIK or 0.25% cash + 17.50% PIK, provided that the higher cash coupon rate has been paid on the exchanging NSSNs<sup>(2)</sup></li> <li><b>USD notes:</b> Paid semi annually, 0.25% cash + 18.375% PIK until Oct-24 (included); thereafter, at the option of the Issuer, 2.0% cash + 16.625% PIK or 0.25% cash + 18.375% PIK, provided that the higher cash coupon rate has been paid on the exchanging NSSNs<sup>(2)</sup></li> </ul> </li> </ul> </li> <li><b>Ranking (SSNs of exchanging holders):</b> Senior to non-exchanging SSNs holders and pari-passu with non-exchanging NSSNs</li> <li><b>Other:</b> April 2023 coupon to be paid to SSNs Holders on the Transaction Effective Date retroactively at the new rate</li> <li><b>If consent &lt; 90% and SSNs belong to a non-exchanging holder:</b> <ul style="list-style-type: none"> <li>As per status quo except for: <ul style="list-style-type: none"> <li><b>Ranking:</b> Junior to FPNs, exchanging NSSNs, non-exchanging NSSNs and exchanging SSNs</li> <li><b>Covenants:</b> to be amended to remove most of the covenants</li> <li><b>Other:</b> April 2023 coupon to be paid to SSNs Holders on the Transaction Effective Date at current terms, retrospectively</li> </ul> </li> </ul> </li> </ul>
Sub. PIK Notes	<ul style="list-style-type: none"> <li><b>Amount:</b> €254.9m (€284m at RED)</li> <li><b>Issuer:</b> New HoldCo</li> <li><b>Interest:</b> 7.5% PIK</li> <li><b>Maturity:</b> November 2027</li> <li><b>Ranking:</b> Structurally subordinated to SSNs</li> <li><b>Other characteristics:</b> Stapled to class A shares, Class A Shares carry 100% of voting rights and 97.5% economic rights in New Topco</li> </ul>	<ul style="list-style-type: none"> <li>No amendments to the economic / maturity terms</li> </ul>

# 04. Capital Structure Pre and Post Transaction

## Capital Structure

(€m)	Pre-Transaction					Tx Adj.					Post-Transaction				
	Face Value	Coupon	Maturity	xAdj. EBITDA 22A	xAdj. EBITDA 23E	Issuance	Elevation	Accrued Interest at RED	Consent Fees	Backstop Fees	Face Value	Coupon	Maturity	xAdj. EBITDA 22A	xAdj. EBITDA 23E
Local Debt	78	Various	Various	0.5x	0.4x						78	Various	Various	0.5x	0.4x
First Priority Notes						100	–		–	3	103	> 11.00% Cash	Jun-27 <sup>(1)</sup>	0.7x	0.6x
<b>Total First Priority Notes</b>				–	–	<b>100</b>	–		–	<b>3</b>	<b>103</b>			<b>0.7x</b>	<b>0.6x</b>
NSSNs	495	> Until May'23: if Liquidity above €100m, 8.00% + 3.00% PIK; otherwise 6.00% + 5.50% PIK > From May'23: 8.00% + 3.00% PIK	Sep-26	3.3x	2.8x	–	–	56	25	–	575	> From Mar'23 to Sep'24 (incl.): 1.00% + 15.00% PIK > Thereafter, at the option of the Issuer, 6.0% cash + 10% or 1.00% + 15.00% PIK	Sep-27 <sup>(2)</sup>	3.9x	3.2x
<b>Total NSSNs</b>	<b>495</b>			<b>3.3x</b>	<b>2.8x</b>	–	–	<b>56</b>	<b>25</b>	–	<b>575</b>			<b>3.9x</b>	<b>3.2x</b>
EUR SSNs	147	2.00% Cash + 10.75% PIK	Nov-27	1.0x	0.8x	–	–	17	1	–	166	> From Mar'23 to Oct'24 (incl.): 0.25% + 17.50% PIK > Thereafter, at the option of the Issuer, 2.0% cash + 15.75% PIK or 0.25% + 17.50% PIK <sup>(3)</sup>	Nov-27	1.1x	0.9x
USD SSNs	84	2.00% Cash + 11.625% PIK	Nov-27	0.6x	0.5x	–	–	10	1	–	95	> From Mar'23 to Oct'24 (incl.): 0.25% + 18.375% PIK > Thereafter, at the option of the Issuer, 2.0% cash + 16.625% PIK or 0.25% + 18.375% PIK <sup>(3)</sup>	Nov-27	0.6x	0.5x
<b>Total SSNs</b>	<b>231</b>			<b>1.6x</b>	<b>1.3x</b>	–	–	<b>27</b>	<b>2</b>	–	<b>261</b>			<b>1.7x</b>	<b>1.5x</b>
<b>Total OpCo Debt</b>	<b>804</b>			<b>5.4x</b>	<b>4.5x</b>	<b>100</b>	–	<b>83</b>	<b>26</b>	<b>3</b>	<b>1,017</b>			<b>6.8x</b>	<b>5.7x</b>
Subordinated PIK Notes	284	7.5% PIK	Nov-27	1.9x	1.6x						284		Nov-27	1.9x	1.6x
<b>Total Debt</b>	<b>1,088</b>			<b>7.3x</b>	<b>6.1x</b>	<b>100</b>	–	<b>83</b>	<b>26</b>	<b>3</b>	<b>1,300</b>			<b>8.7x</b>	<b>7.3x</b>
Cash (Retail)	(54)			(0.4x)	(0.3x)	(100)	–	–	–	–	(154)			(1.0x)	(0.9x)
<b>Opco Net Debt</b>	<b>750</b>			<b>5.0x</b>	<b>4.2x</b>	–	–	<b>83</b>	<b>26</b>	<b>3</b>	<b>862</b>			<b>5.8x</b>	<b>4.9x</b>
<b>Total Net Debt</b>	<b>1,033</b>			<b>6.9x</b>	<b>5.8x</b>	–	–	<b>83</b>	<b>26</b>	<b>3</b>	<b>1,146</b>			<b>7.7x</b>	<b>6.5x</b>

## Sources & Uses for 2023 and 2024

Sources		Uses	
Cash Balance as of Jan-23	76	Minimum Cash + Additional €10m Cash Buffer	50
2023 Operating Cash Flow Pre Exceptionals	101	2023 Debt Service	31
New Money	100	2023 Total Capex	78
Capex Financing Post Non Recurring Adjustments	9	2023 Non Recurring Cash Items <sup>(4)</sup>	49
		Transaction Fees	15
		Additional Cash Burn through Oct-24 (Peak Funding) <sup>(5)</sup>	3
		<b>Cash Available for Growth Plan / Transformation</b>	<b>59</b>
<b>Total Sources</b>	<b>286</b>	<b>Total Uses</b>	<b>286</b>

### Sources

- €101m reflects €79m operating cashflow excluding €21m non-recurring cash items (see p31)
- €9m capex financing: 2023 inflows excl. €23m outflows within €49m non-recurring items (see p31)

### Uses

- S&U assumes €50m minimum cash, €10m higher vs. €40m minimum covenant per following page
- €31m debt service excludes €5m interest on licence related financing, included separately in the €49m non-recurring items (total interest costs of €36m are shown as €14m local debt and €22m financial expenses on following page)
- €78m capex includes maintenance and licences (see p29 and p31). Capex spend included within the (€13m) CFADS on following page (breakdown of operating CF to CFADS included on p31)
- €3m anticipated cash burn between Jan-24 and Oct-24

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Source: Company, PJT Analysis. EUR / USD of 1.0666. Note: Adj. Retail EBITDA 22A and 23E from business plan. Assumes 100% consent. (1) Jun-27 or, if the maturity date of the NSSNs is not extended to at least Sep-27, Jun-26. (2) Sep-27 or, if the non-exchanging NSSNs remain outstanding but the maturity date of the non-exchanging NSSNs is not extended to at least Sep-27, Sep-26. (3) Provided that the higher cash coupon rate has been paid on the exchanging NSSNs. (4) Includes €10.5m of deferred capex, €21.7m of non-recurring operating cash flow and €17m related to deferred Argentina licenses capex and related financing. See p.31 for more detail; (5) Represents cash burn between Jan-24 and Oct-24. Note: As at 31-Dec-24, available cash of €71m (see page 81) comprising of €59m excess cash available to support Business Plan, additional €10m buffer and c.€1.4m cash generation from Nov-24 to Dec-24.

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## 04. Financials and Credit Metrics under Business Plan

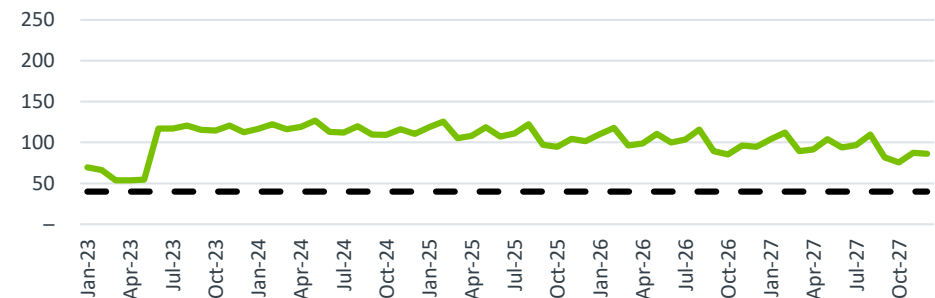
### Financials<sup>(1)</sup>

(€m) - As per Business Plan		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
A	Adj. EBITDA	149	178	184	196	210	225
	One-Offs	(13)	(14)	(6)	(6)	(6)	(6)
	EBITDA	136	163	177	190	204	220
	Operating CF	51	79	127	134	142	149
	Cash available for Debt Service		(13)	45	63	70	73
	Var. Financial Debt (Local)		(14)	(18)	(2)	(2)	(1)
	Financial Expenses		(22)	(29)	(70)	(75)	(81)
	First Priority Notes Issuance		100	-	-	-	-
	Restructuring Fees		(15)	-	-	-	-
	Mexico Tax Liability		-	-	-	-	-
	FCF After Financing		36	(2)	(9)	(7)	(8)
	Cash BoP		76	113	111	102	94
	Change in Cash		36	(2)	(9)	(7)	(8)
	Cash EoP	76	113	111	102	94	86
	Not Available Cash	(40)	(40)	(40)	(40)	(40)	(40)
	Available Cash EoP (excl. €40m of min. cash)	36	73	71	62	54	46
<b>Capital Structure Summary</b>							
B	Total Local Debt	83	69	51	49	47	46
	First Priority Notes	-	103	103	103	103	103
	New NSSNs	495	596	689	760	838	924
	EUR Denominated SSNs	147	175	207	241	281	327
	USD Denominated SSNs	84	101	120	141	166	194
	OpCo Debt	809	1,044	1,171	1,294	1,434	1,594
	Subordinated HoldCo Notes	273	294	317	341	367	395
	Total Debt	1,082	1,339	1,487	1,635	1,801	1,989
	(-) Cash	(76)	(113)	(111)	(102)	(94)	(86)
	Net Debt	1,006	1,226	1,377	1,533	1,706	1,902
A	<b>Key Credit Metrics</b>						
	Net OpCo Debt (through NSSNs) / Adj. EBITDA	3.4x	3.7x	4.0x	4.1x	4.3x	4.4x
	Net OpCo Debt / Adj. EBITDA	4.9x	5.2x	5.8x	6.1x	6.4x	6.7x
	Net Debt / Adj. EBITDA	6.7x	6.9x	7.5x	7.8x	8.1x	8.5x
	FCF / Interest		(0.6x)	1.6x	0.9x	0.9x	0.9x
	Avg. Cash Cost of Debt		1.6%	1.9%	4.3%	4.2%	4.1%
	Avg. Total Cost of Debt		12.2%	13.1%	13.4%	13.5%	13.5%

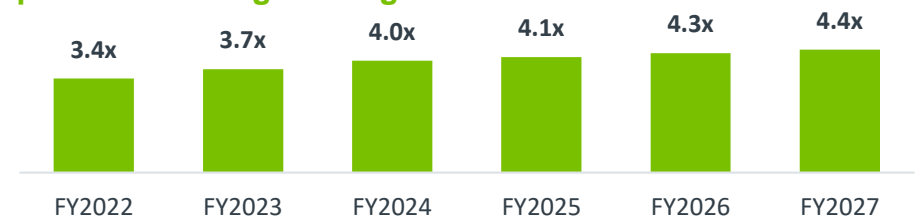
### Transaction Key Assumptions

- Transaction to take place in June 2023
- A Excludes any contribution from Online and potential deleveraging from Online sale
- B €100m FPNs issued to cover minimum liquidity needs and finance expansion plans
- C FPNs assumed to pay 11% cash,
  - NSSNs assumed to pay 1% cash + 15% PIK until Sep-24, inclusive, thereafter 6% cash + 10% PIK
  - EUR SSNs assumed to pay 0.25% cash + 17.5% PIK and USD SSNs assumed to pay 0.25% + 18.375% PIK until Sep-24, inclusive, thereafter 2.0% + 15.75% and 2.0% + 16.625%, respectively
  - Assumes both NSSNs and SSNs transaction reach >90% consent and are implemented through contractual amendments
  - New money funding scenario operating cash flow would allow for c.€40m of additional CAPEX spend to further enhance EBITDA growth (*business plan detailed herein does not include any growth capex*)

### Liquidity over time (€m)



### OpCo Net Leverage through NSSNs<sup>(2)</sup>



### Corporate presentation

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Note: Slide assumes all debt instruments are rolled forward (excl. local debt) for illustrative purposes and as such, do not include any redemption call price, CoC price or deferred issue fees. 31-Dec debt balances do not include accrued but not capitalized interest from latest interest payment date (30-Sep for NSSNs and 31-Oct for SSNs and Sub. HoldCo PIK) up to 31-Dec of each year.

(1) Retail-only financials. (2) Net Debt (exc. SSNs and HoldCo PIK) / Adj. Retail EBITDA

# Next Steps

05

## 05. Next Steps

The Immediate Next Steps are the Following:

- **Lock-Up Publication** – 29<sup>th</sup> March
- **Early Bird Deadline** – 7<sup>th</sup> April
- **Consent Fee Deadline** – 21<sup>st</sup> April

# Appendix

06

# Appendix

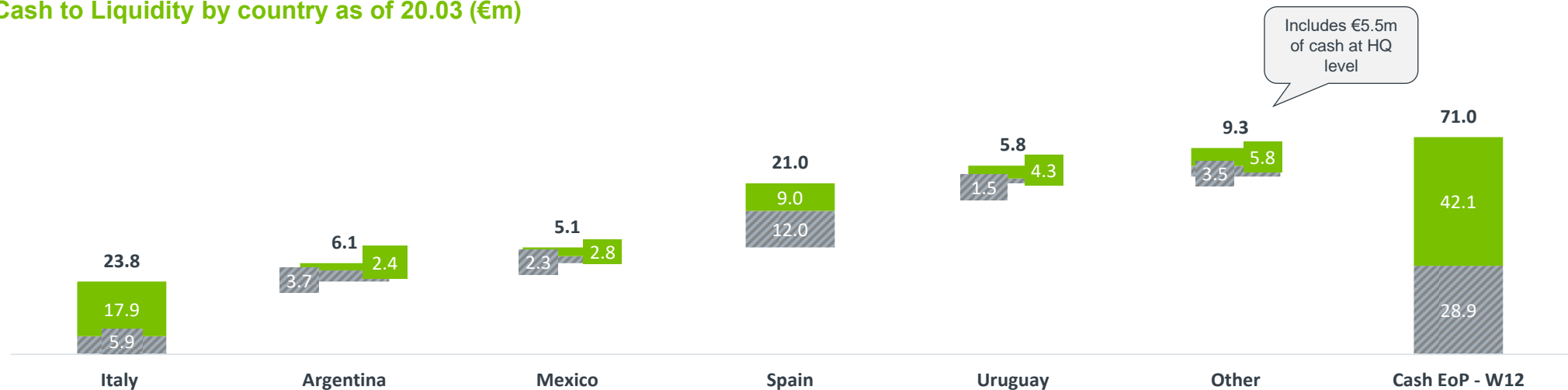
## 6.1 Short Term Cash Flow Forecast Additional Supporting Materials

6.1

# 6.1 Appendix | Liquidity by Country

Spain, Mexico and HQ are the biggest contributors to the cash consumption in W12 to W23

Cash to Liquidity by country as of 20.03 (€m)



Cash to Liquidity by country as of 04.06 (€m)



## 6.1 Appendix | Cash Forecasting Process | Indirect CF Deviations

Codere analysed historical deviations between actuals and forecast in a 3-month period (Aug-22 to Oct-22) in order to identify the key drivers of deviation in forecasting

	Real (€m)				Forecasts (€m)				Deviations (€m)			
	Aug-22	Sep-22	Oct-22	Total	Aug-22	Sep-22	Oct-22	Total	Aug-22	Sep-22	Oct-22	Total
<b>EBITDA</b>	<b>12.8</b>	<b>10.9</b>	<b>13.2</b>	<b>36.9</b>	<b>12.7</b>	<b>12.5</b>	<b>13.1</b>	<b>38.2</b>	<b>0.1</b>	<b>(1.6)</b>	<b>0.1</b>	<b>(1.3)</b>
CIT	(0.7)	(0.7)	(2.4)	(3.9)	(0.9)	(0.4)	(1.6)	(2.8)	0.2	(0.4)	(0.8)	(1.0)
Working Capital	1.5	7.8	0.2	9.5	(0.6)	7.9	1.5	8.8	2.1	(0.1)	(1.4)	0.7
Δ Deferred Gaming Tax	(0.4)	(1.6)	1.1	(0.9)	(1.4)	(1.9)	(0.1)	(3.3)	0.9	0.3	1.2	2.4
<b>Operating CF</b>	<b>13.1</b>	<b>16.4</b>	<b>12.1</b>	<b>41.6</b>	<b>9.8</b>	<b>18.1</b>	<b>13.0</b>	<b>40.9</b>	<b>3.4</b>	<b>(1.7)</b>	<b>(0.9)</b>	<b>0.8</b>
Maintenance Capex	(4.7)	(3.5)	(3.8)	(12.0)	(5.3)	(2.9)	(44.0)	(52.2)	0.6	(0.6)	40.2	40.1
Growth Capex	(1.1)	(1.5)	(0.9)	(3.5)	(2.0)	(0.2)	(3.7)	(5.9)	0.9	(1.3)	2.8	2.4
<b>Capex</b>	<b>(5.8)</b>	<b>(5.0)</b>	<b>(4.7)</b>	<b>(15.5)</b>	<b>(7.3)</b>	<b>(3.1)</b>	<b>(47.7)</b>	<b>(58.1)</b>	<b>1.5</b>	<b>(1.9)</b>	<b>43.0</b>	<b>42.6</b>
Capex Financing	0.5	(3.1)	(4.4)	(7.0)	(2.6)	6.3	29.7	33.4	3.1	(9.4)	(34.0)	(40.4)
Net Interest	(0.7)	(21.5)	(4.7)	(26.9)	(1.8)	(21.6)	(3.8)	(27.1)	1.1	0.1	(0.9)	0.3
Δ Financial Debt	(1.3)	1.6	(0.9)	(0.6)	(1.5)	1.2	(1.0)	(1.3)	0.1	0.4	0.1	0.7
Net Dividends to Min.	-	(0.3)	(0.4)	(0.8)	(0.2)	(0.6)	(0.3)	(1.1)	0.2	0.3	(0.2)	0.3
Other Financing Flows	(1.0)	0.7	(3.2)	(3.6)	(0.1)	(3.0)	0.2	(2.9)	(0.9)	3.7	(3.4)	(0.6)
<b>Financial CF</b>	<b>(2.6)</b>	<b>(22.6)</b>	<b>(13.6)</b>	<b>(38.8)</b>	<b>(6.2)</b>	<b>(17.7)</b>	<b>24.8</b>	<b>1.0</b>	<b>3.6</b>	<b>(4.9)</b>	<b>(38.5)</b>	<b>(39.7)</b>
<b>Total CF</b>	<b>4.8</b>	<b>(11.2)</b>	<b>(6.2)</b>	<b>(12.7)</b>	<b>(3.7)</b>	<b>(2.6)</b>	<b>(9.9)</b>	<b>(16.2)</b>	<b>8.5</b>	<b>(8.5)</b>	<b>3.7</b>	<b>3.6</b>
Cash Balance BoP	78.7	83.4	72.3	78.7	78.7	75.0	72.3	78.7	-	8.5	(0.1)	-
Total CF	4.8	(11.2)	(6.2)	(12.7)	(3.7)	(2.6)	(9.9)	(16.2)	8.5	(8.5)	3.7	3.6
Cash Balance EoP	83.4	72.3	66.0	66.0	75.0	72.3	62.4	62.4	8.5	(0.1)	3.6	3.6
Variation %									11.3%	(0.1%)	5.8%	5.8%

Main cash flow deviations in the three-month period analysed (Aug-Oct22) are driven by:

- **EBITDA:** mainly due to a lower performance in Spain ((€0.6m) in Sports Bets), (€0.3m) in Panama and (€0.3m) in Argentina)
  - Overall, the **EBITDA deviation was only of 3%**
- **WC:** mainly due to i) positive month-to-month impact on payroll payments due to inflation in Argentina and ii) uncertainty over the timing of collections of horse racing prizes, subsidized by the State
- **Deferred Gaming Tax:** differences mostly impacted by i) higher than expected drop in Sports Bets and Machines revenues during July, resulting in a lower gaming tax payment in August, ii) Champions League impact in September and iii) Deferred taxes in October in Spain
- **CAPEX/CAPEX Financing:** main deviations observed in Oct (increase of €40.2m maintenance CAPEX; decrease of (€34.0m) financing CAPEX) due to postponement of licenses in Argentina
- **Debt amortization and net interest:** positive deviations in financial debt due negotiations on new credit lines (ARG and URU); interest deviations are due to exchange rate impact on local debt service

# Appendix

## 6.2 2023 Budget Additional Information

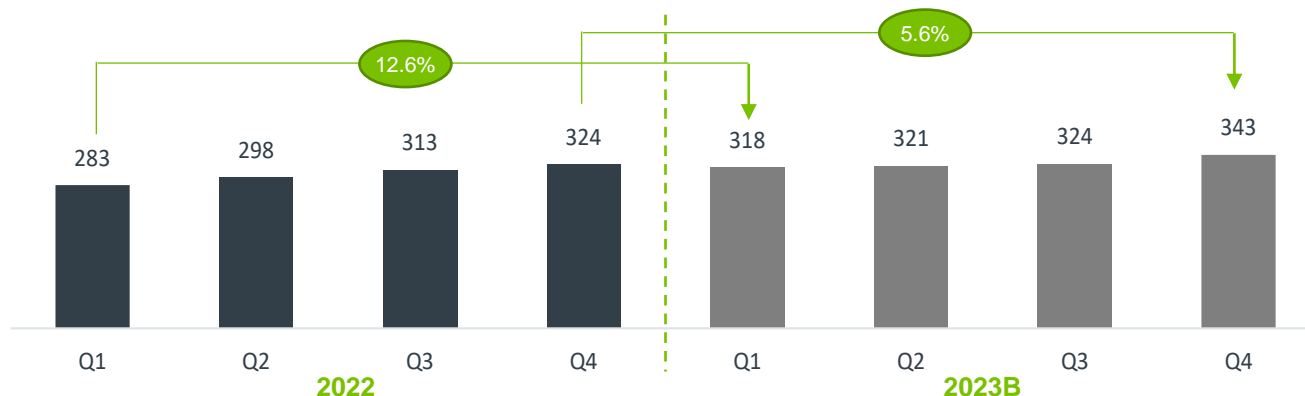
6.2



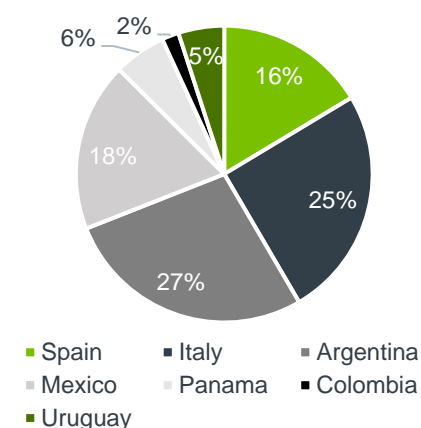
## 6.2 Appendix | Budget 2023 | Consolidated

The group expects to reach an Adj. Retail EBITDA of c.€177.6m and €14.5m of non recurring items, resulting in a Retail EBITDA of €163.1m

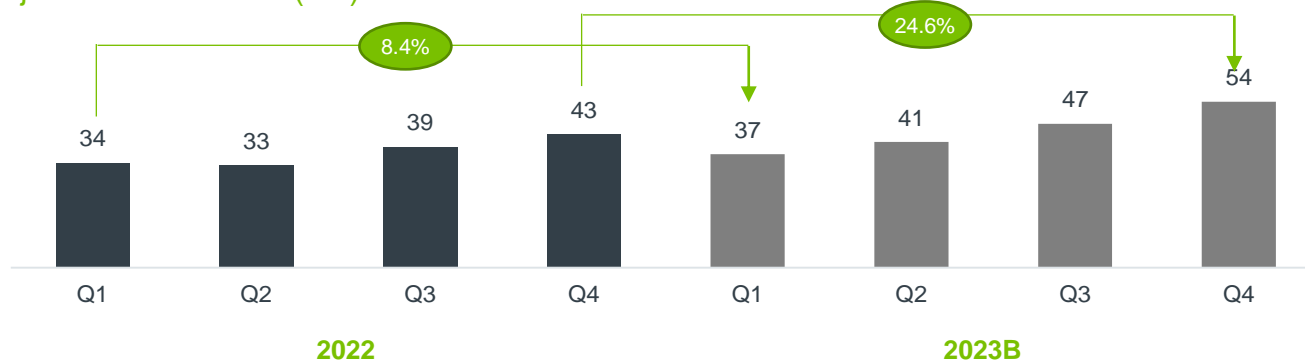
### Gross Win (€m)



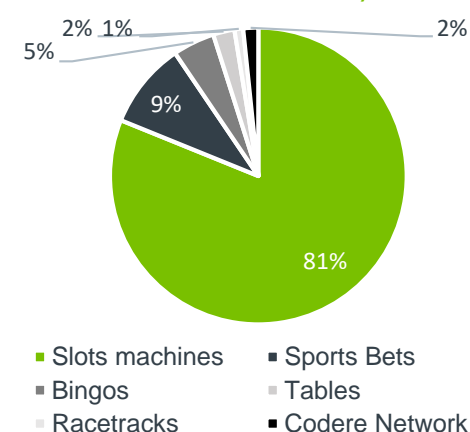
### 2023B Retail Gross Win by Country



### Adj. Retail EBITDA <sup>(1)</sup> (€m)



### 2023B Retail Gross Win by Product



### Corporate presentation

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Note: Includes revenue recognition for HRU. Adj. Retail EBITDA on a Pre-IFRS 16 basis vs. Post-IFRS 16 reported values

## 6.2 Appendix | Budget 2023 | Cash Flow

In 2023 the Group expects to reach an Operating Cash Flow of c.€80m and a CFADS of (negative €13m). This year will be impacted by €44m of non recurring items, including a €21m outflow related to normalisation of the working capital profile and deferred taxes, plus €23m for deferred capex and one-off license payments

### Retail Consolidated Budget 2023 (€m)

€m	2019	2022	Q1-23B	Q2-23B	Q3-23B	Q4-23B	2023B	Var 19-23B	Var 22-23B
<b>Gross Win</b>	<b>1,361.2</b>	<b>1,217.6</b>	<b>318.4</b>	<b>321.3</b>	<b>324.5</b>	<b>342.6</b>	<b>1,306.9</b>	<b>(4.0%)</b>	<b>7.3%</b>
<b>Consolidated Operating Revenue</b>	<b>1,389.3</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
(-) Online Operating Revenue	(59.8)								
<b>Retail Operating Revenue</b>	<b>1,329.5</b>	<b>1,200.7</b>	<b>312.7</b>	<b>318.1</b>	<b>323.7</b>	<b>340.1</b>	<b>1,294.7</b>	<b>(2.6%)</b>	<b>7.8%</b>
Other Expenses	(537.3)	(495.5)	(125.4)	(127.9)	(130.2)	(139.4)	(522.9)	(2.7%)	5.5%
<b>Net Revenues Retail</b>	<b>792.2</b>	<b>705.1</b>	<b>187.3</b>	<b>190.2</b>	<b>193.6</b>	<b>200.7</b>	<b>771.8</b>	<b>(2.6%)</b>	<b>9.4%</b>
Operative Expenses <sup>(1)</sup>	(462.9)	(443.7)	(121.0)	(119.9)	(117.8)	(118.2)	(476.9)	3.0%	7.5%
HQ Costs <sup>(1)</sup>	(90.0)	(112.3)	(29.5)	(29.6)	(29.2)	(28.9)	(117.3)	30.4%	4.5%
<b>Adjusted EBITDA Retail Pre-IFRS 16</b>	<b>239.3</b>	<b>149.1</b>	<b>36.7</b>	<b>40.6</b>	<b>46.5</b>	<b>53.7</b>	<b>177.6</b>	<b>(25.8%)</b>	<b>19.1%</b>
EBITDA Online	9.9								
Brazil	(0.1)								
<b>Adj. Consolidated EBITDA PRE IFRS 16</b>	<b>249.1</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Adj. EBITDA Retail Pre-IFRS 16</b>	<b>239.3</b>	<b>149.1</b>	<b>36.7</b>	<b>40.6</b>	<b>46.5</b>	<b>53.7</b>	<b>177.6</b>	<b>(25.8%)</b>	<b>19.1%</b>
Non recurring	(16.1)	(13.3)	(5.4)	(3.4)	(2.8)	(2.9)	(14.5)	(10.2%)	9.0%
<b>EBITDA Retail Pre-IFRS 16</b>	<b>223.2</b>	<b>135.9</b>	<b>31.3</b>	<b>37.2</b>	<b>43.8</b>	<b>50.8</b>	<b>163.1</b>	<b>(26.9%)</b>	<b>20.0%</b>
Change in Working Capital			(12.9)	(8.7)	2.3	(1.5)	(20.8)		
Taxes			(2.6)	(8.6)	(8.4)	(14.2)	(33.9)		
Argen. Cash Repatriation Cost			(8.2)	(3.1)	(2.9)	(3.9)	(18.1)		
FX Cost			(2.1)	(2.2)	(2.0)	(2.1)	(8.4)		
Minority Shareholders			(1.7)	(1.7)	(1.6)	(1.8)	(6.7)		
Other operating cash flows			—	—	3.2	1.0	4.2		
<b>Operating Cash Flow</b>			<b>3.9</b>	<b>13.0</b>	<b>34.3</b>	<b>28.3</b>	<b>79.5</b>		
Maintenance Capex			(13.5)	(20.9)	(21.8)	(20.9)	(77.2)		
Licenses Capex			(0.9)	—	—	—	(0.9)		
Var. Debt (Capex)			(8.1)	(1.4)	(2.1)	(2.4)	(14.1)		
<b>CFADS</b>			<b>(18.6)</b>	<b>(9.4)</b>	<b>10.3</b>	<b>5.0</b>	<b>(12.7)</b>		
<b>% of Gross Win</b>									
Net Revenue	58.2%	57.9%	58.8%	59.2%	59.7%	58.6%	59.1%	0.9%	1.1%
Operative Expenses	(34.0%)	(36.4%)	(38.0%)	(37.3%)	(36.3%)	(34.5%)	(36.5%)	(2.5%)	(0.1%)
HQ Costs	(6.6%)	(9.2%)	(9.3%)	(9.2%)	(9.0%)	(8.4%)	(9.0%)	(2.4%)	0.2%
Adjusted EBITDA	17.6%	12.2%	11.5%	12.6%	14.3%	15.7%	13.6%	(4.0%)	1.3%
<b>EBITDA Retail</b>	<b>17.6%</b>	<b>12.2%</b>	<b>11.5%</b>	<b>12.6%</b>	<b>14.3%</b>	<b>15.7%</b>	<b>13.6%</b>	<b>(4.0%)</b>	<b>1.3%</b>

## 6.2 Appendix | Budget 2023 | Gross Win Reconciliation

### Reconciliation Gross Win – Operating Revenue | 2019 – 2022 - 2023B | €m

2019	Consolidated	Argentina	Mexico	Panama	Colombia	Uruguay	Spain	Italy
<b>GW</b>	<b>1,361.2</b>	<b>309.8</b>	<b>290.7</b>	<b>70.3</b>	<b>33.0</b>	<b>61.2</b>	<b>221.6</b>	<b>374.7</b>
Other Revenues	93.4	11.0	57.2	3.6	0.7	9.9	9.4	1.6
Revenue Sharing	(88.5)	-	-	-	(14.7)	(0.1)	(42.2)	(31.4)
Other Deductions	(1.0)	(1.0)	-	-	-	-	-	-
Complimentary (F&B)	(2.1)	(1.4)	-	-	-	(0.6)	-	-
Intercompany	(1.7)	(1.7)	-	-	-	-	-	-
VAT & Other taxes	-	-	(27.0)	-	-	(0.3)	-	(7.6)
Interm. Ticket Purchases	-	-	-	-	-	4.5	-	-
Others	(1.6)	0.6	(13.2)	4.3	-	(0.3)	1.0	6.0
<b>Operating Revenue</b>	<b>1,329.5</b>	<b>317.2</b>	<b>307.7</b>	<b>78.2</b>	<b>19.1</b>	<b>74.2</b>	<b>189.8</b>	<b>343.3</b>
Operating Rev. / GW	97.7%	102.4%	105.9%	111.3%	57.7%	121.3%	85.6%	91.6%

2022	Consolidated	Argentina	Mexico	Panama	Colombia	Uruguay	Spain	Italy
<b>GW</b>	<b>1,217.6</b>	<b>339.2</b>	<b>216.6</b>	<b>68.9</b>	<b>26.5</b>	<b>47.7</b>	<b>208.5</b>	<b>310.3</b>
Other Revenues	69.6	11.6	32.3	2.9	0.4	10.2	9.9	2.3
Revenue Sharing	(77.3)	-	-	-	(6.2)	(0.1)	(45.3)	(25.7)
Other Deductions	(0.6)	(0.6)	-	-	-	-	-	-
Complimentary (F&B)	(1.6)	(0.9)	-	-	-	(0.7)	-	-
Intercompany	(1.2)	(1.2)	-	-	-	-	-	-
VAT & Other taxes	-	-	(18.3)	-	-	(0.3)	-	(5.4)
Interm. Ticket Purchases	-	-	-	-	-	15.1	-	-
Others	3.2	(1.1)	2.5	0.1	-	0.1	(0.2)	1.9
<b>Operating Revenue</b>	<b>1,200.7</b>	<b>346.9</b>	<b>233.0</b>	<b>71.8</b>	<b>20.8</b>	<b>71.9</b>	<b>172.9</b>	<b>283.4</b>
Operating Rev. / GW	98.6%	102.3%	107.6%	104.3%	78.3%	150.9%	82.9%	91.3%

2023	Consolidated	Argentina	Mexico	Panama	Colombia	Uruguay	Spain	Italy
<b>GW</b>	<b>1,306.8</b>	<b>358.6</b>	<b>240.9</b>	<b>74.4</b>	<b>24.3</b>	<b>65.2</b>	<b>214.2</b>	<b>329.1</b>
Other Revenues	77.9	12.5	37.1	3.3	0.4	11.5	10.9	2.1
Revenue Sharing	(75.5)	-	-	-	(5.7)	(0.2)	(42.8)	(26.9)
Other Deductions	(0.7)	(0.7)	-	-	-	-	-	-
Complimentary (F&B)	(1.8)	(1.1)	-	-	-	(0.7)	-	-
Intercompany	(1.2)	(1.2)	-	-	-	-	-	-
VAT & Other taxes	-	-	(22.0)	-	-	(0.4)	-	(6.2)
Interm. Ticket Purchases	-	-	-	-	-	15.6	-	-
Others	2.2	-	1.2	-	-	-	-	1.0
<b>Operating Revenue</b>	<b>1,294.7</b>	<b>368.2</b>	<b>257.2</b>	<b>77.7</b>	<b>19.0</b>	<b>91.1</b>	<b>182.4</b>	<b>299.1</b>
Operating Rev. / GW	99.1%	102.7%	106.8%	104.4%	78.3%	139.7%	85.1%	90.9%

Corporate presentation

The reconciliation between Gross Win and Operating Revenue is due to the impact of IFRS 15 applied in each country

#### Argentina

- Variation corresponds to the record of F&B revenues, complimentary F&B costs and intercompany charges related to intercompany gaming hall sections rentals

#### Mexico

- Variation corresponds to other revenues mainly related to Banamex convention center and F&B; VAT reductions related to netting from revenues subject to VAT in Mexico

#### Colombia

- Variation related mostly to netting of slot GW revenue sharing with third parties Slots

#### Uruguay

- Variation corresponds mostly to F&B and racetrack broadcasting revenues and revenues from ticket purchases where Codere acts as intermediary (license belongs to Uruguay government)

#### Spain

- Variation related mostly to netting of SB GW with third party participation (slot GW is already netted within GW)

#### Italy

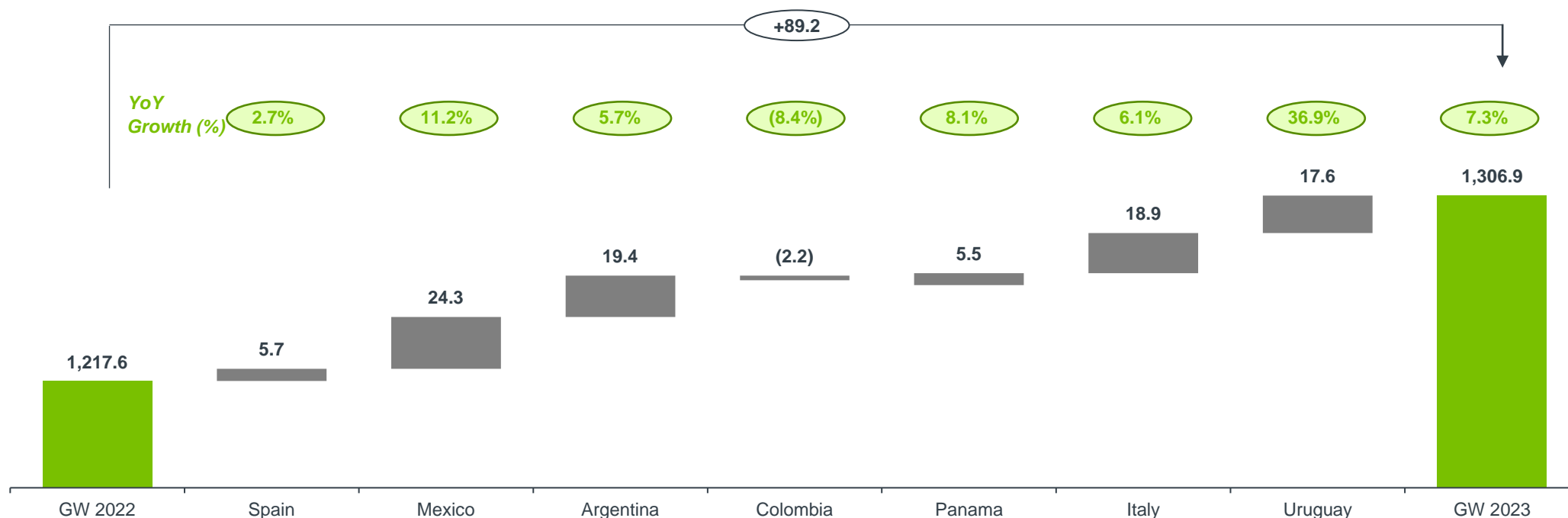
- Variation related mostly to netting of slot GW revenue sharing with third parties Slots

**codere**

## 6.2 Appendix | Budget 2023 | GW Trend by Country | 2022 - 2023

Company estimates an increase in GW (+€89.2m in 2023B vs. 2022) driven by the recovery of activity in most countries

Retail Consolidated 2022 - 2023 | €m

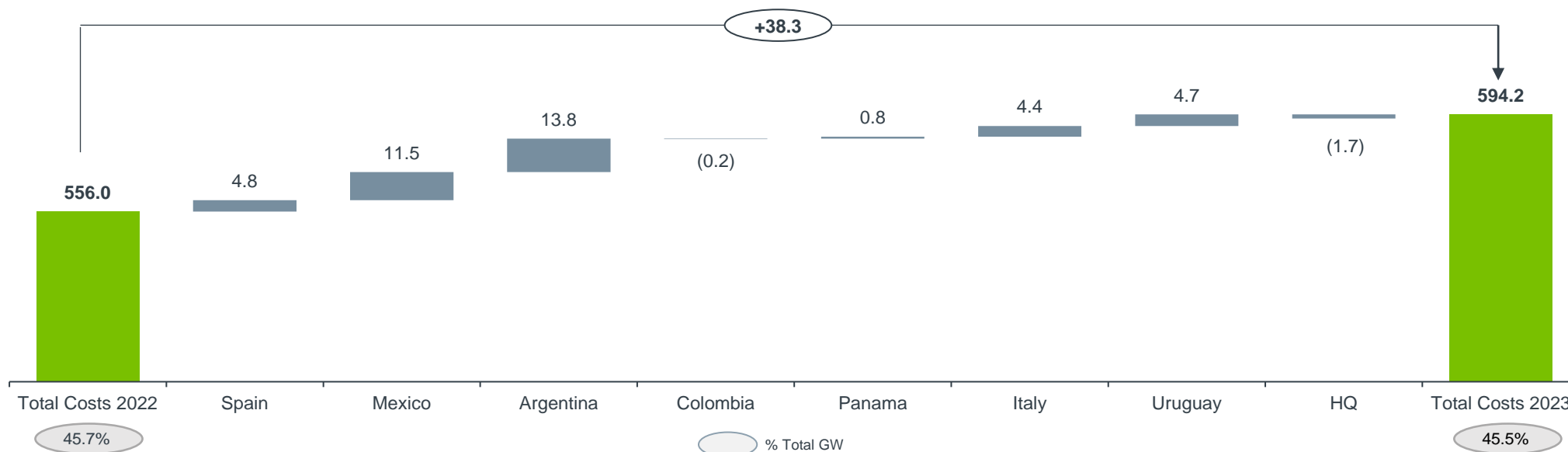


- GW Increase of €89.2m driven mostly by Mexico, Argentina and Italy
- **Mexico** - Main driver is growth in slots GW, actioned through improved direct marketing and stronger commercial actions vs. 2022 that will bring higher number of visits and increase slot capacity, which will be counterbalanced by a flat daily GW per slot vs. 2022
- **Italy** - Improvement in slot revenues through product renewal and gradual growth in installed slots, improving the Route business and Network revenues. Bingos GW is projected to increase, continuing its recent recovery trajectory, following the removal of COVID restrictions. Gaming hall gross win growth is further driven by the relocation of one key hall and an enhanced marketing plan for VIP customers
- **Uruguay** - Slots operating gross win increase driven by the opening of a new hall in Nuevocentro, with higher number of slots and expected high value customers. Codere will also launch a VIP plan for Carrasco Nobile, increasing Slots and Tables revenue for this gaming hall

## 6.2 Appendix | Budget 2023 | Cost Trend | 2022 - 2023

The company estimates an increase in its total cost base of €38.3m (6.8%), mainly due to Argentina (€13.8m) and Mexico (€11.5m). Overall, costs remain broadly flat as a % of gross win (45.7% vs. 45.5%)

Retail Consolidated 2022 - 2023 | €m

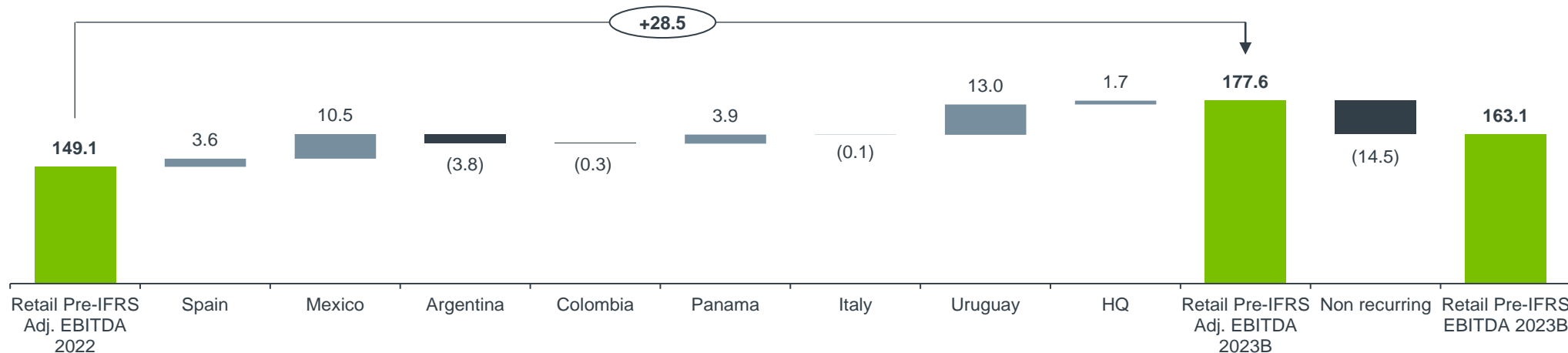


- **Total Opex in 2023B of c.€594mm equates to c.45.5% of GW, compared to c.€556m and 45.7% in 2022**
- **Mexico:** Total Opex of c.€168m, representing 69.6% of GW (vs. 72.0% in 2022), the increase in 2023B is mostly driven by the additional FTE and operating costs to support the higher slot capacity and Tables growth plan, together with new regulation requiring a certain share of profits to be shared with employees or PTU
- **Argentina:** Total Opex of c.€129m, representing 35.9% of GW (vs. 34.1% in 2022), with growth principally driven by increase in FTEs due to a rise of Bingo operations vs. 2022 where halls were opened only during 2H22. In addition, average salary expected increase of 119%, above the 95% CPI considered, following a scheduled salary review with labour unions
- **Uruguay:** Total Opex of c.€48m, representing 74.2% of GW (vs. 92.0% in 2022); with an increase in FTEs to support the higher level of activity, the new hall management program, and higher commercial cost for the new VIP customer program

## 6.2 Appendix | Budget 2023 | Adj. Retail EBITDA Trend | 2022 - 2023

Company estimates an increase in Adj. Retail 16 EBITDA of €28.5m, principally driven by the recovery of activity in Mexico (+€10.5m)

Consolidated Adj. Retail EBITDA variations by country 2022 – 2023 (€m)



**Spain:** Increase in Adj. Retail EBITDA of €3.6m in 2023B vs. 2022 driven by an increase in GW (+€5.7m), partially offset by an increase in costs

- Estimated GW for 2023B reflects an increase in slots associated with hall's enhancement, leverage of the new CRM (Salesforce) and targeted new agreements in Sports Betting, partially offset by the termination of some key Sports Betting contracts

**Mexico:** Growth in Mexico is driven by several factors, mainly:

- Increase in Gross Win of c.13% (pre-FX adjustments, on a local currency basis), mainly due to an increase in slot revenue given the 2,141 increase in machines and improved Table deployment. Slots is the most relevant product in the country, representing c.86% of total GW
- Improvement in operating margin, with operative expenses estimated to increase below inflation, Margin improvement has been actioned through negotiation of current rentals under more favorable terms, headcount optimization, and saving on energy costs

**Argentina:** Decline in Argentina driven by FX adjustments. Local currency Adj. Retail EBITDA increases by 94.0%, principally reflecting the impact of local inflation

**Uruguay:**

- The increase in GW in Uruguay corresponds mainly to the accounting treatment of slots revenues which are recognised one year later. Uruguay's business is shared with the Government which collects the revenues in the year and pays one year later to the Company. 2023 revenues for slots are those generated in 2022

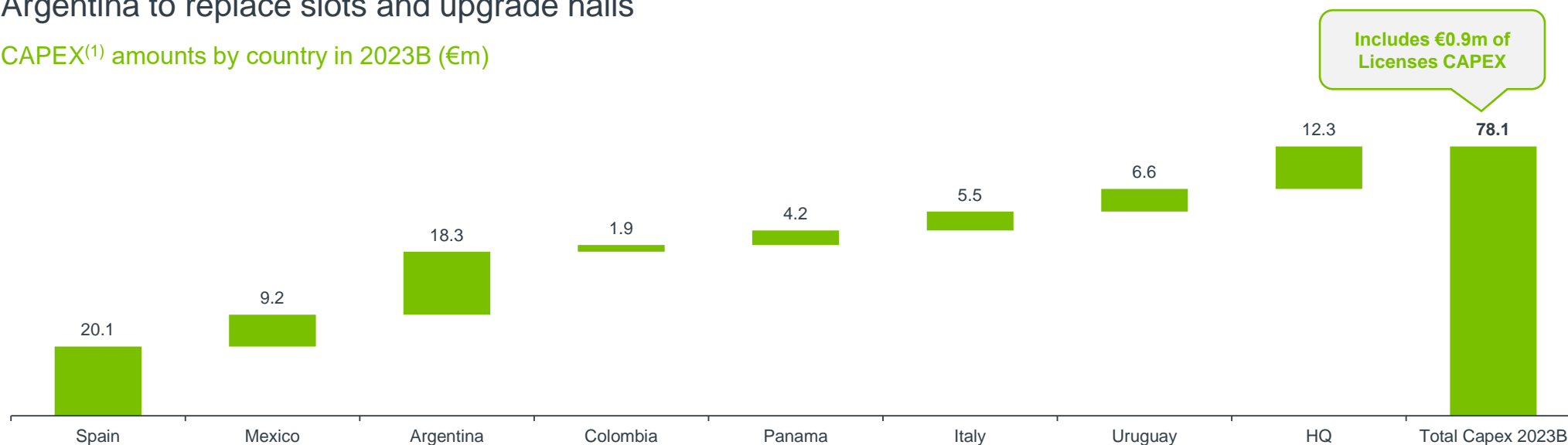
**Panama:** Growth in Panama is driven by several factors, mainly:

- Increase in Gross Win of c.11%, on a local currency basis, mainly due to an increase in slot revenue driven by the increase of machines and an increase of 3% in the average win per slot

## 6.2 Appendix | Budget 2023 | CAPEX Assumptions

The Company estimates €78.1m of CAPEX<sup>(1)</sup> mainly driven by maintenance in Spain and investments in Argentina to replace slots and upgrade halls

CAPEX<sup>(1)</sup> amounts by country in 2023B (€m)



- **Investments for 2023 have been budgeted in a context of CAPEX constraints.**
- **Spain:** Company estimates a total CAPEX investment in maintenance of €20m, of which 48% is commercial CAPEX (mainly bar renewals) and 37% product. Lower maintenance commercial CAPEX vs prior year driven by enhanced negotiation capabilities supported by new tools based on technological developments. Higher CAPEX in SB Product, for the renewal of terminals, should enhance proposition in third parties' arcades.
- **Mexico:** Company estimates an increase in CAPEX of 7.6% to €9m, with a continued focus purely on maintenance due to the cash restriction for the Group. Main focus is on Halls refurbishment (improvements on layout and creation of some VIP & Tables areas). Other amounts relate to Slots renewal and maintenance of Banamex and Racetrack facilities.
- **Argentina:** CAPEX expenses are mainly related to slots replacement and maintenance of halls. Renewal of slots includes the acquisition of new slots and also exercising an option to acquire other slots in the halls.
- **Colombia:** Company expects to spend €2m on maintenance CAPEX for the following categories: Product (54.9%), Halls (20.3%), Others (24.9%)
- **Panama:** Company estimates an increase in CAPEX of 46% compared to 2022 to €4m. Main investment is the maintenance of halls and payment obligations for the Guayacanes license which is necessary for continuity of operations
- **Italy:** Company has estimated to maintain the historical CAPEX investment levels, being €6m in maintenance CAPEX in 2023B
- **Uruguay:** Company has estimated to increase the CAPEX level compared to last year's focusing all the investment on the upkeep and maintenance of the slots (as per contract with DGG)
- **HQ:** Includes a maintenance CAPEX of €12.3m per year, mainly related to software licenses and IT developments

## 6.2 Appendix | 2023 Budget FX and CPI Analysis

The Company's 2023B currency forecasts are more conservative than most market sources (i.e Colombia; 13.1%) while CPI forecasts are on average higher than typical market sources

### FX, CPI and GDP | 2019 – 2023B | €m

#### A FX | Company Information

FX	2019	2022	2023
Spain	1.0	1.0	<b>1.0</b>
Italy	1.0	1.0	<b>1.0</b>
Argentina	53.9	136.4	<b>267.3</b>
Uruguay	39.4	43.4	<b>44.5</b>
Mexico	21.6	21.2	<b>21.4</b>
Panama	1.1	1.1	<b>1.1</b>
Colombia	3,672.9	4,470.0	<b>5,372.2</b>

#### B Real GDP | EIU The Economist

Real GDP (%)	2018	2019	2020	2021	2022	2023
Spain	2.3%	2.0%	(11.3%)	5.5%	5.2%	<b>1.1%</b>
Italy	0.8%	0.5%	(9.1%)	6.7%	3.9%	<b>0.6%</b>
Argentina	(2.6%)	(2.0%)	(9.9%)	10.4%	5.7%	<b>(0.3%)</b>
Uruguay	0.5%	0.4%	(6.1%)	4.4%	5.3%	<b>2.3%</b>
Mexico	2.2%	(0.2%)	(8.0%)	4.7%	3.1%	<b>1.1%</b>
Panama	3.7%	3.0%	(17.9%)	15.3%	9.5%	<b>3.5%</b>
Colombia	2.6%	3.2%	(7.0%)	10.7%	7.6%	<b>1.6%</b>

#### C CPI | Company Information

CPI (%)	2022	2023
Spain	<i>n.d.</i>	<b>4.9%</b>
Italy	<i>n.d.</i>	<b>2.5%</b>
Argentina	94.8%	<b>95.0%</b>
Uruguay	8.8%	<b>7.4%</b>
Mexico	6.8%	<b>4.5%</b>
Panama	3.1%	<b>3.3%</b>
Colombia	7.7%	<b>7.1%</b>

#### D Nominal GDP | EIU The Economist

Nominal GDP (%)	2018	2019	2020	2021	2022	2023
Spain	3.6%	3.5%	(10.2%)	7.9%	8.6%	<b>4.2%</b>
Italy	1.9%	1.4%	(7.6%)	7.3%	7.2%	<b>5.0%</b>
Argentina	38.2%	46.2%	26.5%	69.9%	78.2%	<b>93.4%</b>
Uruguay	7.6%	8.9%	4.2%	14.8%	17.5%	<b>10.0%</b>
Mexico	7.6%	8.9%	4.2%	14.8%	17.5%	<b>10.0%</b>
Panama	7.2%	3.9%	(4.3%)	10.3%	10.1%	<b>7.7%</b>
Colombia	4.4%	3.2%	(19.4%)	17.8%	14.1%	<b>5.9%</b>

### Corporate presentation

Strictly Private and Confidential

Source: Information provided by Company, EIU



# Appendix

## 6.3 Business Plan Additional Information

6.3

## 6.3 Appendix | Adj. Retail EBITDA trend 2022 – 2027

Adj. Retail EBITDA margin expected to improve from c. 12% in 2022 to c. 15% in 2027 mainly due to improved profitability in Uruguay (with the opening of a new hall & VIP plan impact in Carrasco), Mexico's recovery to pre pandemic levels at 2027 (CAGR22-27 +12.5%) and Panama growth with the opening of Chorrera and Aloft

### Adjusted Retail EBITDA by Country | €m

	€m	2019	2022	2023B	2024FC	2027FC	CAGR (2022-2027)
<b>A</b>	Argentina	72,7	75,4	71,6	71,7	91,1	3,9%
	Mexico	83,1	25,5	36,0	36,7	45,9	12,5%
<b>B</b>	Spain	40,8	37,0	40,6	42,6	46,2	4,5%
	Italy	21,1	15,8	15,7	16,6	20,1	4,8%
	Uruguay	20,6	6,3	19,3	18,6	21,7	28,2%
	Panama	8,6	4,9	8,8	10,5	14,2	23,9%
	Colombia	3,3	3,7	3,4	3,8	4,6	4,3%
	HQ	(10,8)	(19,5)	(17,8)	(17,0)	(18,6)	(0,9%)
	<b>Total Retail</b>	<b>239,3</b>	<b>149,1</b>	<b>177,6</b>	<b>183,5</b>	<b>225,1</b>	<b>8,6%</b>

### Adjusted Retail EBITDA Margin by Country | %

	2019	2022	2023B	2024FC	2027FC	CAGR (2022-2027)
	23,5%	22,2%	20,0%	20,2%	21,3%	-1 p,p
	28,6%	11,8%	14,9%	15,7%	19,2%	7 p,p
	18,4%	17,8%	18,9%	19,3%	19,0%	1 p,p
	5,6%	5,1%	4,8%	4,8%	5,4%	0 p,p
	33,7%	13,1%	29,5%	30,3%	32,7%	20 p,p
	12,3%	7,1%	11,8%	13,6%	16,9%	10 p,p
	10,0%	14,0%	13,9%	13,9%	14,6%	1 p,p
	n/a	n/a	n/a	n/a	n/a	n/a
	<b>17,6%</b>	<b>12,2%</b>	<b>13,6%</b>	<b>13,9%</b>	<b>15,4%</b>	<b>3 p,p</b>

**A** Argentina's Adj. Retail EBITDA increase is driven by strong operating performance and pricing increases in line with inflation and is expected to reach €91.1m, above 2019 levels but in line with 2018 values (c.€96,1m) as 2019 was already significantly impacted by the country's monetary crisis beginning in 2018

**B** Spain expected recover to 2019 levels by 2027, reaching an Adj. Retail EBITDA of €46.2m mainly driven by the increase in active slots, hall renovations, benefit of a consolidated position in Sports Betting and full benefit realisation of the interconnection investment deployment plan with a total impact of c.€1.6m in Adj. Retail EBITDA

## 6.3 Appendix | Business Plan Macro Assumptions

Exchange rate (LCU/EUR)	2023B	2024B	2025B	2026B	2027B
Argentina	267.33	449.88	662.50	860.78	1,017.05
Mexico	21.39	23.11	24.07	25.14	26.06
Panama	1.08	1.12	1.14	1.15	1.16
Uruguay	44.50	50.57	53.59	56.28	58.33
Colombia	5,372.25	5,033.07	4,966.22	4,836.00	4,823.80

CPI (%)	2023B	2024B	2025B	2026B	2027B
Argentina	95.0%	67.8%	48.8%	36.6%	30.0%
Mexico	4.5%	3.2%	3.1%	3.0%	3.0%
Spain	4.9%	3.1%	2.0%	1.7%	1.7%
Italy	2.5%	2.1%	2.0%	2.0%	2.0%
Panama	3.3%	2.5%	2.0%	2.0%	2.0%
Uruguay	7.4%	6.6%	5.4%	4.5%	4.5%
Colombia	7.1%	3.5%	3.0%	3.0%	3.0%

Nominal GDP (%)	2023B	2024B	2025B	2026B	2027B
Argentina	93.4%	61.6%	45.1%	35.3%	29.4%
Mexico	7.7%	6.0%	5.7%	5.9%	5.7%
Spain	4.2%	5.0%	5.0%	3.3%	3.3%
Italy	5.0%	4.1%	3.1%	2.7%	2.7%
Panama	5.9%	8.2%	7.7%	7.7%	7.7%
Uruguay	10.0%	9.5%	9.1%	8.5%	8.5%
Colombia	10.5%	6.4%	5.5%	5.5%	5.5%