

**REPORT PREPARED BY THE BOARD OF DIRECTORS OF CODERE, S.A. REGARDING THE PROPOSAL TO AMEND ARTICLE 31 OF THE BYLAWS OF CODERE, S.A., WHICH IS SUBMITTED TO THE CONSIDERATION OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 10 DECEMBER 2021 AT THE FIRST CALL, OR 13 DECEMBER 2021 AT THE SECOND CALL**

**I. INTRODUCTION AND LEGAL BASIS.**

The Board of Directors of Codere, S.A. (hereinafter, the "**Company**") prepares this report in accordance with the obligation established in article 286 of the Royal Legislative Decree 1/2010, of 2 July, which approved the revised text of the Capital Companies Act, by virtue of which the Directors must draw up a written report justifying the amendments proposed to the Company Bylaws and, consequently, to justify the proposal to amend article 31 of the Company Bylaws

In order to make it easier for shareholders to understand the changes that motivate the proposed amendment submitted for approval by the General Shareholders' Meeting, we first offer an explanation of the purpose and justification of the amendment, followed by a literal transcription, in double columns, of the current wording and the proposed new wording for comparison purposes.

**II. JUSTIFICATION FOR THE AMENDMENT OF ARTICLE 31 OF THE CORPORATE BYLAWS**

As disclosed in the insider disclosure dated 22 April 2021 (registration number 849), (i) the Company entered into an agreement (the "Lock-Up Agreement") with certain bondholders of the EUR 353,000,000 super senior secured bonds maturing in 2023 issued by Codere Finance 2 (Luxembourg) S.A. (the "**Issuer**") and the original senior secured bonds in the amount of EUR 500,000,000 and USD 300,000,000 maturing in 2023 issued by Codere Finance 2 (Luxembourg) S.A. (the "**Issuer**"). co-issued by the Issuer and Codere Finance 2 (UK) Limited; (ii) the Lock-Up Agreement commits the parties to implement a restructuring operation (the "**Restructuring**") in the terms and conditions described therein; and (iii) it reported that it believed that following the implementation of the Restructuring, the Company would no longer be able to continue as a going concern.

In this regard, and as indicated in the inside information communication dated 22 April 2021 (registration number 849), the Company anticipated that it would enter into a liquidation procedure once the Restructuring was implemented.

In line with the above and once the actions for the implementation of the Restructuring have been completed as of 19 November 2021, resulting, among others, in the Company ceasing to be the parent company of the operating part of the Codere Group, the Board of Directors of the Company has approved today the call of an Extraordinary General Shareholders' Meeting, in order to dissolve the Company, appoint a liquidator and open the liquidation period, among others.

For these purposes, the Board of Directors of the Company considers it appropriate to request the General Shareholders' Meeting to amend article 31 of the Articles of Association, in order to complete the current regulations applicable to liquidators.

**III. COMPARISON OF THE CURRENT WORDING OF ARTICLE 31 AND THE NEW WORDING PROPOSED TO THE GENERAL MEETING.**

As indicated above, this report is accompanied by a comparison between the current version of article 31 of the Articles of Association and the new version that would come into force if approved by the General Shareholders' Meeting:

Current wording Article 31	Proposed wording Article 31
<p>If the General Shareholders' Meeting resolves to dissolve the company, it shall appoint one or more liquidators, always an odd number, whose powers shall also be determined in accordance with the provisions of the Capital Companies Act. Once the liquidators have been appointed, the attributions and powers of the Administrative Body shall cease, the only competent body of the Company being, from that moment on, the Shareholders in General Meeting.</p>	<p><i>If the Shareholders in General Meeting resolve to dissolve the company, it shall appoint one or more liquidators, always an odd number, <b><u>who shall have the</u></b> <del>whose</del> powers <b><u>provided for in</u></b> <del>shall also be determined in</del> accordance with the <del>provisions</del> of the Spanish Capital Companies Act <b><u>and any others that may be attributed to them by the Shareholders in General Meeting.</u></b> Once the liquidator <u>or</u> liquidators have been appointed, the powers and competencies of the <b><u>Board of Directors</u></b> <del>(Administrative Body)</del> shall cease, <b><u>with the consequent cessation of the directors and of all the offices thereof, such as the secretary or vice-secretary, the only competent body of the Company being, from that moment on, the General Shareholders' Meeting.</u></b></i></p> <p><b><u>The position of liquidator is subject to compensation.</u></b></p> <p><b><u>The remuneration to be received by the liquidator or liquidators shall consist of a variable remuneration, based on a percentage of the net value of the assets resulting from the liquidation, which shall be determined by the Shareholders in General Meeting at the time of the appointment of the liquidator or liquidators. In addition, the Company may pay the liquidator a fixed monthly remuneration, as well as the amount of the excess and the premium for civil liability insurance.</u></b></p> <p><b><u>In any case, the different remuneration systems and their maximum amounts, including those of the excess and the insurance premium, shall be determined by the Shareholders in General Meeting at the time of the appointment of the liquidator or liquidators.</u></b></p>

Madrid, 22 November 2021.