

Madrid, 26 de agosto de 2019

En cumplimiento de lo establecido en el artículo 228 del Texto Refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, Codere, S.A. ("**Codere**" o la "**Sociedad**") comunica el siguiente

HECHO RELEVANTE

Ante los acontecimientos recientes en Argentina tras los resultados de las elecciones primarias (PASO), que han generado una significativa devaluación del peso argentino, así como un deterioro en la valoración de la deuda soberana del país y de la mayoría de acciones que cotizan en su mercado de valores, la Compañía hace pública al mercado información referente a la contribución de nuestra unidad de negocio local al conjunto de los resultados del Grupo y al impacto de la devaluación del peso sobre nuestras expectativas de resultados en 2019 (Adjusted EBITDA Guidance).

En el análisis de la contribución del negocio de Codere en Argentina se hace referencia a resultados preliminares de la 1H2019, resultados que están pendientes de revisión y aprobación por el Consejo de Administración en sesión que tendrá lugar el 12 de Septiembre de 2019.

Luis Argüello Álvarez
Secretario no consejero del Consejo de Administración

2Q 2019 Group Trading Update* - Argentina

August 26, 2019



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***Figures presented in this document are unaudited. 1H19 accounts and related financial figures are preliminary and pending Board of Directors' review and approval of 1H 2019 accounts.**

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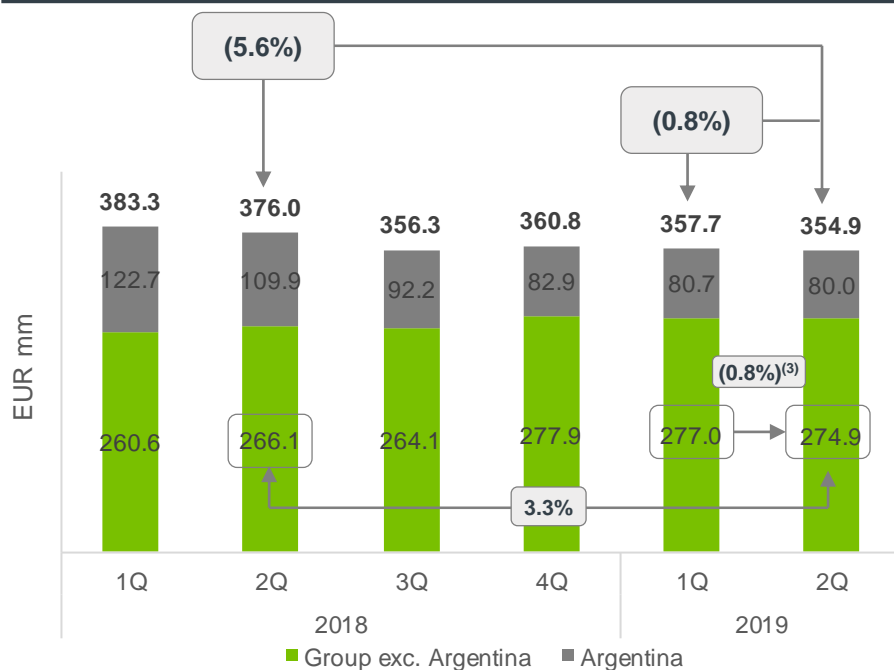
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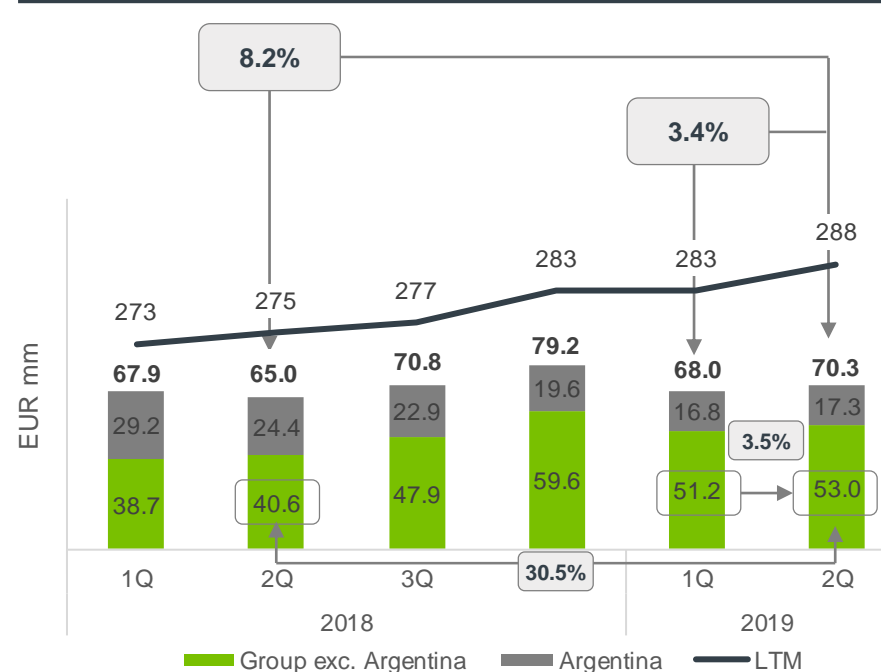
Notice on Rounding. Due to decimal rounding, numbers presented throughout this report may not add up precisely to the totals and subtotals provided, and percentages may not precisely reflect the absolute figures.

Contribution from Argentina: 2018 - 2Q 2019 Preliminary Results^(1,2)

Revenue (€ mm)



Adjusted EBITDA (€ mm)



Margin (quarter)	17.7%	17.3%	19.9%	22.0%	19.0%	19.8%
Non-Recurring Items	(11.9)	(12.0)	(7.0)	(11.9)	(3.0)	(7.5)
<i>of which Online Investment</i>	-	-	-	-	(2.7)	(4.5)

- Sustained revenue level since Q3 2018 on a consolidated basis despite significant reduction in the contribution from Argentina
- Mexico, Spain, Uruguay and Online are the key markets supporting growth outside of Argentina.

- 8.2% year on year growth in Q2 driven by strong performance in Mexico, Spain, Colombia and Uruguay, despite a 29% decrease in Argentina.
- Sustained LTM Adjusted EBITDA growth.
- Margin increase to 19.8% in Q2 2019, 2.5.p.p. above Q2 2018.
- Decrease of over 50% of non-recurring expenses in 1H'19 vs. 1H'18.

1) Figures prior to the application of IFRS 16 and inflation accounting adjustments (IAS 29) in Argentina.

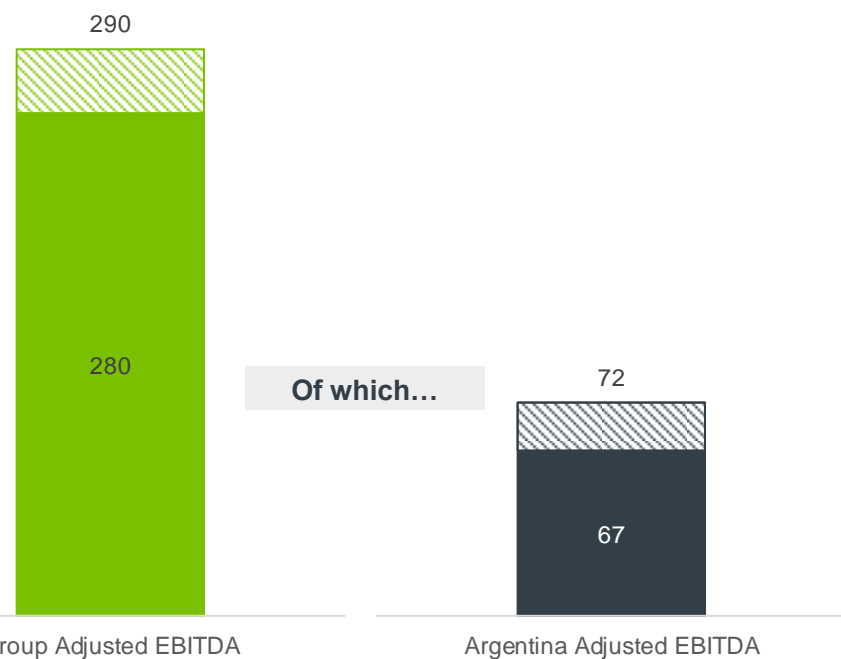
2) Figures are unaudited and pending Board of Directors' review and approval of 1H 2019 accounts.

3) Typical seasonality implies a lower Q2 in revenues due to Easter and end of soccer season. In 2018, Easter happened in Q1 and the World Cup event in June had a positive impact on SB revenue.

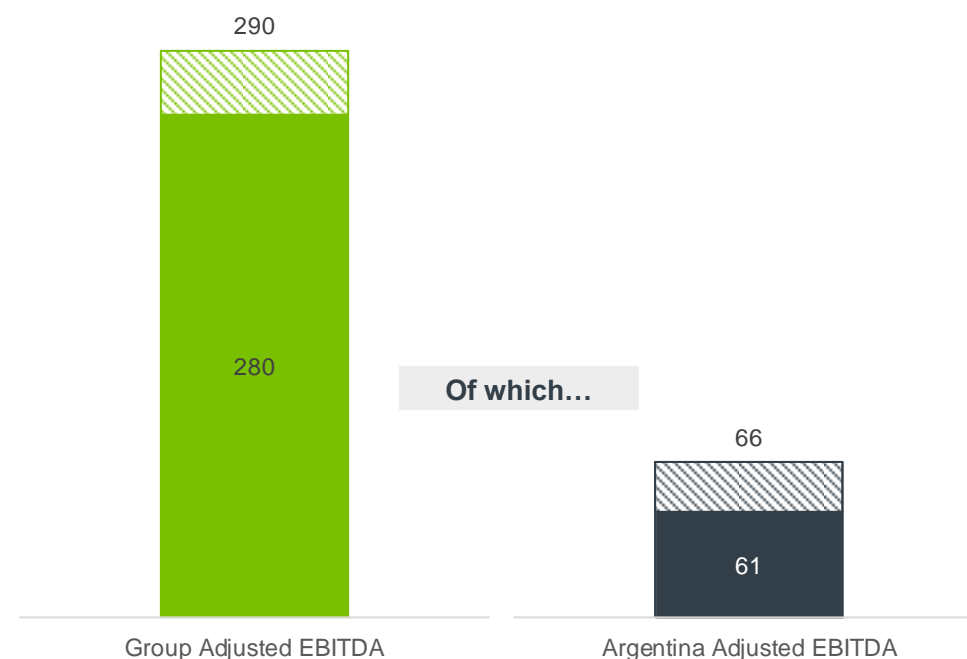
2019 Adjusted EBITDA Guidance Confirmed^(1,2)

Group guidance remains stable despite Argentine peso devaluation thanks to over performance in markets such as Mexico and Uruguay, among others.

Adjusted EBITDA Guidance (€mm) – May 2019



Adjusted EBITDA Guidance (€ mm) – August 2019



	Average Exchange Rates				
	1Q	2Q	3Q	4Q	FY
EUR/ARS ⁽³⁾	44.40	49.18	52.76	55.99	50.58
EUR/MXN	21.81	21.30	21.86	22.34	21.83
EUR/USD	1.14	1.12	1.13	1.13	1.13

	Average Exchange Rates				
	1Q	2Q	3Q	4Q	FY
EUR/ARS ⁽⁴⁾	44.40	49.38	54.59	79.41	56.94
EUR/MXN	21.81	21.50	21.45	22.45	21.80
EUR/USD	1.14	1.12	1.11	1.11	1.12

Guidance sensitivity analysis implies that a variation of 1 AR\$ on the average EUR/ARS exchange rate for 2019 would result in a 1 EUR million variation on Adjusted EBITDA for the Group.

1) Figures prior to the application of IFRS 16 and inflation accounting adjustments (IAS 29) in Argentina.

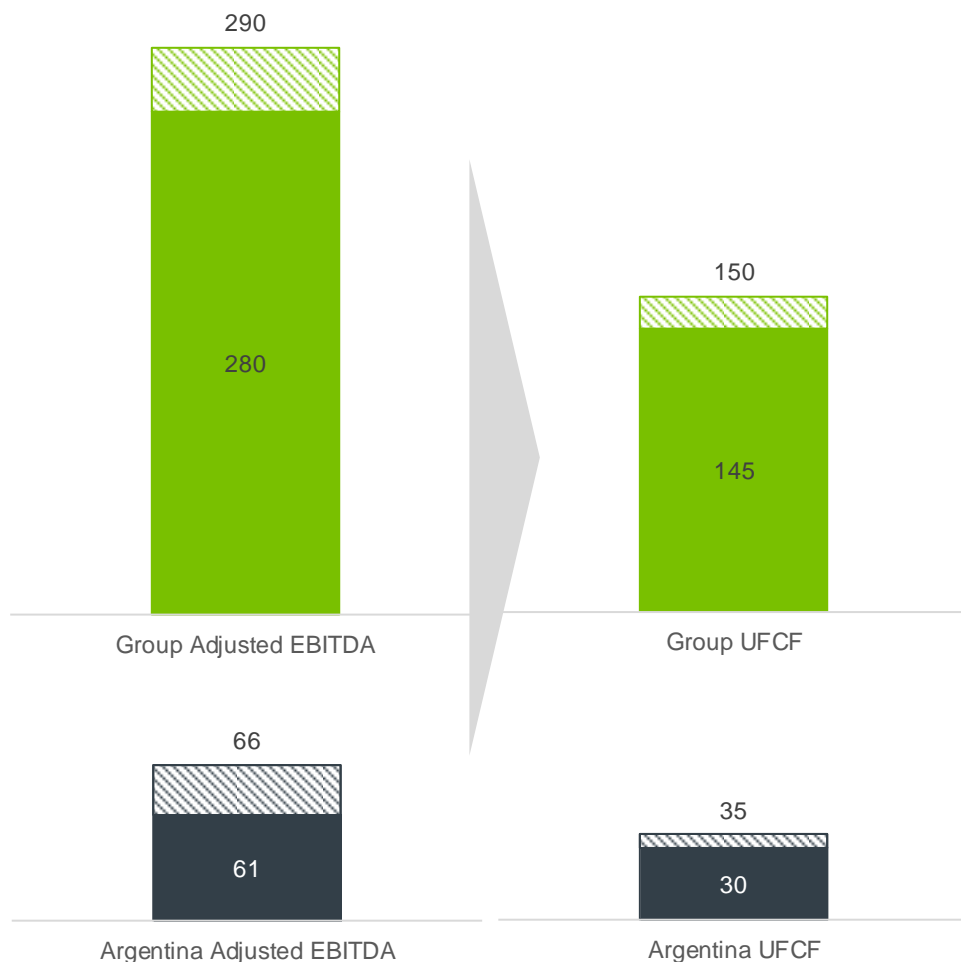
2) Figures are unaudited and pending Board of Directors' review and approval of 1H 2019 accounts.

3) 2019 FX forecasts based on March 2019 REM Report (Relevamiento de Expectativas de Mercado) issued by the BCRA (Argentina's Central Bank).

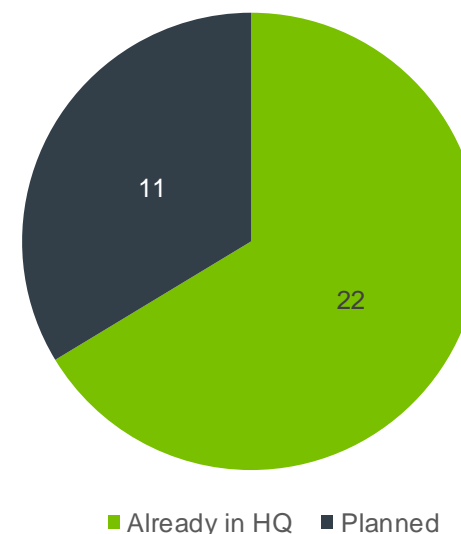
4) 2019 FX forecasts based on Bloomberg forwards as of August 20, 2019.

Contribution from Argentina: 2019 Cash Flow and Liquidity^(1,2)

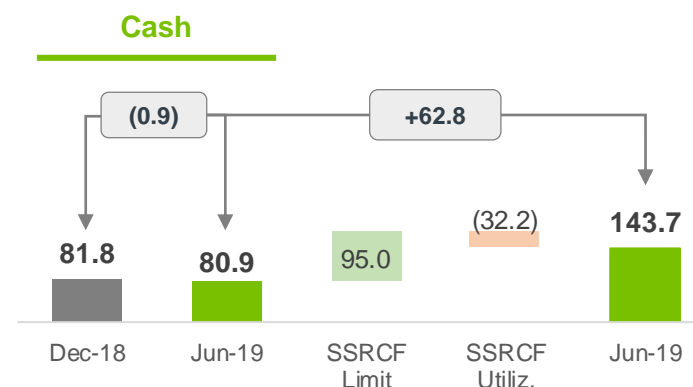
Adjusted EBITDA to UFCF Conversion (€ mm)⁽³⁾



Argentina Cash Distributions to HQ (€ mm)⁽⁴⁾



Liquidity (€mm)



- Argentina expected to generate only 20-25% of the UFCF of the Group in 2019 (vs. approximately 60% in 2016 when Senior Notes were issued).
- As of August 22, 2019, €22 mm of the expected distributions to HQ had already been done and a further €11 mm (considering ARS devaluation) are expected to be distributed before year end.
- Liquidity remains strong with a total cash balance of €81 mm, out of which only €13 mm were in Argentina as of June 30 (€11 mm after the July distributions).

1) Figures prior to the application of IFRS 16 and inflation accounting adjustments (IAS 29) in Argentina.
 2) Cash flow analysis based on Adjusted EBITDA Guidance.
 3) UFCF (Unlevered Free Cash Flow) defined as Adjusted EBITDA – Maintenance Capex – Chg. In Working Capital – Minorities – Corporate Income Taxes Paid.
 4) Planned distributions based on local currency projections converted to EUR as per August 20, 2019 Bloomberg forwards.

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