

Report of Independent Auditors

CODERE LUXEMBOURG 2, S.á.r.l. and subsidiaries

December, 31, 2021

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of Codere Luxembourg 2, S.á.r.l.

Opinion

We have audited the consolidated financial statements of Codere Luxembourg 2, S.á.r.l. and subsidiaries (the “Company”), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of income, comprehensive income, changes to consolidated net equity and cash flow for the year then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS-EU”).

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS-EU, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information. The other information comprises the Consolidated Management Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

ERNST & YOUNG, S.L.

50708941J
ENRIQUE
QUIJADA (R:
B78970506)

Digitally signed by 50708941J ENRIQUE
QUIJADA (R: B78970506)
DN: cn=50708941J ENRIQUE QUIJADA
(R: B78970506), c=ES,
ou=ERNST&YOUNG, S. L.
ou=ASSURANCE,
email=Enrique.QuijadaCasillas@es.ey.com
Date: 2022.04.29 11:30:26 +02'00'

José Enrique Quijada Casillas

April 29, 2022

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

Consolidated financial statements as of and for the year ended 31 December 2021 and
Management Report for the year 2021

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CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021
(thousand euros)

ASSETS	Note	At 31 December		At 1 January
		2021	2020 (*)	2020 (*)
Non-current assets		1,046,330	1,083,191	1,325,089
Intangible fixed assets	7	293,823	309,660	374,012
Assets for rights of use	8	168,738	191,733	254,689
Tangible fixed assets	9	234,932	264,100	349,203
Investment property	9	45,158	44,699	52,669
Goodwill	11	205,395	209,544	232,292
Equity method investment	10	36	170	526
Non-current financial assets	12	22,576	17,397	19,957
Long-term loans		18,452	13,933	15,397
Investments held until maturity		4,124	3,464	4,560
Assets through deferred tax	13	75,672	45,888	41,741
Current assets		369,955	253,910	373,497
Inventory	15	6,799	7,123	10,731
Debtors	16	85,370	82,131	142,092
Clients through sales and services		26,095	24,617	28,752
Assets through current tax		3,301	5,603	26,574
Sundry debtors		25,433	19,921	32,859
Accrued taxes receivable		30,541	31,990	53,907
Financial Assets	17	42,314	43,183	105,652
Accruals and prepayments		12,706	11,655	12,592
Cash and cash equivalents	24	222,766	109,818	102,430
TOTAL ASSETS		1,416,285	1,337,101	1,698,586

The accompanying notes are an integral part of these consolidated financial statements.

(*) Unaudited figures. See note 2. a) Basis of presentation.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021
(thousand euros)

NET EQUITY AND LIABILITIES	Note	At 31 December		At 1 January
		2021	2020 (*)	2020 (*)
Equity attributable to the parent company	18	54,585	(321,067)	(21,985)
Subscribed capital		13	13	13
Share premium		1,110,519	718,144	718,144
Retained earnings		(581,731)	(631,608)	(546,115)
Translation differences		(152,549)	(192,353)	(139,668)
Profit for the year attributable to owners of the parent company		(321,667)	(215,263)	(54,359)
Non-controlling interests		67,883	38,452	73,455
Total Net Equity		122,468	(282,615)	51,470
Non-current liabilities		935,850	1,239,372	1,221,045
Provisions, Non-Current.	19	31,395	28,867	21,988
Long-term creditors	20	839,851	1,145,949	1,103,815
Debts with credit institutions		41,758	42,732	76,990
Bonds issued		637,353	922,431	787,931
Other debts		160,740	180,786	238,894
Deferred tax liabilities	13	64,604	64,556	95,242
Current liabilities		357,967	380,344	426,071
Provisions and other	19	10,408	7,314	7,396
Debts with credit institutions	20	18,105	16,878	20,645
Bonds and other marketable securities	20	25,932	34,240	11,737
Other non-trade debts	20	217,758	227,351	231,942
Trade creditors		85,427	94,635	130,286
Current income tax liabilities	20	337	(74)	24,065
TOTAL EQUITY AND LIABILITIES		1,416,285	1,337,101	1,698,586

The accompanying notes are an integral part of these consolidated financial statements

(*) Unaudited figures. See note 2. a) Basis of presentation.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021
(thousand euros)

	Note	Year ended 31 December	
		2021	2020 (*)
Operating Revenues		807,710	584,759
Net revenues		793,284	575,420
Other revenues	23	14,426	9,339
Operating expense	23	(989,069)	(775,881)
Consumables and other external expenses		(39,814)	(27,675)
Personnel expense	23.d	(152,582)	(122,020)
Depreciation and amortisation expense	7.9	(167,251)	(169,556)
Variations in trade provisions		(3,627)	(9,039)
Other operating expense	23. c	(604,095)	(445,591)
Impairment of assets	7,9,11,14	(21,700)	(2,000)
Profit or loss on disposal of assets	7 & 9	(2,580)	(2,741)
CONSOLIDATED OPERATING PROFIT / (LOSS)		(183,939)	(193,863)
Financial revenues		56,309	62,663
Financial expenses		(220,178)	(104,511)
Exchange rate differences (net)		(13,082)	(15,265)
NET FINANCIAL INCOME (LOSS)	23.f	(176,951)	(57,113)
CONSOLIDATED PRE-TAX PROFIT (LOSS)		(360,890)	(250,976)
Corporation tax	21	23,324	15,559
Profit (loss) for the year of companies accounted for using the equity method		(132)	(134)
CONSOLIDATED PROFIT/LOSS FOR THE PERIOD		(337,698)	(235,551)
Attributable to:			
Non-controlling interests		(16,031)	(20,288)
Equity holders of the parent		(321,667)	(215,263)

The accompanying notes are an integral part of these consolidated financial statements.

(*) Unaudited figures. See note 2. a) Basis of presentation.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2021**
(thousand euros)

	Note	Year ended 31 December	
		2021	2020 (*)
Year-end profit (loss)	18	(337,698)	(235,551)
Foreign Currency Translation Differences		44,314	(64,420)
Total other consolidated comprehensive income		44,314	(64,420)
Total income (loss) for the year	18	(293,384)	(299,971)
Attributable to non-controlling interests		(11,605)	(30,952)
Equity holders of the parent		(281,779)	(269,019)

The accompanying notes are an integral part of these consolidated financial statements.

(*) Unaudited figures. See note 2. a) Basis of presentation.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

**STATEMENT OF CHANGES TO CONSOLIDATED NET EQUITY FOR THE YEAR ENDED
31 DECEMBER 2021
(thousand euros)**

	Share capital	Share premium	Retained earnings	Translation differences (3)	Profit (loss) attributable to the parent company	Equity attributable to the parent company	Equity attributable to non-controlling interests	Total Net Equity
BALANCE as at 31 December 2020	13	718,144	(631,608)	(192,353)	(215,263)	(321,067)	38,452	(282,615)
Consolidated period-end income (loss)	-	-	-	-	(321,667)	(321,667)	(16,031)	(337,698)
Change in translation differences and other	-	-	84	39,804	-	39,888	4,426	44,314
Total consolidated comprehensive income (loss)			84	39,804	(321,667)	(281,779)	(11,605)	(293,384)
Changes in ownership interests (4)	-	-	(41,593)	-	-	(41,593)	42,522	929
Refinancing operation (note 20)	-	392,375	190,853	-	-	583,228	-	583,228
Online operation (note 6.a.1)	-	-	123,562	-	-	123,562	-	123,562
Distribution of dividends due to Online Transaction (1)	-	-	(7,766)	-	-	(7,766)	-	(7,766)
Distribution of dividends (2)	-	-	-	-	-	-	(1,486)	(1,486)
Transfer to retained earnings	-	-	(215,263)	-	215,263	-	-	-
Total movements in equity	-	392,375	49,793	-	215,263	657,431	41,036	698,467
BALANCE as at 31 December 2021	13	1,110,519	(581,731)	(152,549)	(321,667)	54,585	67,883	122,468

(1) Corresponds to a remission of balances that Codere Newco S.A.U. granted to its then parent company, and current minority shareholder, Codere S.A. in liquidation.

(2) Corresponds to the distribution of dividends to minority shareholders of the Group's subsidiaries.

(3) The heading "Translation differences" includes the effect of the application of IAS 29 in companies in hyper inflationary economies (note 2.b.3.2)

(4) Mainly relating to the Non-Controlling interests entering as a result of the Online Transaction (see note 6.a).

The accompanying notes are an integral part of these consolidated financial statements.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

**STATEMENT OF CHANGES TO CONSOLIDATED NET EQUITY FOR THE YEAR ENDED
31 DECEMBER 2020
(thousand euros)**

	Share capital	Share premium	Retained earnings	Translation differences (3)	Profit (loss) attributable to the parent company	Equity attributable to the parent company	Equity attributable to non-controlling interests	Total Net Equity
BALANCE as at 1 January 2020	13	718,144	(546,115)	(139,669)	(54,359)	(21,986)	73,455	51,469
Consolidated period-end income (loss)	-	-	-	-	(215,263)	(215,263)	(20,288)	(235,551)
Change in translation differences and other	-	-	(1,072)	(52,684)	-	(53,756)	(10,664)	(64,420)
Total consolidated comprehensive income (loss)	-	-	(1,072)	(52,684)	(215,263)	(269,019)	(30,952)	(299,971)
Reversal of revaluation reserves	-	-	(256)	-	-	(256)	-	(256)
Changes in the ownership interests	-	-	491	-	-	491	(28)	463
Distribution of dividends due to remission (1)	-	-	(30,297)	-	-	(30,297)	-	(30,297)
Distribution of dividends (2)	-	-	-	-	-	-	(4,023)	(4,023)
Transfer to retained earnings	-	-	(54,359)	-	54,359	-	-	-
Total movements in equity	-	-	(84,421)	-	54,359	(30,062)	(4,051)	(34,113)
BALANCE as at 31 December 2020	13	718,144	(631,608)	(192,353)	(215,263)	(321,067)	38,452	(282,615)

(1) Corresponds to a remission of balances that Codere Newco S.A.U. granted to its then parent company, and current minority shareholder, Codere S.A. in liquidation.

(2) Corresponds to the distribution of dividends to minority shareholders of the Group's subsidiaries.

(3) The heading "Translation differences" includes the effect of the application of IAS 29 in companies in hyper inflationary economies (note 2.b.3.2)

The accompanying notes are an integral part of these consolidated financial statements.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
CASH FLOW STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(thousand euros)

	Note	Year ended	
		31 December 2021	31 December 2020 (*)
Operating profit		(183,939)	(193,863)
Consolidated pre-tax profit (loss)		(360,890)	(250,976)
Net financial income (loss)		176,951	57,113
Expenditures not representing cash movements		229,352	160,235
Depreciation and amortisation expense	7 & 9	164,450	169,556
Impairment of assets	25	21,700	2,000
Other ordinary operating expense.		44,489	(11,939)
Effect of inflation on results		(1,287)	618
Revenue that does not represent cash movements	24	(2,585)	(2,691)
Changes to working capital		(7,463)	27,947
Inventory		323	3,608
Debtors		(6,987)	8,627
Payables		2,225	13,927
Other		(3,024)	1,785
Payments through corporate tax		(9,345)	(9,052)
CASH FROM OPERATING ACTIVITIES		26,020	6,454
Payments for purchases of Fixed Assets		(46,337)	(45,584)
Payments for long-term credits		(12,520)	(13,767)
Long-term credit charges		11,384	14,534
Payments through investments		(150)	(164)
Divestments		2,266	-
Net changes in other financial assets		(5,486)	(1,994)
Collection of financial interest		468	1,255
CASH FLOW FROM INVESTMENT ACTIVITIES		(50,375)	(45,720)
Bond issue		231,959	250,000
Change in financial debt		(2,532)	(47,160)
Codere Senior Debt Drawdown		-	41,000
Codere Senior Debt Repayments		-	(86,000)
Other drawdowns of external resources		-	409
Other repayments of external resources		(2,532)	(2,569)
Change in other bank loans		(3,488)	10,644
Income from bank loans		4,125	22,061
Repayment and amortisation of bank loans		(7,613)	(11,417)
Capitalised rental payments (IFRS-16)		(57,688)	(46,419)
Payment of dividends		(1,401)	(3,100)
Change in other financial liabilities		(41,266)	(22,418)
Payments for other financial debts		(26)	6,679
Net repayments of other financial debts		(41,240)	(29,097)
Other cash flows from exchange rate impact on receipts and payments		(3,590)	(1,713)
Capital Increase Online Business		90,600	-
Net investment in own shares		-	(4)
Acquisition of own equity instruments		-	(90)
Sale of own equity instruments		-	86
Payment of financial interest		(75,410)	(81,787)
CASH FLOW FROM FINANCING ACTIVITIES		137,180	58,043
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS		112,829	18,777
Reconciliation			
Cash and cash equivalents at the start of the year		109,818	102,430
Effect of changes in exchange rates on cash and cash equivalents		119	(11,389)
Cash and cash equivalents at the end of the year		222,766	109,818
Net change in cash position		112,829	18,777

The accompanying notes are an integral part of these consolidated financial statements.

(*) Unaudited figures. See note 2. a) Basis of presentation.

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

1. GENERAL INFORMATION

Codere Luxembourg 2, S.à.r.l. (hereinafter the "Company" or the "Parent Company"), was incorporated on 9 May 2016 in Luxembourg as a limited liability company. Its registered office and principal place of business is at Rue Robert Stümper, 7, Luxembourg.

The corporate purpose of Codere Luxembourg 2, S.à.r.l. is to act as an investment holding company and to coordinate the activity of all corporate entities in which the Company has a direct or indirect interest.

The principal activity of Codere Luxembourg 2, S.à.r.l. and its subsidiaries (hereinafter the "Codere Group" or the "Group") is the development of operations in the private gaming sector, consisting mainly of the operation of gaming machines, betting shops, bingo halls, casinos and racetracks in Spain, Italy and Latin America (Argentina, Colombia, Mexico, Panama and Uruguay). The companies comprising the Group are listed in Annex I.

These Consolidated annual financial statements have been prepared by the Board of Directors on 29 April 2022.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are described below. These policies have been applied consistently for all years presented unless otherwise stated.

a) Basis of presentation

The consolidated annual financial statements as at 31 December 2021 have been prepared from the accounting records of Codere Luxembourg 2, S.à.r.l and the consolidated companies and are presented in thousand euros in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), the IFRIC interpretations in force as of 31 December 2021, as well as with the commercial legislation applicable to entities that prepare financial information in accordance with IFRS. These consolidated financial statements are the first consolidated financial statements to be published and have been prepared in accordance with the IFRS (Note 2 section b.1).

These annual financial statements have been prepared in order to comply with the disclosure requirements set out in (i) the shareholders' agreement entered into on 19 November 2021 by, amongst others, Codere New Topco S.A. ("New Topco") and its shareholders (the "Shareholders" Agreement") and (ii)(A) the super senior bonds issued by Codere Finance 2 (Luxembourg) S.A. in the amount of 481,959 thousand euros maturing in 2026 (the "**Super Senior Bonds**"); (B) the senior bonds issued by Codere Finance 2 (Luxembourg) S.A. in the amount of 133,337,402 euros and USD 80,715,642 maturing in 2027 (the "**Senior Bonds**"); and, (C) the subordinated bonds issued by Codere New Holdco, S.A. in the amount of 254,912,500 euros maturing in 2027. Therefore, these annual financial statements are not considered the statutory annual financial statements that will be issued subsequently by the Board of Directors in compliance with Companies Legal regulation in Luxembourg.

First adoption of IFRS-EU

These consolidated financial statements for the year ended 31 December 2021 are the first consolidated financial statements that the Group has prepared in accordance with IFRS-EU and therefore the Group has applied IFRS 1 "First-time Adoption of IFRS" in the preparation of these consolidated financial statements.

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

The Company's date of transition to IFRS is 1 January 2020. The Group has prepared the opening balance sheet at that date, as well as the closing balance sheets at 31 December 2020 and 2021 in accordance with IFRS in force at 31 December 2021, as required by IFRS 1, and has applied all optional exemptions in IFRS 1, as detailed below.

Exemptions applied:

Until 31 December 2020, the Company complied with the exemption from preparing consolidated financial statements under IFRS 10 on Consolidated Financial Statements as a subsidiary where the ultimate parent of the entity prepared consolidated financial statements that were publicly available and complied with IFRS-EU and in which the subsidiary was consolidated. The last parent company to present consolidated annual accounts under IFRS-EU was Codere S.A. (a company listed on the Spanish Stock Exchange which has been in liquidation since 10 December and suspended from trading until its definitive delisting is approved, as agreed by the shareholders' request to the CNMV in December 2021).

The new holding company (Codere New Topco, S.A.) created as a result of the financial and corporate restructuring process explained in note 2.a.1) is not required to present consolidated financial statements at the end of the 2021 as its first financial year will end on 31 December 2022. In the absence of a parent company presenting consolidated financial statements for the financial year 2021, Codere Luxembourg 2, S.à.r.l. is required to prepare consolidated financial statements.

The Group has chosen to avail itself of the exemption in IFRS 1 whereby, in situations where a subsidiary is a first-time adopter subsequent to its parent, the subsidiary may value assets and liabilities in its financial statements at the carrying amounts that would have been included in the parent's consolidated financial statements, established at the date of the parent's transition to IFRS-EU, without adjusting for the consolidation procedure and the effects of the business combination by which the parent acquired the subsidiary, although, because Codere Luxembourg 2, S.à.r.l. was a company indirectly incorporated by Codere S.A., there are no relevant adjustments related to this transaction, as there is no business combination, apart from the consolidation adjustments due to the elimination of transactions and investments.

The Group has opted not to apply IAS 21 in the treatment of translation differences, but has chosen the option permitted by IFRS 1 for those subsidiaries that make use of the aforementioned exemption to value their assets and liabilities at the carrying amount included in the parent company's financial statements. Accordingly, the Group has elected to value the cumulative translation differences of all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements established at the date of transition of the parent to IFRS, disregarding the adjustments arising from the consolidation procedure and the effects of the business combination whereby the parent acquired the subsidiary.

In addition, regarding the effects of IFRS 16 application, the Group has chosen to take pre-existing values recognised in the consolidated Group, having no revaluation in any amount.

Given the exemptions applied by the Group, the reconciliation of equity at the transition date, as well as at the reporting dates as at 31 December 2020 and 2021, would only consist of the impact on equity resulting from the change of the parent company of the consolidated group.

For information purposes, a reconciliation between the audited financial statements presented by the Group's then parent company, Codere S.A. in liquidation, and these consolidated financial statements for the financial years 2019 and 2020 is provided. The main impacts arise from the exit of Codere S.A. and Codere Luxembourg 1, S.A. from the Group, the elimination of their balances and the consideration of the amounts receivable from or payable to third parties with other Group companies at year-end:

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Reconciliation with 2019 annual financial statements	2019 annual financial statements	Eliminations	Proforma 2019
Non-current assets	1,337,559	(12,469)	1,325,090
Current assets	312,963	60,533	373,496
Total assets	1,650,522	48,064	1,698,586
Stockholders' equity			
Share Capital	509,715	(509,702)	13
Year-end profit (loss)	(61,651)	7,291	(54,360)
Other assets	(405,015)	510,830	105,815
Net equity	43,049	8,419	51,468
Non-current liabilities	1,221,529	(483)	1,221,046
Current liabilities	385,944	40,128	426,072
Total equity and liabilities	1,650,522	48,064	1,698,586
Reconciliation with 2020 annual financial statements	2020 annual financial statements	Eliminations	Proforma 2020
Non-current assets	1,084,572	(1,381)	1,083,191
Current assets	257,290	(3,380)	253,910
Total assets	1,341,862	(4,761)	1,337,101
Stockholders' equity			
Share Capital	59,269	(59,256)	13
Year-end profit (loss)	(236,587)	21,324	(215,263)
Other assets	(103,852)	36,487	(67,365)
Net equity	(281,170)	(1,445)	(282,615)
Non-current liabilities	1,239,855	(483)	1,239,372
Current liabilities	383,177	(2,833)	380,344
Total equity and liabilities	1,341,862	(4,761)	1,337,101

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Note 4 discloses the areas that involve a greater degree of judgement or complexity or those in which assumptions and estimates are material to the consolidated financial statements.

a.1) Corporate and financial restructuring process and going concern

As a result of the negative evolution of the pandemic since its beginning in March 2020, which sharply affected the group during the years 2020 and 2021, with very significant impact on the business and on its liquidity, the economic viability of the Group would have been severely compromised if it had not reached the financial restructuring agreement (the "Restructuring") with the bondholders.

The Restructuring has allowed to ensure the viability of the Group as it was published in the Inside Information announcement of 22 April 2021 communicated to the CNMV by Codere, S.A., former Parent Company of the Codere Group, listed on the Spanish Stock Exchange.

On 19 November 2021, the Group announced that the restructuring process had been completed, having completed on that date all the necessary steps to implement the Group's financial restructuring as envisaged in the signed agreements, including the restructuring of the Group's shareholding and debt.

The main implications of the agreements reached are as follows:

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Restructuring of the shareholding and early liquidation of Codere S.A.

As a result of the Restructuring, the operating part of the Codere group has been transferred to a new holding company (Codere New Topco, S.A., hereinafter, "New Topco") with 95% of the shareholding of New Topco being held by the bondholders of the Senior Bonds (the "**Senior Bondholders**") and the remaining 5% being held by Codere S.A.

The aforementioned transfer of the ownership of the operating part of the Codere Group to New Topco has been carried out by means of an execution of the pledge over the shares in Codere Luxembourg 2 S.à r.l. led by the Collateral Agent of the Bonds issued. This pledge under Luxembourg law is a financial guarantee (equivalent in Spain to a pledge under RD 5/2005).

Debt restructuring

The Restructuring has resulted in certain modifications to the Group's debt instruments, including:

- The granting, in two tranches, the first of 31 million euro issued on 26 April 2021 and the second of 72 million euro issued on 24 May 2021, of the so-called "Bridge Bonds". These bonds provided funding for the Group's operations and interest payments on the Super Senior Bonds and Senior Bonds.
- The granting of an additional amount of 129 million euros of cash financing through the issue of additional Super Senior Bonds (the "NMT" Bonds). For clarification purposes, it is confirmed that these Super Senior Bonds are additional to the Bridge Bonds. Said bonds were issued on 19 November 2021.
- Amendments to the terms of the Super Senior Bonds (250 million euros issued in 2021), including:
 - o An extension of their maturity until 30 September 2026; and
 - o A change in the interest rate to 8% cash plus 3% capitalisable (PIK) (or, if available liquidity is less than 100 million euros for the first 18 months, 6% cash plus 5.5% capitalisable (PIK)).
- A restructuring of Senior Bonds (500 million euros and 300 million USD) including:
 - a) Approximately 25% of the outstanding principal amount plus the same percentage of the accrued and outstanding amount as of the effective date of the PIK Interest Restructuring of the Senior Bonds have been modified (the "**Modified Bonds**") such that:
 - They will pay an interest rate of 2% in cash plus 10.75% capitalisable (PIK) for Euro-denominated Modified Bonds and an interest rate of 2% in cash plus 11.625% capitalisable (PIK) for US Dollar-denominated Modified Bonds.
 - They will mature on 30 November 2027.
 - b) Approximately 29% of the outstanding principal amount of the Senior Bonds, plus the same percentage of the accrued and outstanding amount as at the Restructuring Effective Date of the PIK interests plus 100% of the accrued and outstanding amount of the cash interest on the Senior Bonds have been exchanged for subordinated PIK bonds issued in euros (the "Subordinated PIK Bonds"). Subordinated Capitalisable Bonds (PIK):
 - They will pay an interest rate of 7.5% capitalisable (PIK), maturing on 30 November 2027.
 - They shall have no recourse to the operating Group.

These bonds were issued by Codere New Holdco, S.A. on November 19, 2022. Such company is the sole shareholder of Codere Luxembourg 2, S.à.r.l.

- c) The remaining balance of the Senior Bonds (46% of the outstanding principal amount of the Senior Bonds plus the same percentage of the accrued and outstanding amount as at the

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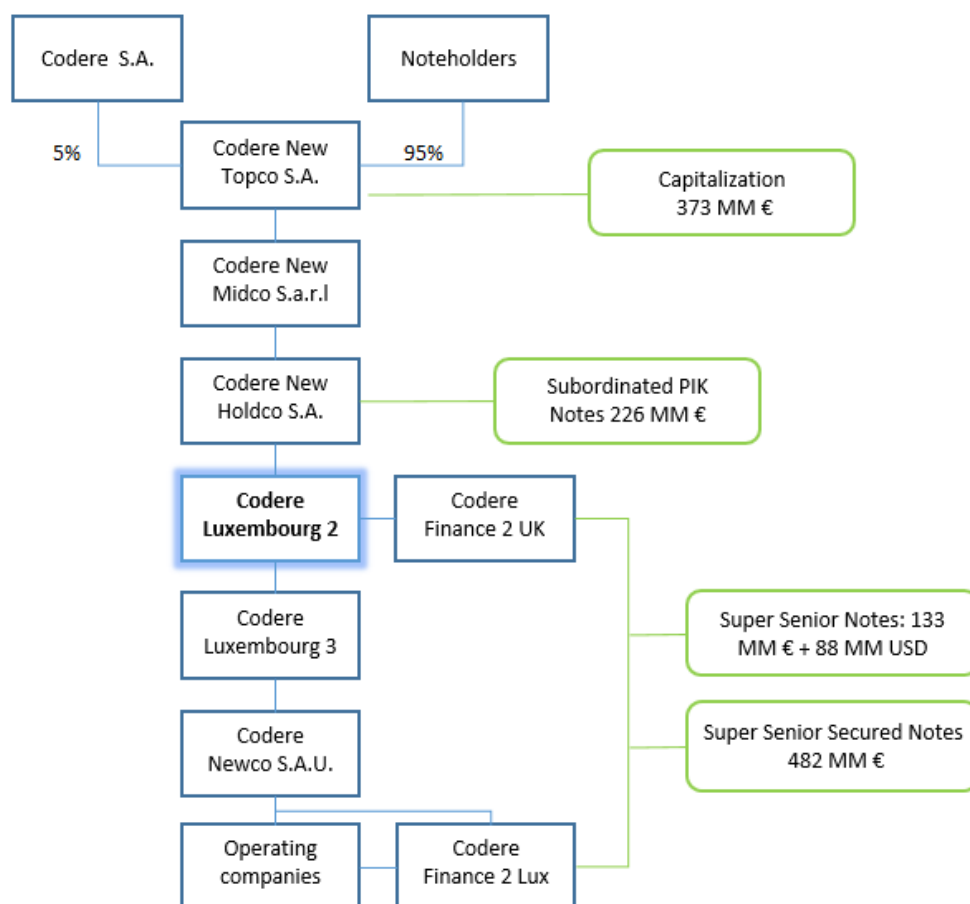
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

effective date of the PIK interest restructuring) have been exchanged for 95% of the capital of Codere New Topco, S.A.

- d) The Super Senior Bonds (which also includes Bridge Bonds and NMT Bonds), the Modified Bonds (or Senior Bonds) and the Subordinated PIK Bonds will have a period of 18 months after the implementation of the Restructuring in which they cannot be redeemed without payment of a premium. They will then be repayable at par plus 3% over the next 12 months and at par plus 2% over the following 12 months.

Would any of these Bonds be repaid within the first 18 months, they would pay a premium equal to the excess of: (A) the present value at such redemption date of (i) the redemption price of the note at May 19, 2023 plus (ii) all required interest payments due on the note through May 19, 2023, computed using a discount rate equal to the Bund Rate (as this term is defined in the referred Bonds) as of such redemption date plus 0,5%; over (B) the outstanding principal amount of such Note.

As a result of the execution of the agreements reached, the structure of the Codere Group and the resulting debt is as follows:



(*) Amounts relating the Bonds in the chart above correspond to its nominal value

The execution of the aforementioned corporate restructuring coupled with the Group's cash flow projections for the next 12 months provide for a positive outlook. In addition, the shareholders' equity of Codere Luxembourg 2, S.à.r.l. amounts to 390 million euros and, accordingly, the Directors present these Consolidated Financial Statements on a going concern basis.

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With regard to the evolution of the pandemic and its impact on the business, which has been severely affected by the Covid 19 pandemic over the past two years, the Group continues to restore operations to pre-pandemic levels of activity in all jurisdictions. Thus, in the fourth quarter of 2021, the Group reached 85% of the operating revenues it achieved in the same period of 2019. In the first months of 2022 this trend is being confirmed, with the Group having achieved a level of revenues similar to budget, which forecasts revenues similar to those of the pre-pandemic period for the full year..

a.2) New standards, amendments and interpretations issued

a) Standards and interpretations approved by the European Union applied for the first time this year.

The accounting policies used in the preparation of the consolidated annual financial statements are the same as those applied in the consolidated annual financial statements of the former head of the Group, Codere, S.A., for the year ended 31 December 2020, except for the following standards, interpretations and amendments which have been applied for the first time in this year:

Amendment to IFRS 16 Rent Concessions related to Covid-19

This amendment allows the lessee, as a practical solution, to choose not to count rent concessions, resulting from Covid-19, as a modification of the lease. If the lessee elects to do so, the lessee shall account for the concessions using the criteria in IFRS 16 Leases as if the concessions were not a modification, changing the lease expense of the period.

This practical solution can only apply to rent concessions that have been a direct consequence of Covid-19. This requires the following conditions to be met: (i) the change in lease payments results in a revision to the lease consideration that is substantially the same as, or lower than, the consideration immediately before the change; (ii) any reduction in lease payments only affects payments that were originally due on or before 30 June 2022; and (iii) there are no substantive changes to other terms and conditions of the lease.

The Group opted to make use of this amendment in 2020, with an impact of 15,132 thousand euros on the income statement. For the year 2021 this amendment had no impact.

b) Standards and interpretations issued by the IASB, but application is not mandatory for this year.

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB, which are not mandatory in the European Union, when they become effective, if applicable to it. Although the Group is currently analysing its impact, based on the analyses performed to date, the Group estimates that its initial application will not have a material impact on its Financial Statements.

b) Accounting policies

b.1) Consolidation

- Subsidiaries and business combinations

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to or has the right to obtain variable returns from its involvement in the investee and has the ability to use its power over the investee to influence those returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which the control ceases to exist.

To account for business combinations, the Group applies the acquisition method. The consideration transferred for the acquisition of a subsidiary relates to the fair value of the assets transferred, the liabilities incurred with the previous owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability arising from a contingent

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consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each business combination, the Group may elect to recognise any non-controlling interest in the acquiree at the fair value or at the proportionate share of the non-controlling interest of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed in the year in which they are incurred.

If the business combination is carried out in stages, the fair value at the acquisition date of the equity interest in the acquiree previously held by the acquirer is re-valued at fair value at the acquisition date; any gain or loss arising from this re-measurement is recognised in profit or loss for the year.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration that is considered an asset or liability are recognised in accordance with IAS 9 in profit or loss or as a change in other comprehensive income. Contingent consideration that is classified as equity is not revalued and its subsequent settlement is recognised in equity.

Call/put options with minority shareholdings that form part of business combinations are included in the consideration transferred (increasing or decreasing such consideration, as appropriate) so that they do not have an impact on the calculation of non-controlling interests, as they correspond to rights and obligations that only affect the Codere Group.

Goodwill is initially valued as the excess of the total of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the acquiree's net assets, the difference is recognised in income.

Intercompany transactions, balances and income and expenses on transactions between Group entities are eliminated. Gains and losses arising from intra-group transactions that are recognised as assets are also eliminated. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

- Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions, i.e. as transactions with owners in their capacity as owners. The difference between the fair value of the consideration paid and the corresponding proportion acquired of the carrying amount of the subsidiary's net assets is recognised in equity. Gains or losses on the disposal of non-controlling interests are also recognised in equity.

- Joint Ventures

IFRS 11 applies to all joint ventures. Investments in joint ventures under the IFRS 11 are classified as joint businesses or as joint ventures, depending on the contractual rights and obligations of each investor. The Group has evaluated the nature of their joint ventures and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits and losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in joint ventures (including any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise additional losses unless it has incurred obligations or made payments on behalf of the joint ventures.

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Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss on the transferred asset. The accounting policies of subsidiaries have been changed when necessary to ensure consistency with the policies adopted by the Group.

- Investment in Associates

Companies in which Codere Luxembourg 2, S.à.r.l. has direct or indirect ownership of less than 50% and more than 20%, and over which it does not have a majority of voting rights or effective exercise of control but over which it has significant influence, would be accounted for using the equity method.

Investments in associates are recognised on the consolidated balance sheet at cost plus changes in the percentage of ownership subsequent to the initial acquisition, depending on the Group's interest in the net assets of the associate, less any impairment loss. The consolidated income statement reports the Group's percentage interest in the profit or loss of the associate. When there is a change recognised directly in the associate's equity, the Group would account for its interest with these changes in its equity and, when required, disclose this fact in the consolidated statement of changes in equity.

- Disposals of subsidiaries

When the Group ceases to have control, any retained interest in the entity is revalued at fair value at the date control is lost, with the change in carrying amount recognised in profit or loss. Fair value is the initial book value for the purpose of subsequent recognition of the retained interest in the associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in relation to that entity is accounted for as if the Group had directly sold the related assets or liabilities. This could mean that amounts previously recognised in other comprehensive income are reclassified on the income statement.

The closing date for both subsidiaries and companies accounted for using the equity method is 31 December.

b.2) Segment reporting

Information on operating segments is presented in accordance with the internal information provided to the chief decision maker. The Board of Directors has been identified as the highest decision-making authority responsible for allocating resources and evaluating the performance of the operating segments.

b.3) Foreign currency translation

b.3.1) Functional and presentation currency

The items included in the annual financial statements of each of the Group entities are valued using the currency of the principal environment in which the entity operates ("functional currency"). The consolidated annual financial statements are presented in Euro, which is the Group's presentation currency.

b.3.2) Transactions and balances

Transactions in foreign currencies are converted to the functional currency using the exchange rate that is applicable when the transaction is executed.

Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised on the income statement.

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Monetary items denominated in currencies other than the functional currency of each company are translated into the functional currency of each company at the year-end exchange rate. All exchange gains and losses, whether realised or unrealised, are taken to the income statement for the year, except for exchange differences arising from intra-group monetary items which are considered to form part of the investment in a foreign subsidiary and are included in "Translation differences" in consolidated equity.

Non-monetary foreign currency items that are valued in terms of historical cost shall be translated at the date of the transaction, and non-monetary foreign currency items that are valued at fair value shall be translated using the exchange rates at the date when the fair value is determined.

Prior to their translation into euro, the financial statements of group companies whose functional currency is that of a hyperinflationary economy are adjusted for inflation in accordance with the procedure described in the following paragraph. After restatement, all items in the financial statements are translated into euro at the closing rate. The figures for previous periods, which are presented for comparative purposes, remain unchanged.

In order to determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment as well as the evolution of inflation rates over the last three years. The financial statements of companies whose functional currency is that of an economy considered to be highly inflationary are adjusted to reflect changes in the purchasing power of the local currency, so that all items in the statement of financial position that are not expressed in current terms (non-monetary items) are restated by reference to a price index representative of the year-end date, and all income and expenses, gains and losses are restated monthly by applying appropriate correction factors. The difference between the initial amounts and the adjusted values is taken to profit and loss.

Classification of Argentina as a hyperinflationary country

The Argentine economy is considered hyperinflationary as from the 2018 and Codere Group applies inflation adjustments to companies whose functional currency is the Argentine peso for financial information for periods ending on or after 1 July 2018.

In accordance with IAS 29, the main effects are as follows:

- Adjust the historical cost of the non-monetary assets and liabilities and the various equity items from the date of acquisition or incorporation onto the consolidated statement of financial position until the end of the financial year to reflect changes in the purchasing power of the currency as a result of inflation.
- To reflect the gain or loss corresponding to the impact of the year's inflation on the net monetary position on the income statement.
- Adjust the different items on the income statement and cash flow statement by the inflationary index since their generation, with a balancing entry in financial results and a reconciling item in the cash flow statement, respectively.
- Convert all components of the financial statements of the Argentine companies at the closing exchange rate, the corresponding exchange rate as at 31 December 2020 being 103.26 pesos per euro.

b.3.3) Group companies

The income statements and balance sheets of all Group entities whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

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- The assets and liabilities on each balance sheet presented are translated at the closing exchange rate at the balance sheet date.
- Income and expenses for each income statement are translated at the average exchange rates of the month.
- All resulting exchange rate differences are recognised in other comprehensive income.

Adjustments to goodwill and fair value arising on the acquisition of a foreign entity are considered assets and liabilities of the foreign entity and are translated at the closing exchange rate. Exchange rate differences arising are recognised in equity.

b.4) Intangible fixed assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Expenses incurred in relation to intangible assets are capitalised only when they increase the future economic benefit of the specific fixed asset to which they relate. All other expenses are expensed as incurred.

- Gambling licences include the amount paid to the various authorities for the granting of licences. They are amortised over the concession period associated with them.
- Exclusivity rights include the amounts paid to operators of hospitality establishments to be able to install gaming machines on the premises. They are amortised according to the duration of the contracts.
- Installation fees are the amounts paid to the agencies for the various authorisations for the installation of gaming machines. They are amortised over the period of the authorisation.
- The licenses for computer software acquired from third parties are capitalised at cost of acquisition plus the costs incurred to prepare them for the use of the specific program. These costs amortise during their estimated useful lives.
- Trademarks acquired from third parties are shown at acquisition cost. Trademarks are considered to be assets with an indefinite useful life.
- Rights to use brands, trademarks, customer portfolios and licences acquired in business combinations are recognised at fair value at the date of acquisition. They are amortised, with the exception of trademarks which are considered to have an indefinite useful life, over the term of the right, concession or best estimate of the life of the contractual relationships with customers, calculated based on economic models and our previous experience with customers in each of the countries in which we operate.

For intangible assets with finite useful lives, amortisation expense is charged to the income statement on a straight-line basis over their estimated useful lives and amortised from the time they are available for use. The depreciation rates applied are as follows:

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	<u>Annual depreciation rate</u>
Gaming Licences:	2.5%-11%
Right to exclusivity	15%-25%
Right to installation	10% - 33%
Customer portfolio	4.5%-20%
Computer software	20% - 25%
Depreciation rates are reviewed periodically to ensure their correctness.	

b.5) Tangible fixed assets

Tangible fixed assets are valued at cost. However, at the date of the first conversion to IFRS-EU, the former head of the Group, Codere, S.A., adopted the decision to revalue land and buildings, thus recording as acquisition cost the amount corresponding to their fair value at that time.

This revaluation in relation to land and buildings was recognised directly in equity. Decreases are charged to the income statement. In the event of subsequent sale or retirement of the revalued fixed assets, the excess of the existing EU-IFRS first-time transition reserve is credited to retained earnings.

Subsequent expenses incurred in relation to fixed assets are capitalised only when they increase the future economic benefit of the asset to which they are related. All other expenses are expensed as incurred.

Non-detachable bingo hall and casino facilities are depreciated over the shorter of the lease period or the depreciation period used for that asset category.

Depreciation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of each asset. Depreciation of the assets begins from the moment they become available for use. Land is not depreciated.

The depreciation rates used are as follows:

	<u>Annual depreciation rate</u>
Leisure, recreational and sports machines	10% - 30%
Other tools, furniture and fixtures	7% - 30%
Computer equipment	10% - 30%
Vehicles	10% - 30%
Buildings	2% - 3%
Refurbishment of leased premises	10% - 30%
Technical facilities and machinery	7% - 30%

Depreciation rates are reviewed periodically to ensure their correctness.

Borrowing costs associated with loans that are directly attributable to the acquisition, construction or production of qualifying fixed assets within the meaning of IAS 23 are recognised as part of the cost of the asset.

b.5.1) Investment property

These are assets (buildings, land) intended to be rented out for rental purposes. These assets are not intended for sale and are not intended for administrative use. The Group accounts for investment property using the cost model, applying the same criteria as for fixed assets, depending on the category of the asset.

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b.6) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed valued at fair value at the acquisition date and any non-controlling interest in the acquired company. For each combination, the Group measures the value of the non-controlling interest in the acquired company either at fair value or at its proportionate share of the identifiable net assets acquired.

Goodwill is measured at the amount recognised at the acquisition date less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised, but is tested annually for impairment. Goodwill is allocated to groups of cash-generating units that generally coincide with the operating segments, which correspond to geographical areas, as the cash-generating units that make up the business lines (gaming machines, bingos, betting and casinos) do not provide sufficiently detailed information for their individual analysis, due to the fact that several different types of operations usually converge in the same location, with gaming and betting machines being installed in bingos and casinos (Note 11).

Goodwill impairment reviews are performed annually or more frequently if events or changes in circumstances indicate a potential impairment loss. The carrying amount of goodwill is compared with the recoverable amount, which is the higher of value in use or fair value less costs to sell. Any impairment loss is recognised immediately as an expense and is not subsequently reversed.

b.7) Losses due to impairment of non-financial assets

Assets with indefinite useful lives, e.g. goodwill or Intangible fixed assets, are not subject to amortisation and are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever an event or change in circumstances indicates that the book value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the greater of the fair value less the cost of sales and the value in use. In order to evaluate impairment losses, the assets are grouped on the lowest level in which there exists separate identifiable cash flows (cash generating units). The potential reversal of impairment losses on non-financial assets other than goodwill that suffer an impairment loss is reviewed at each reporting date.

b.8) Financial assets

Financial investments classified as held for trading are recorded at fair value, with any gain or loss recognised in the consolidated income statement. The fair value is the market price at the consolidated balance sheet date.

Loans, receivables and financial investments in which the Group has the express intention and ability to hold to maturity are carried at amortised cost less any impairment losses.

Equity instruments of listed and unlisted companies that were previously classified as "Available-for-sale financial assets" are now classified and valued as "Equity instruments at fair value through other comprehensive income and will be valued as "Financial assets at fair value through profit or loss".

On the consolidated balance sheet, loans and receivables maturing in 12 months or less from the consolidated balance sheet date are classified as current and those maturing in more than 12 months are classified as non-current. The Group recognises appropriate allowances for impairment of loans and receivables when circumstances exist that allow these assets to be reasonably classified as doubtful.

Regular acquisitions and disposals of financial assets are recognised on the trade date, i.e. the date on which the Group commits to acquire or sell the asset.

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b.9) Inventories

Inventories mainly consist of bingo cards and hotel and catering stocks. They are stated at the lower of acquisition cost and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs to sell and other selling expenses.

The Group assesses the net realisable value of inventories at the end of the year and recognises the appropriate write-down in profit or loss when inventories are overstated. When the circumstances that previously caused the impairment no longer exist, or when there is clear evidence of an increase in net realisable value due to changed economic circumstances, the amount of the impairment is reversed.

b.10) Losses due to impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets may be impaired. A financial asset or a group of financial assets is impaired and an impairment loss is incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment loss may include indications that the debtors or a group of debtors are experiencing significant financial difficulties, defaults or delays in the payment of interest or principal, the likelihood that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in estimated future cash flows, such as changes in payment terms or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses not incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised on the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined in accordance with the contract. As a practical expedient, the Group may estimate impairment based on the fair value of an instrument using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively attributed to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit quality), the reversal of the previously recognised impairment is recognised on the consolidated income statement.

b.11) Financial derivatives and hedging activities

The Group considers that, given the diversification of the revenue portfolio, the alignment of currencies in our markets with country revenues and expenses, the level of local debt and the existence of adequate sources of liquidity available to the Group, the exposure to currency risk is sufficiently hedged.

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b.12) Trade accounts receivable

Trade receivables are amounts due from customers for sales of goods or services in the normal course of business. If the debt is expected to be collected in one year or less, they are classified as current assets. Otherwise, they are presented as non-current assets.

These receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment losses.

b.13) Cash and cash equivalents

Cash and cash equivalents include cash, cash at bank and short-term deposits with an original maturity date of three months or less, which are not subject to significant changes.

Bank overdrafts are recognised in the consolidated balance sheet as financial liabilities for debts with credit institutions.

b.14) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are presented in equity as a deduction, net of tax, from the proceeds.

When any Group entity acquires shares of the Company (own shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to the owner of the Company's equity instruments until their cancellation, new issue or disposal. When these shares are subsequently reissued, all amounts received, net of any directly attributable incremental transaction costs and related income tax effects, are included in equity attributable to equity holders of the Company.

b.15) Trade accounts payable

Trade accounts payable are payment obligations for goods or services purchased from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if payments are due in one year or less (or are due in the normal operating cycle, if longer). Otherwise, they are presented as non-current liabilities.

These payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

b.16) Financial debt

Financial liabilities are initially recognised at fair value less transaction costs incurred. Subsequently, any difference between the funds obtained (net of the costs necessary to obtain them) and the repayment value is recognised on the income statement over the life of the debt using the effective interest method.

Fees paid to obtain credit facilities are recognised as debt transaction costs whenever it is probable that part or all of the facility will be available. In this case, the commissions are deferred until the disposition occurs. To the extent that it is not probable that all or part of the credit facility will be available, the fee is

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capitalised as an advance payment for liquidity services and is amortised over the period to which the credit availability relates.

A liability is derecognised when the obligation is extinguished, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or when the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of the new obligation. The difference in the respective carrying amounts is recognised on the income statement.

b.17) Warrants

The warrants held by the Online Group meet the definition of a derivative financial instrument as they represent a put option that gives the warrant holders the right to exchange the warrants for shares at a fixed price. Although the warrants will be exchanged for the shares of the Online Group based on the terms of the agreement, the warrants were classified as a derivative financial liability measured at fair value through profit or loss and not as an equity instrument. Changes in the fair value of financial liabilities are presented in the separate consolidated income statements under "Financial income / (expenses)".

b.18) Current and deferred taxes

The tax expense for the period comprises current and deferred taxes. Taxes are recognised in profit or loss, except to the extent that they relate to items recognised in comprehensive income or directly in equity. In this case, the tax is also recognised in comprehensive income or directly in equity, respectively.

This current expense is calculated on the basis of the laws passed at the balance sheet date in the countries in which the Company and its subsidiaries operate and in which they generate taxable income. Management periodically evaluates the positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation, and, if necessary, establishes provisions based on the amounts expected to be paid to the tax authorities.

Deferred taxes are recognised, in accordance with the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the consolidated financial statements. However, deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction, other than a business combination, which, at the time of the transaction, affects neither accounting profit nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) approved or about to be approved at the balance sheet date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxes are recognised on temporary differences arising on investments in subsidiaries and associates, except for those deferred tax liabilities for which the Group can control the date on which the temporary differences will reverse and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on the same taxable entity or taxpayer, or different taxable entities or taxpayers, that intend to settle the current tax assets and liabilities on a net basis.

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b.19) Employee benefits

• Compensation for dismissals

Compensation for dismissals is paid to employees when the Company decides to rescind the employment contract prior to the normal age of retirement or when the employee voluntarily accepts dismissal in exchange for such benefits. The Group recognises these benefits on the earliest of the following dates: (a) when the Group can no longer withdraw the offer of said indemnities; or (b) when the entity recognises the costs of a restructuring within the scope of IAS 37 and this results in the payment of unemployment benefits.

When an offer is made to encourage the voluntary resignation of employees, unemployment benefits are valued on the basis of the number of employees expected to accept the offer. Benefits that are not to be paid within the first following 12 months after the date of the balance sheet are discounted to the net present value.

• Bonuses

The Group recognises a liability and an expense for a bonus when it is contractually required to do so or when previous practices create an implicit obligation.

- Retirement awards

Retirement bonuses are recognised at the amount accrued up to the year-end date for those companies in which, according to their collective bargaining agreements, they are applicable.

• Long-term Incentives:

Description of the plan:

This is a plan granted to several Codere Group executives with a start date of September 2017 and maturity date of 31 December 2021.

The main objective of the long-term incentive plan in force was to align the interests of its beneficiaries with those of the shareholders of the Group's then parent company, Codere S.A. in liquidation, and also to encourage the retention and permanence of talent in the Group.

The long-term incentive scheme was an extraordinary, multi-year, mixed, variable remuneration plan that has, as established for each participant in the scheme, one or two of the following components:

- Retention element: a share-based payment based on each Beneficiary's tenure during the incentive measurement period
 - o The beneficiaries' entitlement to the shares will be conditional upon the beneficiaries having an employment or business relationship with the Company or an entity forming part of its Group of Companies in force at the end of the period.
 - o In case of entitlement to the shares as above, each beneficiary would receive shares equal to one third of the maximum incentive he/she could be eligible to receive.
 - o The number of shares to be received by each beneficiary would be determined by dividing the value of that third by the weighted average price at which the Company acquired the shares as of the date of this resolution.

Since the purchase of shares did not take place, the retention element has been satisfied in cash, and therefore the accounting record of this transaction has been recorded as a liability.

The maximum amount of this retention element is 8.1 million euros. The Group has recorded a provision of 7.8 million euros (2.7 million euros as at December 2020) corresponding to the accrual of the retention element as at the reporting date, taking into account the dates of approval and communication of the plan amendments and their retention element to the group

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of plan beneficiaries. During the first quarter of 2022, this incentive has been paid to its beneficiaries in accordance with the amounts that had been provisioned at 31 December 2021.

- Variable element: a cash payment based on the value creation generated for the shareholder over a given period, measured by Total Shareholder Return during a given period.

This variable element was established on the basis of a calculation, to be made at the end of the plan, taking into account EBITDA¹ for the last twelve months, net debt and other financial figures as at 31 December 2021, divided by the number of shares in the Company and comparing this result (plus any dividends paid) with 3.23 euros (the reference price approved by the Board of Directors in 2017).

The maximum amount of this Incentives element is 24.4 million euros. The result of the estimate is below the minimum accrual range for this variable element, and therefore no provision was made for this item.

CEO Online Contract

Moshe Edree, CEO of the online division, has signed an agreement with Codere Group whereby Codere will pay a success fee, calculated as 8% of the incremental value, as defined in the service agreement signed with Mr Edree, which is created in Codere Online, subject to a cap of 10 million euros. In turn, the signed agreement includes a non-compete provision for the duration of the agreement and during the following 12 months and, in return, Mr. Edree will be entitled to receive 250 thousand euros at the end of the agreement. At 31 December 2021 no provision was accrued since expected targets were not achieved.

b.20) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. No provisions are made for future operating losses.

The provisions are valued at the present value of the expected payments on the obligation using a tax-free rate that reflects the current market valuation of the time value of money and the specific risks of the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

In turn, contingent liabilities are defined as possible obligations that arise from past events and whose existence will or will not be confirmed by one or more future events beyond the control of the consolidated companies. These contingent liabilities are not subject to accounting records, with the details thereof, if any, included in the notes to the financial statements (Note 23).

Amounts related to tax provisions are recognised on the income statement depending on the nature of the tax.

b.21) Revenue recognition

Revenue is recognised on an accrual basis, i.e. when the flow of goods and services occurs, regardless of when the goods or services are received or paid.

The Group's revenues are recognised as follows:

¹ We define EBITDA as operating income, plus depreciation and amortisation, plus changes in traffic provisions, plus asset impairment expense, less asset write-offs.

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- Gaming machines: for the net amount collected.
- Bingos: for the total amount of tickets sold, according to their face value, less prizes, which are recorded as a reduction in operating income.
- Casinos: for the net proceeds to the operator.
- Racetracks: for the total amount wagered by players, minus prizes.
- Betting: for the net proceeds to the operator.

Interest income is recognised using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, calculated as the estimated future cash flows discounted at the instrument's original effective interest rate, and continues to discount the receivable as interest income. Interest income on loans that have suffered impairment losses is recognised using the original effective interest rate.

b.22) Leases

Group as lessee

The Group acts as a lessee of gaming halls, offices, vehicles and other equipment. The Group applies a single recognition and valuation model for all leases in which it operates as lessee, except for low value assets and short-term leases.

• Rights of use

The Group recognises the rights of use at the commencement of the lease. That is, the date on which the underlying asset is available for use. Rights of use are valued at cost, less accumulated amortisation and impairment losses, and are adjusted for any changes in the valuation of the associated lease liabilities. The initial cost of rights of use includes the amount of lease liabilities recognised, initial direct costs and lease payments made before the commencement date of the lease. Incentives received are deducted from the initial cost.

Rights of use are amortised on a straight-line basis over the term of the lease including any extension options expected to be exercised by the lessee:

- Gaming halls: from 5 to 20 years old
- Offices: 3 to 6 years
- Vehicles: 3 to 5 years
- Other equipment: 3 to 5 years

Rights of use are subject to impairment analysis. The Group's lease contracts do not include decommissioning obligations or restoration obligations.

Rights of use are presented as a separate item on the balance sheet.

• Lease liabilities

At the inception of the lease, the Group recognises lease liabilities at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments less lease incentives, variable payments that depend on an index or rate, and amounts expected to be paid for residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and lease termination penalty payments if the lease term reflects the Group's exercise of the option to terminate the lease. Variable lease payments that are not index or rate dependent are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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When calculating the present value of lease payments, the Group uses the incremental interest rate at the inception of the lease if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accrual of interest and reduced by lease payments made. In addition, the lease liability is revalued if there is a modification, a change in the lease term, a change in the fixed lease payments in substance or a change in the assessment to purchase the underlying asset. The liability also increases if there is a change in future lease payments resulting from a change in the index or rate used to determine those payments.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its machinery and equipment leases that have a lease term of 12 months or less from the commencement date and have no purchase option. It also applies the low-value asset recognition exemption to leases of equipment and gaming items that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as a straight-line expense over the lease term.

- Judgements applied in determining the lease term of leases with renewal options

The Group determines the lease term as the non-cancellable term of a lease, plus optional lease extension periods if it is reasonably certain that the option will be exercised. Also included are periods covered by the option to terminate the lease if it is reasonably certain that the option will not be exercised.

The Group has the option under certain of its contracts to lease assets for additional terms of one to five years. The Group assesses whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive to renew. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances within its control that affects its ability to exercise, or not exercise, the renewal option. The Group included the renewal period as part of the lease term for arcade leases due to the importance of these assets to its operations.

In addition, the Codere Group has applied the following policies, estimates and criteria:

- The practical expedient in paragraph C3 of Appendix C of IFRS 16 that states that it is not required to reassess whether a contract is, or contains, a lease at the date of initial application has been applied.
- For those asset classes for which the relative importance of the non-lease components is not significant in relation to the total value of the lease, it has been decided not to record non-lease components separately from lease components.
- For transitional purposes, it has been decided to apply the modified retrospective approach, on the basis of which no comparative figures for previous years will be restated.
- An election has been made to value the initial right of use of the asset at an amount equal to the lease liability at 1 January 2019 for all lease contracts.
- An effective incremental borrowing rate has been applied, as of the date of first application rather than a historical rate, by homogeneous lease portfolio, country and contract term. Incremental discount rates at the date of initial application range from 6% to 20%, depending on the country.

Group as operating lessor

If the contract does not transfer substantially all the risks and rewards incidental to ownership of the asset, the lease is classified as an operating lease. The revenue generated by the contract is recognised on a straight-line basis over the life of the contract and is included as revenue on the income statement to the extent that it is of an operating nature. Direct costs incurred on entering into a lease contract are incorporated as an increase in the value of the leased asset and amortised over the lease term on the

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same basis as income. Contingent payments are recognised as income in the period in which they are earned.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Group sources of financing and leverage policy

The Group's main financing instruments comprise credit lines, bank loans, bond issues and finance and operating leases.

The Group generally obtains financing from third parties for the following purposes:

- To finance the operational needs of the Group's companies.
- To finance the investments of the Group's business plan.

In relation to the Group's capital structure, two levels of payment priority towards its financial creditors are maintained:

- Firstly, the senior debt, at different maturities, signed with national and international financial institutions.
- Secondly, the issuance of bonds, the payment of which, in certain cases, is subordinated to that of senior debt maturing in 2026 and 2027, and subscribed by international financial investors.

The general criterion is not to take on debt above certain multiples of its EBITDA, consolidated cash flow and debt service. In 2020 and 2021, in the extraordinary context generated by the pandemic, the company has taken on debt above these reference multiples in order to ensure the continuity of the Group.

b) Main risks of the Group

The Group's principal business risks include, but are not limited to, those relating to the private gaming sector in which we operate. The gaming industry is subject to an intense level of regulation (including, among others, regulation of the gaming activity itself and the permitted modes and channels, management of the risks associated with the activity, gaming advertising, customer data protection, anti-money laundering and anti-corruption) and technical and compliance requirements in addition to operating through gaming licences which must be renewed every certain period of time or which are subject to compliance conditions in order to remain in force. Failure to comply with any of these regulations and requirements or failure to renew or maintain our gaming licences may have a negative effect on our business. In addition, future regulation may place new restrictions on currently regulated activities that could reduce our ability to offer the products and services provided to our customers.

The Group holds operating gaming licences in all the countries in which it operates. Although the renewal period for some of them will be reached in 2022, the Group expects that these renewals will take place, as has historically been the case. In this respect, the extension of Codere Network's concession in Italy has been achieved and work is underway in advance for the remaining licences in other jurisdictions.

The industry is also subject to the definition and interpretation of gaming tax regulations in each market, which may result in increases or changes in the method of calculation of gaming taxes that may impact the viability of our business. The gaming industry is a sensitive industry and public perception of the activity can also have an impact on company results. In addition, regulation may in turn change in each market to allow for new competitors or new forms of activity that may impact our business. Lastly, the Group is exposed, and may be exposed, to litigation resulting from the aforementioned tax and

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compliance regulations.

On the other hand, due to the markets in which the Group operates, there are political, macroeconomic and currency risks associated with the Group's international operations. Market conditions and socio-economic variables in each of the markets in which we operate affect the spending power of our customers and therefore the performance of our business. The Group is also affected by political and currency risks (including currency devaluations or changes in corporate regulation in the markets where we operate).

The Group is also exposed to risks arising from its growth strategy and its strategy of raising finance (debt). The company's own level of indebtedness may condition the management of the business, while market conditions for long-term financing or unprofitable investments may affect the company's results. In addition, both the financial situation of the markets and of the company may affect the ability to obtain the necessary guarantees or collateral to operate a large part of the gaming licences we manage in different geographies.

The Group is also exposed to risks arising from changing and evolving customer preferences and the impact of technology on the generation of alternative leisure activities. Also, those arising from the concentration of suppliers or competitors in certain types or products and the ability of the former to generate safe and attractive gambling products for customers in accordance with the regulations in force in each market. Lastly, the technological evolution of business and product management (digitalisation and interconnection) entails the appearance of integrity risks in our systems and platforms that the company must manage proactively to avoid potential contingencies. Our financial systems currently require a high degree of human intervention, which can lead to errors. The Group is making efforts to reduce the level of human intervention in these processes.

As highlighted during 2020 and 2021, the Group faces other general and unpredictable risks, such as those linked to health issues like the Covid 19 pandemic, which may significantly affect the Group's operations and therefore its ability to generate revenues.

Likewise, the energy crisis that has followed the pandemic, which has been aggravated by the war in Ukraine, is causing an escalation in prices unprecedented in recent decades, with inflation close to 10% in the euro zone and with the prospect of continuing to rise, which is eroding the purchasing power of the population and could affect in the short term the revenues generated by the Group's companies, especially in Spain and Italy.

c) Financial risk factors

The Group's activities expose it to various financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's global risk management programme focuses on uncertainty in financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is controlled by the Group's Corporate Treasury Department. This department identifies, assesses and hedges financial risks in close cooperation with the Group's operating units.

c.1) Market risk

Exchange rate risk

The Group has significant investments in countries with currencies other than the euro, particularly in Argentine, Mexican and Colombian pesos. The Group companies conduct their operations predominantly in their respective functional currencies.

For the presentation of market risks, sensitivity analyses are required under IFRS 7 to show the hypothetical effects of changes in the relevant risk variables on earnings and equity. Foreign currency risk, as defined by IFRS 7, arises from financial assets or liabilities that are monetary in nature and

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denominated in a currency other than the company's functional currency. Differences in results arising from the translation of the financial statements into the presentation currency of the Group's annual accounts are not taken into account in the subsequent sensitivity analysis.

The table below shows the effects on results and equity (in thousand euros) of exchange rate variations with respect to year-end for the Group's most significant currencies:

Currency	Exchange rate as at 31/12/2021	Thousand euros			
		10% devaluation of the euro		10% appreciation of the euro	
		Impact on earnings	Impact on equity	Impact on earnings	Impact on equity
ARS/EUR	116.3407	1,058	-	(1,058)	-
COP/EUR	4509.0618	1,392	-	(1,392)	-
USD/EUR	1.1326	4,262	-	(4,262)	-
UYU/EUR	50.6216	210	-	(210)	-
MXN/EUR	23.2361	2,900	-	(2,900)	-

Currency	Exchange rate as at 31/12/2021	Thousand euros			
		10% devaluation of the US dollar		10% appreciation of the US dollar	
		Impact on earnings	Impact on equity	Impact on earnings	Impact on equity
ARS/USD	102.7200	1,056	-	(1,056)	-
COP/USD	3981.1600	91	-	(91)	-
EUR/USD	0.882900	5,698	-	(5,698)	-
UYU/USD	44.6950	1,299	-	(1,299)	-
MXN/USD	20.5157	29,802	-	(29,802)	-
EUR/GBP	1.191300	(8)	-	8	-
EUR/COP	0.221800	31,816	-	(31,816)	-

Currency	Exchange rate at 31/12/2020	Thousand euros			
		10% devaluation of the euro		10% appreciation of the euro	
		Impact on earnings	Impact on equity	Impact on earnings	Impact on equity
ARS/EUR	103.2605	(375)	-	375	-
COP/EUR	4212.0208	3,512	-	(3,512)	-
USD/EUR	1.2271	1,108	-	(1,108)	-
UYU/EUR	51.9554	133	-	(133)	-
MXN/EUR	24.4625	2,939	-	(2,939)	-

Currency	Exchange rate at 31/12/2020	Thousand euros			
		10% devaluation of the US dollar		10% appreciation of the US dollar	
		Impact on earnings	Impact on equity	Impact on earnings	Impact on equity
ARS/USD	84.1500	(934)	-	934	-
COP/USD	3432.5000	155	-	(155)	-
MXN/USD	19.9352	50,118	-	(50,118)	-
UYU/USD	42.3400	16	-	(16)	-
EUR/USD	0.814900	(20,982)	-	20,982	-
EUR/GBP	1.111800	7	1	(7)	(1)

Price risk

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As a gaming operator and not holding equity securities for investments held by the Group and classified in the balance sheet as available-for-sale or at fair value through profit or loss, the Group is not subject to this type of risk, except for certain one-off transactions such as the option to acquire certain percentages of the Group's underlying securities, for which it makes a particular assessment based on the circumstances.

Interest rate risk

The Group has bond issuances in international markets at a fixed rate (nominal value of USD 80.7 million plus 615.3 million euros) at corporate level, fixed-rate bonds (185.5 million indexed Uruguayan pesos plus USD 2.4 million) in Uruguay and fixed-rate bonds (USD 2.6 million) in Panama. It also has fixed-rate debts with credit institutions in Uruguay (USD 15.3 million and 47.9 million indexed Uruguayan pesos), Panama (USD 2.5 million), Spain (2.7 million euros) and in HQ (0.5 million euros). The rest of the Group's financial debt, amounting to around 36 million euros at 31 December 2021, is tied to floating interest rates (Euribor/TIIE/IBR).

As a result of this capital structure and given that fixed cost debt represents almost 95% of the Group's current overall financial indebtedness, at the date of these financial statements, the Group's exposure to interest rate risk, and its potential impact on the Group's income statement, is low.

The sensitivity to changes in interest rates is as follows:

Concept	Thousand euros	
	Increase (+) / decrease (-) in the interest rate (basis points)	
	2021	2020
Effect on profit or loss after tax effect	+100 (354)	(920)
	-100 354	920
Effect on equity	+100 (354)	(920)
	-100 354	920

c.2) Credit risk

The Group's main financial assets exposed to credit risk are:

- Investments in financial assets included in cash and cash equivalents (short term) (Notes 17 and 24).
- Non-current financial assets (Note 12).
- Balances relating to customers and other accounts receivable (Note 16).

The total amount of the Group's exposure to credit risk is comprised of the balances of these items.

The Group has internally established criteria to minimise the risk arising from the arrangement of investments in financial products or the contracting of financial derivatives, establishing that the counterparties must always be credit institutions with high credit ratings (according to the ratings of prestigious international agencies). In addition, the Group's management establishes maximum investment or contract limits, which are reviewed periodically.

In the case of operations in countries where, because of their economic and socio-political status it is not possible to achieve high levels of credit quality, it is necessary to select mainly branches and subsidiaries of foreign entities that meet or are close to the established quality criteria, as well as larger local entities.

Maximum exposure

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The Group's exposure to credit risk, mitigated by its own collections, is mainly attributable to trade payables on trade operations, which mainly include advances paid to owners of hospitality establishments for their share of the proceeds from the gaming machines located in their establishments and balances receivable from CIE Group companies. The amounts corresponding to these items are reflected in the consolidated balance sheet net of loan loss provisions of 42,971 and 45,434 thousand euros, respectively, at 31 December 2021 and 2020.

Provisions for credit losses are determined on the basis of the expected credit losses over the reasonable and sustainable life of the asset, including those relating to its future on an individual basis, taking into account the best information available at the date of preparation of the financial statements, and are re-estimated at each balance sheet date on a case-by-case basis, using the following criteria:

- The age of the debt.
- The existence of problematic situations, including bankruptcy.
- The analysis of the debtor's ability to repay the credit granted.

During 2021, and given the special economic situation in the markets where we carry out our business, a detailed analysis has been made of the market situation and our debtors, as well as the possible evolution of their debt and business generation, in order to adapt the provisions for insolvency to the current economic reality. Note 16 includes provisions for impairment of receivables at 31 December 2021 and 2020. These provisions represent the Group's best estimate of the losses incurred in relation to its debtor balances.

The Group's maximum credit risk exposure by type of financial instrument is as follows at 31 December 2021 and 2020:

	Thousand euros	
	2021	2020
Trade receivables	42,971	45,434
Cash and cash equivalents.	222,766	109,818
Other financial assets	42,314	43,183
	308,051	198,435

c.3) Liquidity risk

Liquidity risk is defined as the risk that the Group would be unable to settle or meet its obligations on time and/or at a reasonable price.

The Group's Economic and Financial Department is responsible for liquidity and financing, as well as its overall management. In addition, liquidity and funding risks, related to processes and policies, are monitored by said department.

The Group generally manages its liquidity risk on a consolidated basis, based on business needs, tax, capital or multiple regulatory considerations, applicable through numerous funding sources, in order to maintain its flexibility. Management monitors the Group's net liquidity position by rolling projections of expected cash flows. The Group's cash and cash equivalents are held with the main regulated entities.

The following table shows how the Economic and Financial Department manages net liquidity, based on the contractual obligations of the remaining maturities of financial assets and liabilities, excluding trade receivables and payables, as at 31 December 2021 and 31 December 2020:

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	<u>Balances at 31/12/2021</u>	<u>Between 01/01/2022 and 31/03/2022</u>	<u>Between 01/01/2022 and 31/12/2022</u>	<u>Between 01/01/2022 and 31/12/2023</u>	<u>Between 01/01/2022 and 31/12/2026</u>
Current assets					
Short-term securities portfolio	-	-	-	-	-
Cash and cash equivalents	222,766	222,766	222,766	222,766	222,766
Total Current Assets	222,766	222,766	222,766	222,766	222,766
Non-current liabilities					
Notes, bonds and other marketable securities	637,353	-	-	-	637,353
Non-current bank borrowings	41,758	-	-	15,224	41,758
Total non-current liabilities	679,111	-	-	15,224	679,111
Current liabilities					
Current notes and bonds	25,932	25,932	25,932	25,932	25,932
Current bank borrowings	18,105	4,483	18,105	18,105	18,105
Total current liabilities	44,037	30,415	44,037	44,037	44,037
Expected result of exchange rate hedging transactions	-	-	-	-	-
Net liquidity	(500,382)	192,351	178,729	163,505	(500,382)

	<u>Balances at 31/12/2020</u>	<u>Between 01/01/2021 and 31/03/2021</u>	<u>Between 01/01/2021 and 31/12/2021</u>	<u>Between 01/01/2021 and 31/12/2022</u>	<u>Between 01/01/2021 and 31/12/2025</u>
Current assets					
Short-term securities portfolio	-	-	-	-	-
Cash and cash equivalents	109,818	109,818	109,818	109,818	109,818
Total Current Assets	109,818	109,818	109,818	109,818	109,818
Non-current liabilities					
Notes, bonds and other marketable securities	922,431	-	-	-	922,431
Non-current bank borrowings	42,732	-	-	15,991	42,732
Total non-current liabilities	965,163	-	-	15,991	965,163
Current liabilities					
Current notes and bonds	34,240	13,343	34,240	34,240	34,240
Current bank borrowings	16,878	3,761	16,878	16,878	16,878
Total current liabilities	51,118	17,104	51,118	51,118	51,118
Expected result of exchange rate hedging transactions	-	-	-	-	-
Net liquidity	(906,463)	92,714	58,700	42,709	(906,463)

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The above tables do not include cash flows that would arise from the Group's own activity, as well as contractual payments and interest on debts and liabilities for the periods indicated.

The management of this risk also focuses on the detailed monitoring of the maturity of the various debt lines (also mentioned in Note 20), as well as on the proactive management and maintenance of credit lines to cover expected cash requirements.

The maturity of the undiscounted contractual liabilities as at 31 December 2021 is shown below (amounts in thousand euros):

	2022	2023	2024	2025	2026 y ss	Total
Notes, bonds and other marketable securities	36,301	43,811	52,925	52,288	1,024,660	1,209,985
Principal	2,661	2,661	4,937	2,661	696,983	709,903
Interest	33,640	41,150	47,988	49,627	(*) 327,677	500,082
Debts with credit institutions (*)	22,372	18,106	13,948	10,428	4,965	69,819
Principal	18,105	15,224	12,291	9,718	4,525	59,863
Interest	4,267	2,882	1,657	710	440	9,956
Payments under finance leases (**)	61,243	42,197	12,151	11,187	64,443	191,221
Total Maturities	119,916	104,114	79,024	73,903	1,094,068	1,471,025

(*) Includes PIK interests of Bonds due in 2026 and 2027.

(**) Finance lease payments include the estimate of the maturity of the debt recorded as a result of IFRS 16 "Leases" (breakdown in Note 8).

With regard to the bonds issued with a nominal value of 133 and 481 million euro and 80 million dollars, the maturity of the bonds has been extended to the years 2026-2027.

Negotiable bonds in Uruguay are classified in the balance sheet as short-term bonds and debentures. In this table we are considering their maturity according to their amortisation schedule, between 2021 and 2029.

d) Capital management

The Group's objective in capital management is to safeguard the ability to continue to manage its recurring activities, as well as the ability to continue to grow new projects, while maintaining an optimal capital to debt ratio with the ultimate aim of creating value for its shareholders.

In general, the Group finances its development on the basis of three pillars:

- Internal cash flow generation in recurring businesses.
- The ability to grow through investments in new projects that are largely financed with the guarantee of the project's own cash flows, and which feed back into the Group's capacity for growth in recurring activities.
- A policy of asset rotation, which in turn allows us to continue to finance investments in new projects.

As at 31 December 2021, the Group has an amount of Equity attributable to owners of the parent of 55 million euros, an increase of 376 million euros compared to the amount recorded as at 31 December 2020. This increase is mainly due to the increases in equity produced in the period by the various corporate operations carried out in the period (restructuring and refinancing and online transaction).

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e) Fair value estimate

The table below includes an analysis of financial instruments valued at fair value, classified by valuation method. The different valuation levels have been defined as follows:

- Trading price (unadjusted) on active markets for identified assets and liabilities (Level 1).
- Data other than the listed price included within Level 1 that are observable for the asset or liability, both directly (i.e. prices) and indirectly (i.e. derived from prices) (Level 2).
- Data for the asset or liability that are not based on observable market data (i.e., unobservable data) (Level 3)

The following table presents the Group's assets and liabilities valued at fair value:

	Thousand euros
	December 2021
Bonds issued by Alta Cordillera, S.A.	2,416
Notes issued by HRU, S.A.	21,280
Bonds issued by Codere Finance II, S.A.	943,829
Warrants (online operations)	5,512
	973,037

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and value judgements are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

The Group makes estimates and assumptions regarding the future. The resulting accounting estimates, by definition, will rarely match the corresponding actual results. Estimates and judgements that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the following financial period are explained below.

a) Estimated impairment loss on non-financial assets

The Group checks whether goodwill has suffered any impairment loss, in accordance with the accounting policy of Note 2. The recoverable amounts of the cash generating units (CGU) have been determined based on calculations of the value in use. These calculations require the use of estimates (Note 14).

To determine impairment calculations, the Group estimates future cash flows for each cash-generating unit using projection models that integrate the most relevant operational, financial and macroeconomic indicators in each case. The explicit projection horizon used is five years. Thereafter, a terminal value determined as a perpetual income calculated at a constant growth rate is estimated. The first year of the explicit projection horizon is based on the detailed budgets approved in each unit for the following year, incorporating, where appropriate, variations due to relevant developments that have occurred subsequent to their approval. The subsequent years of the explicit projection horizon reflect the developments that can reasonably be expected according to the strategies and action plans defined by the Group for each of the markets in which it operates, in accordance with their distinctive characteristics and their own competitive dynamics.

b) Corporate income tax

The Group is subject to income tax in the jurisdictions in which it operates through its investees. A significant degree of judgement is required in determining the provision for income tax at the

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consolidated level. There are many transactions and calculations for which the ultimate determination of the tax is uncertain.

The Group recognises liabilities for possible tax claims based on the estimation of whether additional taxes will be required. When the final tax outcome of these matters differs from the amounts initially recognised, such differences will have an effect on income tax and deferred tax provisions in the period in which the determination is made.

The Group recognises tax credit assets when there is sufficient evidence of future recoverability. The group tests these assets for impairment annually in accordance with the accounting policy.

In addition, the Group recognises deferred tax liabilities associated with taxable temporary differences on investments in subsidiaries, branches or associates based on its best estimate of the foreseeable timing of the reversal.

c) Fair value of derivatives and other financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement in selecting a number of methods and makes assumptions that are based primarily on market conditions existing at each balance sheet date.

d) Provisions for litigation and other contingencies

The Group has made judgements and estimates in relation to the probability of occurrence and the amount of certain risks and has recorded a provision when the risk has been assessed as probable, estimating the cost of the obligation.

e) Claims

The following is a breakdown of the main tax and legal contingencies affecting Codere Luxembourg 2, S.à.r.l. and its subsidiaries:

(i) Tax litigation in Mexico

This section includes a description of the main tax contingencies affecting Codere Mexico and its subsidiaries. The amounts of tax contingencies do not include any interest or penalties that may be imposed by the tax authorities.

- Foreign Exchange Loss

In March 2015, Codere Mexico filed an appeal before the Mexican Federal Court of Tax and Administrative Justice against the inspection report issued in 2012, derived from the refusal to deduct certain amounts of foreign exchange losses from corporate income tax in 2008. During 2017, the company received a favourable ruling from the Federal Court of Tax and Administrative Justice. The Mexican tax authorities filed an appeal against this ruling before the Circuit Court.

In April 2018, the Circuit Court ruled in favour of the company. Notwithstanding this ruling, the Mexican tax authorities reopened inspection proceedings on the same year and items previously inspected, and on 8 August 2018 issued a new tax assessment for an amount of MXN 1,272 million (54.5 million euros as at 31 December 2021). The subsidiary filed a nullity action before the Federal Court of Administrative Justice on 24 September 2018 against this tax assessment. The report of the expert appointed by the Federal Court of Administrative Justice agreed with the answers given by the expert appointed by the company. On 13 February 2020, the High Chamber of the Federal Court of Administrative Justice resolved the case by remanding the case to the Regional Chamber for remedy due to procedural violations. At the end of June 2021, the expert appointed by Codere, as well as the one appointed by the tax authorities and a 3rd independent expert re-issued their opinion. Both the expert appointed by

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Codere, and the 3rd independent expert agreed with most of the arguments given. Subsequently, on 26 August 2021, the corresponding pleadings were filed. On 5 October 2021, Codere was notified that the case was once again before the Superior Chamber of the Fiscal Court of Administrative Justice, and on 7 December it was informed that the corresponding judgement had been handed down against Codere's interests. Once it has been formally notified of the judgement, Codere filed an amparo appeal on 22 March of 2022.

Throughout the case the Group has taken legal advice and used different independent experts and they all continue to assess our case as having a high probability of success. Therefore, Codere Mexico has not made any provision for this litigation, considering the high probability of a favourable resolution.

- Right to exclusivity

During 2016, the inspection procedures of the Mexican company Codere México and one of its subsidiaries in relation to corporate income tax for 2008 and 2009 were completed. In those proceedings, the tax authorities denied the tax deductibility of certain royalty payments made by Codere Mexico to Codere, derived from Codere's exclusive rights over the commercialisation of Zitro machines in Mexico. As a result of the above, the Mexican companies filed supplementary returns for these years amounting to MXN 64.4 million (3 million euros as at 31 December 2016). In addition, as a result of a different interpretation of the tax regulations of the Group and the tax authorities, the tax authorities issued a tax assessment in the amount of MXN 66.7 million (2.9 million euros as at 31 December 2021). Currently, this act is being appealed by means of a nullity action before the Federal Court of Administrative Justice, filed on 19 September 2018. The company has not made any provision for this litigation, considering the high probability of obtaining a favourable resolution in the Nullity Judgement pending resolution, according to the criteria of independent experts. On 30 September 2020, the expert appointed by Codere came before the Court to ratify its position. Therefore, the trial is still ongoing.

- Excise Tax on Production and Services 2013 and 2014

In 2016, inspection proceedings were initiated at Operadora Cantabria (the Group's Mexican subsidiary) for the Excise Tax on Production and Services for the 2014 financial year. On 12 July 2018, the tax authority issued an assessment in the amount of 507.1 million pesos (21.8 million euros as at 31 December 2021). Dissatisfied with the ruling, our subsidiary filed an appeal for revocation with the tax authorities on 6 September 2018. On 20 December 2019, the tax authorities issued the resolution of the appeal for revocation confirming the initial tax assessment. Our subsidiary filed an appeal for annulment of these proceedings on 13 February 2020. By agreement of 17 March 2020, notified on 30 June 2020, the application was accepted. To date, the trial is ongoing.

The Company initially requested the Mexican authorities to accept Operadora Cantabria itself as a guarantee (this is called "guaranteeing with the negotiation") but this was denied by the authorities as a consequence of some formal defects in the documentation provided. The Company is currently addressing the formal defects and, at the same time, requested to provide another guarantee, based on the value of some shares owned by Codere Mexico. On 4 July 2021 the tax authorities denied the latter guarantee. After correcting most of the formal defects in the documentation initially provided, the Company applied on 7 July 2021 to the Mexican tax authorities to accept the guarantee called "garantizar con la negociación" (guarantee with the negotiation). On 28 September 2021, all required information was submitted, but the tax authorities again refused the proposed guarantee. The Company has resubmitted the same guarantee with new arguments asking the tax authorities for approval. The tax authorities are analysing this proposal and Codere is awaiting a response.

Also, inspection proceedings were initiated at Operadora Cantabria (the Group's Mexican subsidiary) for the Excise Tax on Production and Services for the 2013 financial year. On 18 November 2018, the tax authority issued an assessment in the amount of MXN 578.4 million (24.8 million euros as at 31 December 2021). Dissatisfied with the ruling, our subsidiary filed an appeal for revocation with the tax authorities on 16 December 2020. To date, the trial is ongoing.

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The company has not made any provision for this litigation, considering the high probability of a favourable resolution, according to independent experts.

- Jalisco 2013 and 2014 - "Rifas y Sorteos" (Sweepstakes and Raffles).

In our subsidiary Administradora Mexicana de Hipódromo (AMH), the Tax Authorities of the State of Jalisco reviewed the tax on lotteries, sweepstakes, raffles, games with bets and contests of all kinds for the tax years 2013 and 2014. On 13 and 14 February 2018, AMH was notified of tax assessments in the amounts of MXN 18.7 million (0.8 million euros as at 31 December 2021) and MXN 14.6 million (0.6 million euros as at 31 December 2021), respectively.

In relation to the 2013 assessments, AMH is awaiting the resolution of the Appeal filed on 23 March 2021 before the Supreme Court of Justice of the Nation against the ruling in favour of the tax authorities issued by the same Court on 11 March 2021 in relation to the direct appeal for amparo filed by AMH. On 4 October 2021, AMH was notified of the Supreme Court's dismissal of the appeal on the grounds that it is not of importance and transcendence for the national legal order. Therefore, the lawsuit has been lost and the corresponding tax credit will have to be paid.

In relation to the 2014 assessments, AMH filed on 6 November 2019 a direct appeal for amparo against the judgement issued on 17 October 2019 upholding the legality of the tax authorities' ruling. On 11 October 2021, they issued a ruling in this trial, in which they decided to deny the amparo to AMH, for which reason, a review trial of this ruling will be promoted. The trial is still ongoing.

Provisions have been recognised for both processes in Jalisco 2013 and 2014.

(ii) Tax litigation in Italy

- VAT-Codere Italy (2014 - 2018)

In 2019, a VAT inspection was opened for Codere Italy covering the years 2014 and 2015. In 2020 the inspection was extended to the years 2016 to 2018.

The inspectorate understands that the financial transactions carried out by the company should be included in the calculation of the pro-rata and therefore questions the deductibility of part of the input VAT; the VAT instalments considered by the inspectorate as non-deductible amount to 0.16 million euros in 2014 and 0.31 million euros in 2015. In 2020 the figures are still under discussion as the tax inspector in charge of the tax audit changed, although the initial expectation of tax risk has been reduced.

On the other hand, the inspection considers that the amounts invoiced by the Company to its subsidiaries for management services do not include all of the expenses incurred by the Company in the provision of these services, and therefore proposes that the taxable base for VAT be increased by these expenses, which implies an increase in output VAT; the shortfall in the non-output VAT payments estimated by the inspection amounts to 3.8 million euros. The Group has recognised a provision for this amount.

Currently, as the inspection team has changed again, the company is negotiating to reach a new agreement. On 25 November, an agreement was reached between both parties, with the Company signing the accession agreements for the periods from 2014 to 2018 for a total amount of 5.65 million euros to be paid in 16 instalments. The Company has already made the first payment and recorded a provision for the outstanding amount.

(iii) Tax litigation in Argentina

- Tax on Debits and Credits

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The Argentinean tax authorities issued Bingos del Oeste an assessment for 0.1 million euros (ARS 9.5 million) requesting the debit and credit tax on the amounts deposited in the IPLYC account derived from its share of the gaming activity revenues. Our subsidiary Bingos del Oeste has defended before the Argentinean Courts that this tax does not apply to our activity, but to date, the Courts have ruled against us. In order to be able to lodge a complaint before the Supreme Court of Justice of the Nation, the company proceeded to pay the amount claimed. On 15 July 2021, the Supreme Court of Justice of the Nation rejected the complaint filed by the Company.

In addition, there are a series of claims filed also before the Supreme Court, in this case by the Argentinean tax authorities, corresponding to other companies in the sector for the same concept that had received favourable rulings in previous jurisdictional instances, pending before the Argentine Supreme Court, which if resolved in favour of the taxpayer could allow them to request a refund of the tax paid. However, one of these claims has been ruled against the taxpayer by the Supreme Court.

In 2019, a tax audit has been opened against the company Intermar for the same concept, referring to 2016. On 27 September 2021 the Argentine tax authorities issued an assessment for 0.1 million euros (ARS 10 million) in connection with this ongoing inspection. The company has filed the corresponding appeal before the Argentine Courts and recorded a provision of 0.1 million euros.

(iv) Tax litigation in Panama

The amounts of tax contingencies do not include any interest or penalties that may be imposed by the tax authorities.

Our Panamanian subsidiaries, Alta Cordillera and Hípica de Panamá, were subject to several inspections, both for corporate income tax and VAT, which resulted in the questioning of the method used to determine corporate income tax, the deductibility of certain expenses, as well as the rate applied in the withholding tax on foreign payments. The amount claimed, currently pending court decision, amounts to USD 2.5 million (2.2 million euros as at 31 December 2021) with a provision of 0.2 million euros. The amount provisioned corresponds to the risk classified as probable; the remainder has been classified as remote.

(v) Codere S.A. and Spanish Tax Group

In July 2021 a general inspection procedure was initiated for the companies Codere S.A., Codere Newco S.A.U. and Codere Apuestas S.A. in relation to the following taxes and fiscal years:

- Corporate Income Tax 2017 and 2018.
- Value-Added Tax: June 2017 to December 2018.

On 27 July 2021 was the first appearance at the offices of the Inspectorate. All three companies have now provided the documentation requested by the Inspectorate in the corresponding proceedings.

The Inspector procedure could be extended to more Group companies, both corporate and VAT.

(vi) Arbitration proceedings Carrasco Nobile

On 31 August 2017, Sikeston, S.A. filed a request for arbitration with the International Court of Arbitration (ICC) in Montevideo (Uruguay) against the Company's subsidiaries, Codere México S.A. de C.V. and Carrasco Nobile, S.A., in which it claims that certain corporate resolutions adopted by the corporate bodies of Carrasco Nobile, S.A. are in breach of the shareholders' agreement signed between Codere México, S.A. de C.V. and Sikeston, S.A., on 22 September 2011 and requests the Court to declare that Codere México, S.A. de C.V. is in breach of the shareholders' agreement.

On 24 October 2019, the final arbitration decision of the ICC arbitration tribunal was notified, having upheld the claims of Sikeston, S.A. by establishing that certain clauses of the Shareholders' Agreement in Carrasco Nobile, S.A. had been breached by the aforementioned corporate resolutions, which had resulted in the exclusion of Sikeston as a shareholder of the company (for failure to make contributions

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in capital reimbursement operation, to resolve the cause of dissolution and rebalance the company's assets). In addition, Codere México, S.A. de C.V. and Carrasco Nobile, S.A. were ordered to pay the costs of the arbitration, and the aforementioned payment has been made.

With the arbitration resolved in the terms set out above, Sikeston filed a petition with the commercial court to restart the 2015 proceedings relating to the challenge to the shareholders' meetings, which had been suspended due to the declaration of lack of jurisdiction of the ordinary courts. On 19 February 2020, Codere México S.A. de CV and Carrasco Nobile S.A. received notification of the aforementioned request, and proceeded to present the corresponding responses, requesting that the entire arbitration file be added and not just the award.

On 20 August 2020, the preliminary hearing was held, and the intervening judge asked the parties to negotiate a solution to the conflict. The aforementioned hearing continued on 15, 30 September and 22 October, and the agreement was not possible.

Finally, on 12 November 2020, the intervening court handed down a ruling resolving a motion for a plea of manifest inadmissibility of the claim, requested by the defendants, due to certain breaches of formalities in the presentation. This provision entails the termination of the present proceedings.

This decision was appealed by Sikeston on 20 November 2020, and finally on 30 June 2021 we have been notified of the confirmation of the first instance judgement by the Court of Appeal. With this decision Sikeston, S.A. will not be entitled to challenge the mentioned Shareholders' resolutions of Carrasco Nobile, S.A.

(vii) Sportingbet Litigation

In 2011, certain subsidiaries of the Codere Group (the "Codere Group") sued certain companies of the Sportingbet Group, alleging certain acts of unfair competition and claiming damages. As an interim injunction, the Codere Group requested that the website that the Sportingbet Group operated in Spain, "miapuesta.com", cease operations. The Court of First Instance granted the application for an interim injunction and ordered that the website be blocked.

The Sportingbet Group appealed that decision and the Provincial Court upheld its appeal, upholding the injunction, and ordered the Codere Group to pay compensation for the damages caused.

In 2015, the Sportingbet Group filed a lawsuit against the Codere Group for damages suffered as a result of the closure of the website, claiming just over 70 million euros for consequential damages and lost profits. The Codere Group answered and opposed this claim, requesting its dismissal, and provided an expert report which, in the event that damages were determined to have existed, quantified them at 388,377 euros, in accordance with the Sportingbet Group's own annual accounts. The hearing of the opposition to the liquidated damages has been set for 5 May 2022.

Codere Group has provided bank guarantees for an amount of two million euro as security for the adoption of the precautionary measure and has additionally provisioned an amount of 1.1 million euros in its accounts.

(viii) Masampe's allegations

The Group has learned that Masampe S.L., José Antonio Martínez Sampedro, Luis Javier Martínez Sampedro and Encarnación Martínez Sampedro filed a criminal complaint with the Audiencia Nacional (a Spanish federal court) in July 2021 (as amended in September 2021), which was dismissed by the court for lack of jurisdiction. The plaintiffs appealed the decision in November 2021, which was subsequently dismissed by the court. On 21 December 2021, the applicants lodged a second appeal against the court's decision to dismiss the appeal, which was also dismissed by the court on 3 February 2022. Based on the information currently available to the Group, we understand that the complaint: (i) charges certain directors and shareholders of Codere S.A. in liquidation, and directors of the Codere Group, and certain of their respective subsidiaries and related parties with embezzlement and schemes

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to alter the price of things, including shares in Codere S.A. in liquidation, violation of information rights, passing abusive resolutions, insolvency offences and unfair administration, and (ii) amended in September 2021 to extend certain charges of money laundering, payments to and from tax havens, breach of data protection regulations and disclosure of secrets in relation to the Codere Group's online business (which may relate to the Group), and certain irregularities in the recruitment process of some of its executives, against Novelty (a company related to Moshe Edree), Moshe Edree, M&G Plc and several other related entities.

(ix) Mexico Claim

In the current financial year (2021), the company Ingeniería Tecnología y Desarrollo Industria Inteligente, S.A. de C.V. has initiated a legal claim against certain Mexican subsidiaries (Administradora Mexicana de Hipódromo, S.A. de C.V. (AMH), Operadora Cantabria, S.A. de C.V. (OCA), Libros Foráneos, S.A. de C.V. (LIFO), Operadora de Espectáculos Deportivos, S.A. de C.V. (OEDSA), Promojuegos de México, S.A. de C.V. (PJM), Mío Games, S.A. de C.V. (MÍO) and Recreativos Marina, S.A).

In this claim, pending before the Ninth Civil Court of First Instance in Mexico City, the plaintiff requests (i) breach of the contract in force between the parties, (ii) the ineffectiveness of the early termination of the contract, notified by Codere, (iii) the payments pending to be made since the notification of the early termination. The total amount claimed amounts to 83,525 thousand Mexican pesos (3,537 thousand euros).

The defendant subsidiaries of the Codere Group, for their part, proceeded with the corresponding response to the claim, denying the arguments of the plaintiff and also filing a counterclaim for breach of the aforementioned contract and claiming the restitution of 181,107 thousand Mexican pesos (7,669 thousand euros).

The litigation is in process, currently at the stage of submission of evidence, and a hearing has been set for the presentation of such evidence on 10 May 2022.

f) Significant non-controlling interests

As a result of the entry into force of IFRS 12, the Codere Group defines as non-controlling interests with significant relative importance all those non-controlling interests whose assets (assets being understood as the percentage of the minority interest in the aggregate assets of the subgroup in which they have an interest) represent more than 5% of the total assets of the consolidated Group.

In addition, other specific qualitative circumstances, such as sensitivity of a minority to a particular interest, significant non-recurring impacts, will be taken into consideration when defining a material non-controlling interest. These circumstances shall be reassessed annually by Management.

	Thousand euros		
Summary financial information at 31 December 2021 on non-controlling interests	Administradora Mexicana Hipódromo S.A. de C.V.	Alta Cordillera, S.A.	Online (**)
Intangible fixed assets	113,321	6,232	492
Tangible fixed assets	61,649	9,467	132
Investment Property.	43,360	-	-
Deferred tax Assets	25,811	1,955	-
Other, Non-Current Assets	597	32,174	4
Cash and cash equivalents	6,147	2,981	92,649
Other current assets	30,432	2,437	(4,011)
Non-current liabilities	(76,255)	(63,238)	(5,601)
Current liabilities	(50,487)	(17,509)	(23,071)
Offsetting entry eliminations (*)	(273,858)	(89,991)	(25,845)
Non-controlling interest (%)	15.2%	25%	34%
Non-controlling interests	(18,131)	(28,873)	11,641
Operating Income	98,481	34,558	79,994
Consolidated Result	(3,436)	(12,077)	(69,603)

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	Thousand	euros
Summary financial information at 31 December 2020 on non-controlling interests	Administradora Mexicana Hipódromo S.A. de C.V.	Alta Cordillera, S.A.
Intangible fixed assets	112,409	8,185
Tangible fixed assets	72,613	10,038
Investment Property.	42,874	-
Deferred tax Assets	4,073	949
Other, Non-Current Assets	884	29,386
Cash and cash equivalents	723	1,691
Other current assets	30,034	3,574
Non-current liabilities	(84,469)	(59,401)
Current liabilities	(54,840)	(16,908)
Offsetting entry eliminations (*)	(215,966)	(68,947)
Non-controlling interest (%)	15.2%	25%
Non-controlling interests	13,362	1,901
Operating Income	62,130	15,479
Consolidated Result	(56,049)	(23,119)

(*) The item "offsetting entry eliminations" includes all those consolidation adjustments allocated to each individual company. These adjustments are intercompany balances, elimination of equity, allocation of goodwill and all other adjustments included in the consolidation process. The item "offsetting entry eliminations" includes the above items for each individual company, the total effect of which is zero in the consolidated balance sheet.

(**) Online Business as of 31 December 2020 was wholly owned by Codere Group.

5. INFORMATION BY BUSINESS SEGMENT

The operating segments have been determined on the basis of the reports used by the Board of Directors for strategic decision-making. The Group looks at the business both geographically and by activity. The operating businesses are organised and managed separately by the different geographical areas where the activity is carried out, each country being a strategic business unit involved in different activities and serving different markets.

The Group manages its operations according to its business lines and monitors the operating results of gaming machines, bingo halls, betting parlours, casinos and head office expenses independently. However, sometimes several different types of operations converge in the same line of business, as gaming machines are also installed in bingos and casinos, which is why the management information used for operational decision-making is based on the consolidated profit of each segment, as broken down in point (a) below.

As it is not possible to specifically separate the costs of each of the activities carried out, the Group considers that each of the detailed geographical areas in which it operates should be considered as a business segment.

The main business segments and their main business activities are as follows:

- Spain: Gaming machine operations, bingo hall operations, gambling hall operations and SST machines in the hospitality industry.
- Italy: Gaming machine operations, gaming machine network operators and bingo hall operations.
- Mexico: Bingo hall operations, including electronic bingo terminals and gaming machines. Betting agencies are also operated, as well as the Hipódromo Las Américas racetrack and the Centro Banamex convention centre.
- Argentina: Operations of bingo halls with gaming machines.
- Colombia: Operations of gaming machines, bingo halls and casinos.

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- Uruguay: Operations of the Casino Hotel Carrasco and HRU (racetracks and arcades).
- Panama: Operations of racetracks, gaming machines, casinos and betting agencies.
- Brazil: Betting agency operations (operation discontinued in 2018)
- Headquarters: Operations management and support services.
- Online: since 1 January 2019, the Group has started to report separately the results corresponding to the online business line (previously included in the Mexico, Colombia and Spain segments).

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Income Statement for the period ended

31 December 2021

	Spain	Mexico	Argentina	Colombia	Italy	Uruguay	Brazil	Panama	Headquarters	Online	Internal operations (*)	Total
Operating Revenues												
Revenues from external customers	145,502	160,962	163,128	14,846	152,777	42,073	-	48,428	-	79,994	-	807,710
Inter-segment revenue	-	-	-	-	-	-	-	-	47,251	-	(47,251)	-
	145,502	160,962	163,128	14,846	152,777	42,073	-	48,428	47,251	79,994	(47,251)	807,710
Operating expense												
Depreciation and amortisation	(33,653)	(58,419)	(20,978)	(3,760)	(18,210)	(6,285)	(108)	(12,737)	(12,170)	(931)	-	(167,251)
Change in trade operations	(954)	(9)	-	(136)	(837)	(60)	-	(1,631)	-	-	-	(3,627)
Other operating expense	(97,235)	(124,545)	(139,702)	(9,770)	(148,112)	(34,237)	(47)	(37,194)	(68,780)	(136,869)	-	(796,491)
Impairment of assets	-	-	(21,700)	-	-	-	-	-	-	-	-	(21,700)
	(131,842)	(182,973)	(182,380)	(13,666)	(167,159)	(40,582)	(155)	(51,562)	(85,950)	(137,800)	-	(989,069)
Profit or loss on disposal of assets	(281)	(349)	38	(8)	(1,718)	-	-	172	(18)	(416)	-	(2,580)
Inter-segment expenditure	(13,845)	(5,383)	(7,347)	(715)	(1,824)	(1,300)	-	(2,840)	-	(13,997)	47,251	-
OPERATING PROFIT	(466)	(27,743)	(26,561)	457	(17,924)	191	(155)	(5,802)	(33,717)	(72,219)	-	(183,939)
External financial income	239	601	4	(1)	22	153	-	100	45,669	9,522	-	56,309
Inter-segment financial income	-	-	-	-	-	-	-	-	52,963	-	(52,963)	-
External financial expenses	(4,176)	(8,994)	11,364	(294)	(1,069)	(2,873)	-	(5,789)	(199,342)	(5,469)	-	(216,642)
Inter-segment financial expenses	(466)	(34,608)	(6,748)	(2,537)	(4,461)	(117)	(4)	(3,917)	-	(105)	52,963	-
Change in Financial Investment Provisions	-	(285)	-	-	-	-	-	-	(3,251)	-	-	(3,536)
Exchange rate differences (net)	(9)	3,564	(5,816)	(980)	(2)	(1,544)	(2)	510	(8,527)	(276)	-	(13,082)
FINANCIAL INCOME (LOSS)	(4,412)	(39,722)	(1,196)	(3,812)	(5,510)	(4,381)	(6)	(9,096)	(112,488)	3,672	-	(176,951)
PRE-TAX PROFIT	(4,878)	(67,465)	(27,757)	(3,355)	(23,434)	(4,190)	(161)	(14,898)	(146,205)	(68,547)	-	(360,890)
Corporate income tax	(2,164)	26,531	(3,997)	(466)	3,197	632	-	1,219	(585)	(1,043)	-	23,324
The equity method	-	(132)	-	-	-	-	-	-	-	-	-	(132)
PROFIT (LOSS) FOR THE YEAR	(7,042)	(41,066)	(31,754)	(3,821)	(20,237)	(3,558)	(161)	(13,679)	(146,790)	(69,590)	-	(337,698)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR												
Attributable to:												
Minority interests	2,008	346	(501)	(58)	(882)	-	-	(3,708)	-	(13,236)	-	(16,031)
Shareholders of the Parent Company	(9,050)	(41,412)	(31,253)	(3,763)	(19,355)	(3,558)	(161)	(9,971)	(146,790)	(56,354)	-	(321,667)
CONSOLIDATED PROFIT (LOSS)	(7,042)	(41,066)	(31,754)	(3,821)	(20,237)	(3,558)	(161)	(13,679)	(146,790)	(69,590)	-	(337,698)

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

Income Statement for the period ended

31 December 2020

	Spain	Mexico	Argentina	Colombia	Italy	Uruguay	Brazil	Panama	Headquarters	Online	Internal operations (*)	Total
Operating Revenues												
Revenues from external customers	116,925	97,812	59,972	8,743	154,966	52,288	-	22,668	-	71,385	-	584,759
Inter-segment revenue	-	-	-	-	-	-	-	-	29,703	-	(29,703)	-
	116,925	97,812	59,972	8,743	154,966	52,288	-	22,668	29,703	71,385	(29,703)	584,759
Operating expense												
Depreciation and amortisation	(30,898)	(65,188)	(17,092)	(5,063)	(18,965)	(7,221)	(361)	(14,768)	(8,807)	(1,193)	-	(169,556)
Change in trade operations	(3,707)	(2)	-	(554)	(2,723)	(174)	-	(1,888)	9	-	-	(9,039)
Other operating expense	(90,425)	(100,287)	(62,869)	(8,924)	(160,161)	(32,357)	(45)	(22,888)	(44,804)	(72,526)	-	(595,286)
Impairment of assets	-	-	-	-	-	-	-	(2,000)	-	-	-	(2,000)
	(125,030)	(165,477)	(79,961)	(14,541)	(181,849)	(39,752)	(406)	(41,544)	(53,602)	(73,719)	-	(775,881)
Profit or loss on disposal of assets	(1,143)	(1,290)	32	(82)	(566)	(3)	-	311	-	-	-	(2,741)
Inter-segment expenditure	(9,679)	(5,299)	(3,528)	(1,280)	(1,259)	(1,082)	-	(1,569)	-	(6,007)	29,703	-
OPERATING PROFIT	(18,927)	(74,254)	(23,485)	(7,160)	(28,708)	11,451	(406)	(20,134)	(23,899)	(8,341)	-	(193,863)
External financial income	309	1,089	165	33	379	134	-	198	60,246	110	-	62,663
Inter-segment financial income	-	-	-	-	-	-	-	-	48,917	-	(48,917)	-
External financial expenses	(3,040)	(11,357)	5,063	(726)	(1,584)	(3,098)	-	(5,032)	(89,700)	(130)	-	(109,604)
Inter-segment financial expenses	(1,815)	(36,052)	(2,456)	(1,087)	(4,684)	36	-	(2,465)	-	(394)	48,917	-
Change in Financial Investment Provisions	-	(504)	-	-	-	-	-	-	5,597	-	-	5,093
Exchange rate differences (net)	-	(9,525)	(4,155)	(2,897)	-	(2,361)	(2)	(462)	4,264	(127)	-	(15,265)
FINANCIAL INCOME (LOSS)	(4,546)	(56,349)	(1,383)	(4,677)	(5,889)	(5,289)	(2)	(7,761)	29,324	(541)	-	(57,113)
PRE-TAX PROFIT	(23,473)	(130,603)	(24,868)	(11,837)	(34,597)	6,162	(408)	(27,895)	5,425	(8,882)	-	(250,976)
Corporate income tax	2,896	578	9,031	(296)	5,880	48	-	(723)	(345)	(1,510)	-	15,559
The equity method	-	(136)	-	-	2	-	-	-	-	-	-	(134)
PROFIT (LOSS) FOR THE YEAR	(20,577)	(130,161)	(15,837)	(12,133)	(28,715)	6,210	(408)	(28,618)	5,080	(10,392)	-	(235,551)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR												
Attributable to:												
Minority interests	(816)	(8,097)	(334)	(209)	(3,519)	-	-	(7,308)	(1)	(4)	-	(20,288)
Shareholders of the Parent Company	(19,761)	(122,064)	(15,503)	(11,924)	(25,196)	6,210	(408)	(21,310)	5,081	(10,388)	-	(215,263)
CONSOLIDATED PROFIT (LOSS)	(20,577)	(130,161)	(15,837)	(12,133)	(28,715)	6,210	(408)	(28,618)	5,080	(10,392)	-	(235,551)

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(thousand euros)

Balance sheet as at 31 December 2021	Spain	Mexico	Argentina	Colombia	Italy	Uruguay	Brazil	Panama	Headquarters	Online	Total
Intangible fixed assets	43,128	161,060	46,802	120	7,615	11,906	-	8,249	14,451	492	293,823
Assets for rights of use	15,955	45,212	9,927	3,798	26,949	2,799	-	62,187	1,771	140	168,738
Tangible fixed assets	39,931	88,701	39,958	4,490	10,169	37,263	-	11,362	2,926	132	234,932
Goodwill	34	61,260	32,393	-	47,384	5,458	-	29,022	29,844	-	205,395
Real estate investments:	1,798	43,360	-	-	-	-	-	-	-	-	45,158
Equity method investment	-	36	-	-	-	-	-	-	-	-	36
Non-current financial assets	6,632	898	1,549	322	7,160	-	-	3,878	2,133	4	22,576
Deferred tax assets	3,660	44,073	3,153	149	15,216	4,714	-	1,955	2,752	-	75,672
Other Assets, Non-Current.	-	-	-	-	-	-	-	-	-	-	-
Current assets	35,819	66,590	13,971	7,801	44,984	21,612	69	10,174	80,297	88,638	369,955
TOTAL ASSETS	146,957	511,190	147,753	16,680	159,477	83,752	69	126,827	134,174	89,406	1,416,285
Deferred Income	-	-	-	-	-	-	-	-	-	-	-
Provisions	924	8,803	7,006	453	11,971	41	4	1,199	936	58	31,395
Long-term liabilities	40,580	95,873	13,429	2,222	29,334	18,006	-	62,475	636,993	5,543	904,455
Current liabilities	52,108	97,579	31,722	6,148	58,789	35,295	202	19,335	33,718	23,071	357,967
TOTAL LIABILITIES	93,612	202,255	52,157	8,823	100,094	53,342	206	83,009	671,647	28,672	1,293,817
OTHER INFORMATION											
Investments in fixed assets	17,715	3,028	2,048	821	3,260	333	-	2,472	4,373	2,267	36,317
Intangible assets	8,014	-	76	-	2,036	92	-	-	4,373	2,267	16,858
Tangible fixed assets	9,701	3,028	1,972	821	1,224	241	-	2,472	-	-	19,459
Other expenditures without cash outflows	2,902	645	867	52	3,547	-	-	(172)	18	-	7,859

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

Balance sheet as at 31 December 2020

	Spain	Mexico	Argentina	Colombia	Italy	Uruguay	Brazil	Panama	Headquarters	Online	Total
Intangible fixed assets	51,212	162,085	41,358	-	14,201	12,643	110	10,225	16,375	1,451	309,660
Assets for rights of use	20,454	61,575	9,998	5,628	26,149	3,478	-	60,783	3,408	260	191,733
Tangible fixed assets	44,297	111,118	35,932	6,487	11,286	40,288	-	12,276	2,105	311	264,100
Goodwill	19	60,571	39,775	-	47,384	5,318	-	26,633	29,844	-	209,544
Real estate investments:	1,825	42,874	-	-	-	-	-	-	-	-	44,699
Equity method investment	-	163	-	-	7	-	-	-	-	-	170
Non-current financial assets	6,083	1,257	1,600	217	4,800	-	-	3,328	32	80	17,397
Deferred tax assets	4,684	18,120	2,866	177	12,155	4,194	-	949	2,743	-	45,888
Other Assets, Non-Current.	-	-	-	-	-	-	-	-	-	-	-
Current assets	36,044	65,166	9,493	6,345	56,746	24,714	70	9,405	48,884	5,043	253,910
TOTAL ASSETS	164,618	522,929	141,022	18,854	172,728	90,635	180	123,599	95,391	7,145	1,337,101

Deferred Income	-	-	-	-	-	-	-	-	-	-	-
Provisions	247	5,410	1,896	694	15,017	20	7	1,122	4,454	-	28,867
Long-term liabilities	46,120	120,014	11,371	1,904	25,573	19,062	-	58,652	927,664	145	1,210,505
Current liabilities	58,732	108,674	25,896	11,627	66,680	36,923	200	19,702	40,145	11,765	380,344
TOTAL LIABILITIES	105,099	234,098	39,163	14,225	107,270	56,005	207	79,476	972,263	11,910	1,619,716

OTHER INFORMATION

Investments in fixed assets	12,100	6,053	491	178	4,259	3,574	-	1,831	5,206	4,156	37,848
Intangible assets	6,778	-	-	-	2,379	69	-	-	5,206	4,156	18,588
Tangible fixed assets	5,322	6,053	491	178	1,880	3,505	-	1,831	-	-	19,260
Other expenditures without cash outflows	8,878	1,299	174	143	1,753	3	-	(310)	-	-	11,940

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

6. BUSINESS COMBINATIONS AND CHANGES IN THE SCOPE OF CONSOLIDATION

a) On-line Operations: Corporate restructuring of online gaming operations and merger with DD3 Acquisition Corp. II ("DD3"), a company listed on the US stock exchange (Nasdaq).

Codere Online Luxembourg, S.A. and its subsidiaries (referred to as "Codere Online") are comprised of the integrated online gaming operations of the Codere Group located in Spain, Mexico, Colombia, Panama, Italy, Gibraltar, Israel and Malta focused on online gaming and other online services. The Codere Group has control of Codere Online through Codere Newco, S.A.U. ("CNEW") with 66.5% of the shares. Codere Online's scope of consolidation is made up of 10 operating and support entities (Spain, United States, Mexico, Colombia, Panama, Italy, Gibraltar, Israel and Malta) and 2 holding companies (Spain and Luxembourg).

Company	Type	% (*)	Location
Codere Online Luxembourg S.A.	Holding	66.5%	Luxembourg
Codere Online U.S. Corp.	Support	66.5%	United States
Servicios de Juego Online S.A.U.	Holding	66.5%	España
Codere Online S.A.U.	Operation	66.5%	España
Codere Online Colombia SAS	Operation	66.5%	Colombia
Codere Online Panama S.A.	In Operation	66.5%	Panama
LIFO AenP	In Operation	66.5%	Mexico
Codere Scommese S.R.L.	In Operation	66.5%	Italy
Codere Online Operator LTD	In Operation	66.5%	Malta
Codere Online Management Services LTD	Support	66.5%	Malta
Codere Israel Marketing Support Services LTD	Support	66.5%	Israel
Codere (Gibraltar) Marketing Services LTD	Support	66.5%	Gibraltar

(*) Direct participation of Codere Newco, S.A.U. in Codere Online Luxembourg, S.A. of 66.5% and indirect participation in the rest.

The Group's corporate restructuring of Codere Online has been carried out in two stages: (1) the transfer of the relevant entities and businesses which were not direct or indirect subsidiaries or businesses of Servicios de Juego Online, S.A.U. ("SEJO") to SEJO and (2) the transfer of SEJO to Codere Online Luxembourg, in connection with the transaction with DD3.

The first phase involved a corporate restructuring in which all online gaming activities of the Codere Group became operated or owned by SEJO and its subsidiaries by owning or receiving assets, rights and/or entities of the Codere Group.

The next phase involved the transfer of SEJO to Codere Online Luxembourg S.A. in exchange for additional ordinary shares of that company to be subscribed by Codere Newco for an amount of 29,970,000 ordinary shares.

These transactions have not had any accounting effect on the consolidated Group.

On 21 June 2021, DD3 Acquisition Corp. II ("DD3"), a U.S. listed entity whose shares are traded on the Nasdaq Capital Market ("Nasdaq"), Codere Online US Corp ("Merger Sub"), a Delaware corporation created in 2021 as part of this transaction, Codere Newco S.A.U., SEJO and Codere Online Luxembourg, S.A., entered into a business combination agreement (the "Business Combination Agreement"). The reorganisation of the entire online business under SEJO and the subsequent non-cash contribution was considered a business combination under common control using the "previous method of accounting".

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

The transaction with DD3 closed on 30 November 2021 and, as a result of the transaction, each Class A and B ordinary share of DD3 issued and outstanding immediately prior to the closing of the transaction was automatically converted into and exchanged for one validly issued and fully paid Class A and B ordinary share, respectively, of Codere Online Luxembourg, S.A. pursuant to an increase in the share capital of said company.

In addition, there was the conversion of the warrants initially issued by DD3 prior to this transaction, which no longer represented a right to acquire one Class A ordinary share of DD3, for the right to acquire one ordinary share of Codere Online Luxembourg, S.A. under substantially the same terms. In addition, pursuant to the Business Combination Agreement, DD3 merged with Codere Online US Corp and DD3 survived such merger and became a direct wholly-owned subsidiary of Codere Online Luxembourg, S.A. and, in connection therewith, the corporate name of DD3 changed to Codere Online US Corp. As a result of these transactions, which were completed on 29 November and 30 November 2021, respectively, SEJO and DD3 became direct wholly-owned subsidiaries of Codere Online Luxembourg, S.A.

At the date of the transfer, 30 November 2021, the price was 1.46 euros per warrant amounting to 9,950 thousand euros. As at 31 December 2021, the price was reduced to 0.86 euros per warrant, so that as at 31 December 2021, the fair value of warrant liabilities amounts to 5,513 thousand euros. The change in the fair value of the warrants has been recognised in the consolidated income statement as finance income in the amount of 3,937 thousand euros in the year ended 31 December 2021.

Codere Online Luxembourg, S.A. is listed on Nasdaq since 1 December 2021.

The restructuring was treated as a reorganisation of entities under common control. Accordingly, the Group elected as its accounting policy to present the restructuring under common control using either the "previous accounting method" or the "pooling of interests method", which involve the following:

- The assets and liabilities of the incorporated businesses were reflected at their carrying amounts. No adjustments were made to reflect fair values, or to recognise new assets or liabilities, at the date of the transaction that would otherwise be made under the acquisition method.
- Any difference between the consideration paid/transferred and the aggregate carrying amount of the assets and liabilities of the acquired entities at the date of the transaction was reflected as an adjustment to equity.
- Include all revenues, expenses, assets and liabilities attributed to the online business in each case.

In addition, and as explained above, the merger was completed on 30 November 2021, at which time DD3 merged with Codere Online U.S. Corp. and therefore became part of the Group on that date. As part of this transaction, the conversion of each DD3 warrant, which no longer represented a right to acquire one Class A ordinary share of DD3, was replaced by the right to acquire one ordinary share of Codere Online Luxembourg, S.A. on substantially the same terms. This transaction has been accounted for under IFRS 2, Share-based Payment. Therefore, the accounting for this transaction in the 2021 consolidated financial statements is as follows:

- The difference in the fair value of the ordinary shares transferred to DD3's ordinary shareholders in excess of DD3's net assets represented a service cost to achieve the ordinary share listing and was accounted for as a share-based payment in accordance with IFRS 2.
- The above service cost, which is a non-cash expense, was 35.8 million euros and was expensed to the Group upon completion of the Business Combination under common control.

The costs incurred in this transaction paid by DD3 and the Group amounted to 16.4 million euros. The costs incurred for DD3 were 5.2 million euros and have been considered an incremental cost, reflected as a reduction in cash and a reduction in the Group's equity in the consolidated financial statements.

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

The rest, corresponding to the initial transaction costs incurred by the Group amounting to 11.2 million euros have been reflected as a reduction in Group cash and an increase in other operating expenses for the year 2021.

Effect in Group's Equity:

The movement in the Group's reserves as a result of the online transaction (see note 6.a.1) corresponds to the contribution of DD3 to Codere Online Luxembourg, S.A. as part of the transaction as at 30 November 2021. The fair value of the contribution made by DD3 consists of:

	Thousand euros
Fair value of assets (cash)	102,425
Fair value of liabilities (warrants)	(9,406)
Operation expenses attributable to DD3	(5,255)
Service Costs (*)	35,798
Net contribution/increase in equity	123,562

(*) Fair value difference of ordinary shares transferred to the shareholders of DD3 in excess of its net assets represented a service cost to succeed floating the company in Nasdaq and it was accounted for as per IFRS 2 share-based payments. The fair value of DD3 shares was derived from quoted prices (Level 1).

b) Business combinations

b.1) 2021

No business combinations took place in 2021.

b.2) 2020

The acquisition of the remaining 70% of New Joker, S.R.L. has been completed. It is not significant and is therefore not broken down.

c) Changes in the scope of consolidation

c.1) 2021

The main changes in the scope of consolidation were as follows:

- On 1 February 2021, Codere Apuestas Castilla La Mancha, S.A.U. sold its 49% stake to Codere Operadora de Apuestas, S.L.U., reducing its shareholding to 51%.
- On 1 February 2021, Codere Online Panama, S.A. was incorporated.
- On 11 February 2021, Codere Italia S.p.A. acquired 11.10% of Codwin, S.R.L., taking its stake to 52.10%.
- On 1 April 2021, Apuestas del Principado de Asturias, S.A. and Codere Apuestas Asturias, S.A.U. merged.
- On 4 June 2021 Codere Online Luxembourg, S.A. was incorporated.
- On 21 June 2021 Codere Online Mexico, S.A. was incorporated.
- On 28 July 2021, Codere Italia S.p.A. acquired a 29% stake in Seven Cora Service, S.R.L. from Codere Italia S.p.A., taking its stake to 89%.

CODERE LUXEMBOURG 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

- On 10 August 2021, Codere Online Colombia, S.A. was incorporated.
- On 29 September 2021, Codere Italia S.p.A. acquired a 32.18% stake in Nori Games Service, S.R.L. from Codere Italia S.p.A., giving it a stake of 83.18%.
- On 15 October 2021, Codere New Topco, S.A. was incorporated.
- On 22 October 2021, Codere New Midco, S.a.r.l was incorporated.
- On 25 October 2021, Codere New Holdco, S.A. was incorporated.
- On 18 October 2021 Codere Luxembourg 3, S.a.r.L was incorporated.
- On 18 November 2021, Codere Interactiva, S.L. was liquidated.
- On 9 June 2021, Codere Online U.S. Corp. was incorporated.

c.2) 2020

The main changes in the scope of consolidation were as follows:

- On 1 January 2020, Codere Gaming Italia, S.R.L. merged with the Italian company Codere Italia, S.p.A., with a 100% stake.
- On 14 January 2020, 1% of Hotel Icela, S.A.P.I. de C.V. was acquired, increasing the stake to 50%.
- On 12 February 2020, 1% of Calle Icela, S.A.P.I. de C.V. was acquired, increasing the shareholding to 50%.
- On 6 March 2020, Juego Responsable, A.I.E., 50% owned by Operibérica, S.A.U., was incorporated.
- On 13 July 2020, the company FG Slot Service, S.R.L. was merged into the company Gap Games, S.R.L., which is now called Codwin, S.R.L.
- On 16 July 2020, Codere Finance (UK) 2, Limited was incorporated in the United Kingdom, in which Codere, S.A. holds a 75% stake.
- On 17 July 2020, HR Mexico City Proyect CO, S.A.P.I. de C.V. was incorporated in Mexico, in which CCJV, S.A.P.I. holds a 75% stake. .
- On 31 July 2020, Operbingo Italia , S.p.A. acquired 70% of New Joker, S.R.L., taking its stake to 100%.
- On 3 August 2020, Codere Italia, S.p.A. acquired 25.5% of SE.BI.LOT, S.R.L., increasing its stake to 76.5%.
- On 1 October 2020, the companies Entretenimiento Recreativo, S.A. de C.V., Entretenimiento Virtual, S.A. de C.V., Impulsora Recreativa de Entretenimiento AMH, S.A. de C.V., Juegamax de las Américas, S.A. de C.V. and Comercializadora Sortijuegos, S.A. de C.V. merged into the company Administradora Mexicana de Hipódromo, S.A. de C.V.

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7. INTANGIBLE ASSETS

The breakdown and changes to the items included under "Intangible fixed assets" is as follows:

2021						Thousand euros
Costs	Balance as at December 2020	Business combinations	Additions	Retiremen ts	Translation differences (*)	Balance as at December 2021
Licenses	297,797	-	14	-	42,953	340,764
Trademarks	26,317	-	-	-	1,338	27,655
Rights	239,067	-	9,024	(13,948)	5,485	239,628
Computer software	79,067	-	6,126	(14)	1,137	86,316
Other intangible fixed assets	31,055	-	538	(298)	1,033	32,328
	673,303	-	15,702	(14,260)	51,946	726,691
Accumulated amortisation						
Licenses	(130,570)	-	(7,088)	-	(30,825)	(168,483)
Rights	(153,288)	-	(18,199)	12,923	(4,160)	(162,724)
Computer software	(58,754)	-	(10,334)	(1)	(1,074)	(70,163)
Other intangible fixed assets	(19,452)	-	(3,465)	-	(660)	(23,577)
	(362,064)	-	(39,086)	12,922	(36,719)	(424,947)
Provisions						
	(1,579)	-	(6,135)	(207)	-	(7,921)
	(1,579)	-	(6,135)	(207)	-	(7,921)
Net book value	309,660					293,823

(*) The "Translation differences" heading includes the effect of inflation in Argentina. (Note 2. b.3.2)

The changes in the heading "Rights" corresponds to additions and withdrawals of exclusivity rights mainly associated with the operation in Spain.

The heading "Computer Applications" includes under Cabeceras agreements on software licences and professional services.

2020						Thousand euros
Costs	Balance as at 1 January 2020	Business combinations	Additions	Retirements	Translation differences (*)	Balance as at December 2020
Licenses	341,541	-	2	(35)	(43,711)	297,797
Trademarks	30,555	-	-	(327)	(3,911)	26,317
Rights	247,526	218	8,277	(6,045)	(10,909)	239,067
Computer software	70,873	7	10,061	(36)	(1,838)	79,067
Other intangible fixed assets	33,144	-	1,421	(415)	(3,095)	31,055
	723,639	225	19,761	(6,858)	(63,464)	673,303
Accumulated amortisation						
Licenses	(135,115)	-	(8,127)	35	12,637	(130,570)
Rights	(145,743)	-	(18,089)	4,680	5,864	(153,288)
Computer software	(49,815)	-	(10,424)	10	1,475	(58,754)
Other intangible fixed assets	(17,375)	-	(2,548)	-	471	(19,452)
	(348,048)		(39,188)	4,725	20,447	(362,064)
Provisions						
	(1,579)	-	-	-	-	(1,579)
	(1,579)	-	-	-	-	(1,579)
Net book value	374,012					309,660

(*) The "Translation differences" heading includes the effect of inflation in Argentina. (Note 2. b.3.2)

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The column "Business Combinations" includes the fair value of the assets associated with the acquisition of the remaining 70% of the Italian company New Joker, S.R.L. (See Note 6.b2)

The changes in the heading "Rights" corresponds to additions and withdrawals of exclusivity rights mainly associated with the operation in Spain.

The heading "Computer Applications" includes under Cabeceras agreements on software licences.

a) Other Information

The only intangible assets with indefinite useful lives held by the Group are trademarks, which amount to 27,655 thousand euros at 31 December 2021 and 26,317 thousand euros at 31 December 2020.

The Group considers that trademarks have an indefinite useful life as they are assets with no legal or other limits, and are assessed for impairment at least once a year and in any case whenever there is an indication that impairment may have occurred.

The following is a breakdown of the trademarks by Cash Generating Unit:

	<u>2021</u>	<u>2020</u>
	<u>Trademarks</u>	<u>Trademarks</u>
Spain	972	972
México	26,683	25,345
	<u>27,655</u>	<u>26,317</u>

The individually significant assets together with their carrying amount and remaining depreciation period are as follows:

<u>Asset type</u>	<u>Book value</u>	<u>Remaining amortisation period</u>
Licences Salas Argentina	3,317	Between 1 year and 8 years
Panama Casino Licences	6,813	Between 5 years and 7 years
Licences Mexico	160,925	Between 10 years and 24 years
Italy network concession machine licenses	485	1 year

As at 31 December 2021, the Group had no significant commitments to purchase or sell intangible assets.

Breakdown of fully amortised intangible assets in use at 31 December 2021 and 2020 are as follows:

	<u>Thousand euros</u>	
<u>Cost</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
Concessions, patents, licences	9,960	15,515
Rights	30,956	26,781
Computer software	48,940	44,490
	<u>89,856</u>	<u>86,786</u>

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8. RIGHTS OF USE

The Codere Group applied the standard "IFRS 16 Leases" as of 1 January 2019 using the modified retrospective method, and therefore the amounts for 2018 remain unchanged.

At 31 December 2021, the Codere Group operates, as a lessee of gaming halls, administrative offices, transport elements, gaming machines and other assets of lesser value.

The duration of the contracts varies widely depending on the country and the type of asset leased (from 1-year contracts with extensions up to 20-year contracts). In defining the useful lives of the assets, extension options have been considered in those contracts where it is expected that the Group will exercise such option for the current rental yield or in those rental contracts that are linked to the duration of the gaming licences.

The rental amounts are in most cases adjusted by the annual variation of the consumer price index in force in the country. The amount of leased assets varies according to this index change.

The implementation of IFRS 16 in the Codere Group was quite complex, given the number of existing contracts and their diversity, as well as the need to make certain estimates, especially in relation to the estimated useful lives of each contract, which made its implementation quite complex. In addition, these estimates may be affected by the effects of the Group's operating strategy or the specific legal or economic circumstances of a country, which may cause the estimated useful lives of the contracts to vary, mainly those of gaming room leases when they are not linked to a specific licence, which means that this estimate must be reviewed and, where appropriate, revised periodically.

The following is a breakdown of the changes in rights-of-use assets as at 31 December 2021 and 2020:

	Thousand euros		
	Cost	Accumulated amortisation	Net amount
Balance at 31/12/2020	285,033	(93,300)	191,733
Registrations	16,784	(41,924)	(25,140)
Removals	(15,446)	12,845	(2,602)
Reclassifications	-	-	-
Translation differences	8,131	(3,385)	4,747
Balance at 31/12/2021	294,502	(125,764)	168,738

The additions mainly include the effect of changes in the contractually agreed amounts of rents in Panama.

	Thousand euros		
	Cost	Accumulated amortisation	Net amount
Balance at 1/01/2020	311,371	(56,682)	254,689
Registrations	43,503	(47,766)	(4,263)
Removals	(38,477)	6,706	(31,771)
Reclassifications	-	-	-
Translation differences	(31,364)	4,442	(26,922)
Balance at 31/12/2020	285,033	(93,300)	191,733

(*) As a result of the change in business strategy in some markets, the original estimate of the useful life of some of the gaming hall contracts not directly linked to the useful life of their licences has been re-evaluated, mainly in Mexico.

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The following is a breakdown of the depreciation charge for rights-of-use assets by type of underlying asset:

Asset type	Thousand euros	
	2021	2020
Buildings	3,710	3,290
Gaming halls	35,795	40,272
Machinery	1,037	2,600
Vehicles	1,056	1,309
Installations	106	251
Data processing equipment	220	44
Total	41,924	47,766

The amount of the expense relating to variable lease payments not included in the valuation of lease liabilities amounted to 20,132 euros and 12,531 thousand euros in the years 2021 and 2020 respectively. Such variable payments mainly relate to machine contracts where the rent component is variable (fixed according to a percentage of the revenue from such gaming machines).

The following is a breakdown of the relationship between equity and fixed income payments in the Group:

	2021	2020
Fixed rent payment	58,128	49,500
Variable rent payment	20,132	12,531
Total rent payments	78,260	62,031

Interest rates are considered by country, in a range between 5.5% and 13% for 2020 and in a range between 5.1% and 14.8% for 2021, with the exception of finance leases in Argentina in local currency, whose interest rate is around 40%.

The following is a breakdown of the lease debt by maturity:

	1 year	2-5 years	More than 5 years	Total
2021	61,416	78,920	48,004	188,340
2020	60,315	93,426	58,866	212,607

COVID-19 waivers

The Group has adopted, in accordance with the amendment included in IFRS 16 Leases, relating to waivers of lease payments as a result of the effects of COVID-19, the approach of not recognising these waivers as lease modifications.

The changes in finance lease debt are detailed below:

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	Thousand euros	
	2021	2020
Opening balance Financial liabilities for leases	212,605	258,268
Financial Interest Expense	16,023	21,854
Payments	(58,203)	(46,419)
Rent remission for COVID-19	-	(15,132)
Useful life changes	-	-
Additions / (Retirements) in the period	11,079	25,488
Reclassifications	-	-
Translation differences	9,610	(31,454)
Total	191,114	212,605
Deferred Tax	(2,784)	-
Final balance Financial liabilities for leases	188,330	212,605

9. TANGIBLE FIXED ASSETS AND INVESTMENT PROPERTY

9.a) Tangible fixed assets

The breakdown and changes to the items included under this heading is as follows:

	Thousand euros						
	Balance as at December 2020	Business combinations	Additions	Retirements	Transfers	Translation differences (*)	Balance as at December 2021
Cost							
Leisure machines	292,805	-	9,545	(18,345)	1,173	32,026	317,204
Recreational and sports machines	35,926	-	269	(840)	-	105	35,460
Other tools, furniture and fixtures	89,173	-	1,475	(2,237)	132	4,658	93,201
Data processing equipment	44,045	-	1,778	(1,691)	10	4,280	48,422
Advances and fixed assets under construction	6,067	-	6,739	(1,338)	(2,773)	(67)	8,628
Vehicles	3,247	-	135	(326)	-	263	3,319
Land	13,411	-	-	(11)	-	1,458	14,858
Buildings	156,709	-	4	(104)	34	10,268	166,911
Refurbishment of leased premises	240,716	-	720	(389)	1,417	17,766	260,230
Technical facilities and machinery	79,895	-	1,810	(2,056)	7	6,858	86,514
Total	961,994	-	22,475	(27,337)	-	77,615	1,034,747
Accumulated amortisation							
Leisure machines	(212,448)	-	(27,230)	16,687	-	(30,297)	(253,288)
Recreational and sports machines	(29,326)	-	(3,130)	825	-	(140)	(31,771)
Other tools, furniture and fixtures	(73,597)	-	(3,209)	1,681	-	(4,086)	(79,211)
Data processing equipment	(39,148)	-	(2,677)	1,618	-	(4,681)	(44,888)
Vehicles	(2,569)	-	(188)	254	-	(263)	(2,766)
Buildings	(102,482)	-	(6,664)	74	-	(5,741)	(114,813)
Refurbishment of leased premises	(159,553)	-	(11,370)	2,173	-	(14,590)	(183,340)
Technical facilities and machinery	(63,879)	-	(5,726)	1,402	-	(6,752)	(74,955)
Total	(683,002)	-	(60,194)	24,714	-	(66,550)	(785,032)
Provisions	(14,892)	-	(31)	124	-	16	(14,783)
Net book value	264,100						234,932

(*) The "Translation differences" heading includes the effect of inflation in Argentina.

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2020

	Thousand euros					
	Balance as at 1 January 2020	Business combinations	Additions	Retirements	Transfers	Translation differences (*) Balance as at December 2020
Cost						
Leisure machines	313,101	-	27,511	(15,349)	6,367	292,805
Recreational and sports machines	36,672	-	230	(565)	68	35,926
Other tools, furniture and fixtures	102,366	75	792	(7,041)	1,369	89,173
Data processing equipment	49,603	6	705	(3,040)	523	44,045
Advances and fixed assets under construction	21,148	-	11,656	(7,572)	(16,804)	6,067
Vehicles	3,605	-	49	(77)	-	3,247
Land	14,085	-	9	(1,381)	-	13,411
Buildings	177,236	-	2	(668)	2	156,709
Refurbishment of leased premises	266,726	941	6,067	(7,954)	7,805	240,716
Technical facilities and machinery	86,534	76	1,093	(3,247)	669	79,895
Total	1,071,076	1,098	48,114	(46,894)	(1)	961,994
Accumulated amortisation						
Leisure machines	(213,134)	-	(32,061)	9,576	-	(212,448)
Recreational and sports machines	(26,023)	-	(4,047)	426	-	(29,326)
Other tools, furniture and fixtures	(83,163)	-	(3,918)	6,366	565	(73,597)
Data processing equipment	(40,932)	-	(3,972)	2,979	-	(39,148)
Vehicles	(2,569)	-	(287)	71	-	(2,569)
Buildings	(108,126)	-	(6,631)	396	-	(102,482)
Refurbishment of leased premises	(168,162)	-	(13,919)	6,744	(565)	(159,553)
Technical facilities and machinery	(63,462)	-	(6,196)	2,080	-	(63,879)
Total	(705,571)	-	(71,031)	28,638	-	(683,002)
Provisions	(16,302)	-	(174)	1,265	-	(14,892)
Net book value	349,203					264,100

In "Leisure machines", additions are mainly in Spain and retirements in Mexico and Panama as a result of the renewal of the machine park.

The movement in "Advances on fixed assets under construction" relates mainly to the acquisition of B-machines and alterations to premises in Mexico.

At 31 December 2021 and 31 December 2020, "Provisions" mainly includes the impairment recognised on the Hotel Casino Carrasco in Uruguay for 4,840 thousand euros in both periods and 9,212 thousand euros of impairment of assets in Colombia (8,717 thousand euros at 31 December 2020).

Breakdown of the original acquisition cost of fully depreciated tangible assets in use at 31 December 2021 and 2020 whose fair value is considered immaterial are as follows:

	Thousand euros	
Cost	December 2021	December 2020
Leisure machines	219,683	219,266
Recreational and sports machines	21,106	18,103
Other tools, furniture and fixtures	85,796	93,510
Data processing equipment	61,630	64,081
Vehicles	3,115	3,513
Buildings	20,270	21,984
Refurbishment of leased premises	124,689	126,749
Technical facilities and machinery	60,491	62,604
Total	596,780	609,810

9.b) Investment property

At 31 December 2021 and 2020, investment property mainly includes the assets of the Banamex Centre in Mexico (43,360 thousand euros and 42,874 thousand euros in 2021 and 2020, respectively).

The changes in the heading "Investment Property" are as follows:

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						Thousand euros
Cost	Balance as at December 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2021
Other tools, furniture and fixtures	3,210	22	-	-	169	3,401
Data processing equipment	910	-	-	-	48	958
Vehicles	84	-	-	-	3	87
Land	715	-	-	-	-	715
Buildings	65,125	-	-	-	3,367	68,492
Refurbishment of leased premises	4,748	10	-	-	251	5,009
Technical facilities and machinery	980	-	-	-	53	1,033
Total	75,772	32	-	-	3,891	79,695

						Thousand euros
Accumulated amortisation	Balance as at December 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2021
Other tools, furniture and fixtures	(2,884)	(41)	-	-	(155)	(3,080)
Data processing equipment	(852)	(26)	-	-	(46)	(924)
Vehicles	(83)	-	-	-	(4)	(87)
Buildings	(24,902)	(1,514)	-	-	(1,360)	(27,776)
Refurbishment of leased premises	(1,642)	(138)	-	-	(94)	(1,874)
Technical facilities and machinery	(710)	(46)	-	-	(40)	(796)
Total	(31,073)	(1,765)	-	-	(1,699)	(34,537)
Net book value	44,699					45,158

						Thousand euros
Cost	Balance as at 1 January 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2020
Other tools, furniture and fixtures	3,680	120	(98)	-	(492)	3,210
Data processing equipment	995	47	-	-	(132)	910
Vehicles	96	-	-	-	(12)	84
Land	715	-	-	-	-	715
Buildings	74,970	-	-	-	(9,845)	65,125
Refurbishment of leased premises	5,266	186	-	-	(704)	4,748
Technical facilities and machinery	925	178	-	-	(123)	980
Total	86,647	531	(98)	-	(11,308)	75,772

						Thousand euros
Accumulated amortisation	Balance as at 1 January 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2020
Other tools, furniture and fixtures	(3,405)	66	-	-	455	(2,884)
Data processing equipment	(977)	(5)	-	-	130	(852)
Vehicles	(96)	-	-	-	13	(83)
Buildings	(26,990)	(1,523)	-	-	3,611	(24,902)
Refurbishment of leased premises	(1,736)	(138)	-	-	232	(1,642)
Technical facilities and machinery	(774)	(39)	-	-	103	(710)
Total	(33,978)	(1,639)	-	-	4,544	(31,073)
Net book value	52,669					44,699

City Banamex Convention Centre Lease Agreement

The Group signed an agreement with CIE whereby the latter group will operate the ICELA-owned Convention Centre. Current agreement will expire on 31 May 2025. Therefore, the amounts relating to the Banamex Centre were reclassified in "Investment property".

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This agreement means an annual royalty of MXN 152 million (6.6 million euros) payable monthly, plus 25% on the positive difference between the actual revenues of each year. However, given the pandemic situation, revenues have been drastically reduced in the last two years, as first its operation was shut down and then the centre was handed over as a hospital for patients from Covid 19 in Mexico City.

In relation to this contract, the estimated future minimum collections amount to MXN 711 million (approximately 31 million euros) over the next 5 years.

The Group is also committed to making a minimum annual investment of 18 million Mexican pesos (approximately 0.7 million euros) in the centre.

Fair value of investment property

The Group has restated the fair value of the assets under this heading, mainly Centro City Banamex in Mexico, based on the estimated future cash flows according to the lease contract described in Note 9, where both cash flows and investment commitments are defined under the assumption of continuity of the contract considering a discount rate of 13.8%. The growth rate used for the calculation of the terminal value of each unit is equivalent to the annual variation of the consumer price index contemplated in the macroeconomic projections for each country in the long term, which in the case of Mexico is 3%. Based on this analysis, the fair value as at 31 December 2021 amounts to 49.7 million euros (31 December 2020: 62.7 million euros), amounting its net book value to 43.3 million euros.

10. INVESTMENTS IN COMPANIES CARRIED BY THE EQUITY METHOD

The entities with which joint ventures are maintained at 31 December 2021 are shown in Appendix I, the Group companies in which joint ventures are maintained are Hippobingo Firenze, S.R.L., Hotel Icela S.A.P.I. de C.V., Calle Icela S.A.P.I. de C.V., Centro de Convenciones Las Américas S.A. de C.V. and Hotel Entretenimiento Las Américas S.A. de C.V.

Concept					Thousand euros
	Balance as at December 2020	Additions	Retirements	Translation differences	Balance as at December 2021
Equity method investment	170	-	(7)	(127)	36
	170	-	(7)	(127)	36

Concept					Thousand euros
	Balance as at 1 January 2020	Additions	Retirements	Translation Differences	Balance as at December 2020
Equity method investment	526	-	(166)	(190)	170
	526	-	(166)	(190)	170

Summarised financial information on significant joint ventures is set out below:

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Joint Ventures

<u>2021</u>	<u>Hippobingo Firenze, S.R.L.</u>	<u>Total</u>
Non-current assets	2,736	2,736
fixed and intangible assets	2,736	2,736
Differed Taxes	-	-
Current assets	557	557
Current assets	380	380
Cash and cash equivalents	177	177
TOTAL ASSETS	3,293	3,293
Non-current liabilities	(505)	(505)
Differed taxes	-	-
Long-term creditors	(467)	(467)
Non-current financial assets	(38)	(38)
Current liabilities	(2,763)	(2,763)
Short-term creditors	(2,421)	(2,421)
Current financial liabilities	(342)	(342)
TOTAL LIABILITIES	(3,268)	(3,268)
Operating Income	1,432	1,432
Operating expense	(1,335)	(1,335)
Operating results	97	97
Financial income	-	-
Financial expense	(11)	(11)
Financial results	(11)	(11)
Income tax expense	-	-
Year-end profit (loss)	86	86

On 30 July 2020 Operbingo Italia, S.P.A. became the sole shareholder of New Joker, S.R.L., holding 100% as a group company. Previously, the investment in New Joker, S.R.L. corresponded to a 30% shareholding in this company, whose main activity is the management and operation of a bingo hall in Rome.

The investment in Hippobingo Firenze, S.R.L. corresponds to a 34% stake.

Lastly, the Group's balances and transactions with companies accounted for using the equity method are detailed for 2021 and 2020.

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	Thousand euros	
	December 2021	December 2020
EXPENSES AND INCOME		
Others expenses	-	-
TOTAL EXPENSE	-	-
Financial income	159	160
Revenues from services	381	290
Sale of stocks	-	-
Other income	-	-
TOTAL INCOME	540	450

	Thousand euros	
	December 2021	December 2020
PERIOD-END BALANCES		
Client and trade debtors	2,189	1,183
Loans and credits granted	3,192	2,824
TOTAL DEBT BALANCE	5,381	4,007
Suppliers and trade creditors	(94)	-
Loans and credits received	(11)	(11)
TOTAL CREDITOR BALANCE	(105)	(11)

11. GOODWILL

The changes by Cash Generating Unit as at 31 December 2021 and 2020 are as follows (expressed in thousand euros):

	Thousand euros				
	Balance as at December 2020	Additions	Transfers between CGUs	Retirements	Balance as at December 2021
2021					
Spain	29,863	15	(29,844)		34
Holding companies	-		29,844		29,844
Argentina	39,775	-	-	(21,700)	32,393
Italy	47,384	-	-	-	47,384
Panama	26,633	-	-	-	29,022
México	60,571	-	-	(2,426)	61,260
Uruguay	5,318	-	-	-	5,458
Total	209,544	15	-	(24,126)	205,395

(*) The "Translation differences" heading includes the effect of inflation in Argentina (Note 2.b.2.3).

Disposals in 2021 correspond in Mexico to the sale of Mio Games S.A. de C.V. in Mexico and in Argentina to the impairment in said country (Note 14).

The breakdown of goodwill at 31 December 2021 and 2020 by group of cash-generating unit (CGU) to which it relates, indicating its cost and accumulated depreciation, is as follows:

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Thousand euros					
2021	Cost	2019 and previous years	Impairment losses		Net value
			2020	2021	
Spain	79,362	(79,328)	-	-	34
Cabeceras	29,844	-	-	-	29,844
Argentina	54,093	-	-	(21,700)	32,393
Italy	116,518	(69,134)	-	-	47,384
Panama	31,022	-	(2,000)	-	29,022
México	85,590	(24,330)	-	-	61,260
Uruguay	5,458	-	-	-	5,458
	401,887	(172,792)	(2,000)	(21,700)	205,395

Thousand euros					
2020	Cost	2018 and previous years	Impairment losses		Net value
			2019	2020	
Spain	109,191	(79,328)	-	-	29,863
Argentina	39,775	-	-	-	39,775
Italy	116,518	(69,134)	-	-	47,384
Panama	28,633	-	-	(2,000)	26,633
México	84,901	(24,330)	-	-	60,571
Uruguay	5,318	-	-	-	5,318
	384,336	(172,792)	-	(2,000)	209,544

12. NON-CURRENT FINANCIAL ASSETS

The breakdown of the balance of this heading at 31 December 2021 and 2020 and changes for the periods are as follows:

Thousand euros						
Concept	Balance as at December 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2021
Credits and accounts receivable	13,933	4,897	(825)	297	150	18,452
Investments held until maturity	3,464	697	(91)	(34)	88	4,124
	17,397	5,594	(916)	263	238	22,576

Thousand euros						
Concept	Balance as at 1 January 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2020
Credits and accounts receivable	15,397	1,712	(1,644)	(219)	(1,313)	13,933
Investments held until maturity	4,560	1	(1,491)	397	(3)	3,464
	19,957	1,713	(3,135)	178	(1,316)	17,397

The carrying amount of this item is denominated in the following currencies:

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<i>Currency</i>	Thousand euros	
	2021	2020
Euro	13,829	10,996
Dollars	7,479	4,860
Argentine pesos	137	103
Mexican pesos	809	1,221
Colombian Pesos	322	217
	22,576	17,397

a) "Loans and receivables":

Type	Holding Company	Thousand euros	
		2021	2020
Long-term loans	Alta Cordillera, S.A.	3,152	2,753
Long-term loans	Grupo Operbingo Italia, S.p.A.	2,176	2,183
Long-term loans	Operibérica, S.A.	1,409	1,173
Long-term loans	Codere México, S.A.	897	1,256
Other minor loans to third parties		10,818	6,568
		18,452	13,933

Alta Cordillera, S.A. mainly includes deposits held to warranty legal commitments with employees.

The Operbingo Italia, S.p.A. Group mainly includes the bonds associated with the granting of the Bingo licence.

The detail of the amortised cost of principal receivables by maturity date is as follows:

	Thousand euros	
	2021	2020
2022	-	5,299
2023	4,944	545
2024	4,082	957
2025	130	460
2026	307	-
Next	8,989	6,672
	18,452	13,933

b) Investments held until maturity:

Investment type	Thousand euros	
	2021	2020
Hopper tanks	3,923	3,258
Other	201	206
	4,124	3,464

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13. DEFERRED TAXES

The breakdown of deferred tax assets and liabilities at close of 2021 and 2020 is as follows (Thousand euros):

	Thousand euros			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	25,339	(54,737)	16,869	(51,227)
Tangible fixed assets	732	(2,015)	7,598	(6,995)
Financial investments	-	-	-	-
Exchange rate differences	-	-	-	-
Tax Credits	39,031	2,960	15,415	4,781
Impact IFRS 16	6,842	(2,772)	5,499	-
Provisions	5,656	8,395	4,179	925
Inflation effect Argentina	(2,587)	(14,828)	(3,866)	(8,919)
Other	659	(1,607)	194	(3,121)
	75,672	(64,604)	45,888	(64,556)
Deferred tax assets/(liabilities) recoverable over 12 months	42,149	(58,031)	28,325	(30,287)
Deferred tax assets/(liabilities) to be recovered within 12 months	33,523	(6,573)	17,563	(34,269)
	75,672	(64,604)	45,888	(64,556)

Deferred tax assets and liabilities are shown at their net amount when they relate to taxes levied by the same tax authority on the same taxable person, and there is a legally enforceable right to offset current tax assets and liabilities.

The recovery of these receivables has been subject to the periodic review of business plans that analyse the reversal of temporary differences, as well as the recovery of tax bases, considering the following in this plan:

- Operational performance of business plans for each geographical area assuming a 5-year time horizon.
- Estimated tax adjustments for non-deductible expenses, differences in tax and accounting depreciation, portfolio impairment reversals and differences in the allowance for impairment of receivables mainly.
- Estimated future operating cash flows obtained from the companies that make up the consolidated group derived from the operations of the rest of the business units. These flows come from:
 - Provision of corporate services.
 - Financial returns on loans granted.
 - Dividend receivable.

The amount of these positive flows allows the offsetting of the tax base credits that have been capitalised in the balance sheet, generating sufficient positive taxable income for offsetting in the period provided for in the tax legislation in force in each country.

The movement in deferred tax assets and liabilities recognised by the Group is as follows for 2021 and 2020:

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	Thousand euros							
	Balance as at December 2020	Expense d for the year	Charged to equity	Business combinations	Transfers	Hyperinflation adjustment	Translation differences	Balance as at December 2021
<u>Assets</u>								
Tax Credits	15,415	25,888	-	-	(2,320)	-	48	39,031
Intangible fixed assets	16,869	2,166	-	-	5,332	-	972	25,339
Tangible fixed assets	7,598	(760)	-	-	(6,151)	-	45	732
Provisions	4,179	2,613	-	-	(1,015)	-	(121)	5,656
Financial investments	-	-	-	-	-	-	-	-
IFRS 16	5,499	508	-	-	545	-	290	6,842
Inflation effect Argentina	(3,866)	(1,449)	-	-	2,952	(659)	435	(2,587)
Other	194	(398)	-	-	885	-	(22)	659
	<u>45,888</u>	<u>28,568</u>	<u>-</u>	<u>-</u>	<u>228</u>	<u>(659)</u>	<u>1,647</u>	<u>75,672</u>
<u>Liabilities</u>								
Tax Credits	4,781	(3,514)	-	-	2,231	-	(538)	2,960
Tangible fixed assets	(6,995)	378	-	-	4,995	-	(393)	(2,015)
Financial investments	-	-	-	-	-	-	-	-
Intangible fixed assets	(51,227)	4,411	-	-	(5,469)	-	(2,452)	(54,737)
Provisions	925	4,894	-	-	2,881	-	(305)	8,395
IFRS 16	-	(2,292)	-	-	(435)	-	(45)	(2,772)
Fiscal Revaluation Argentina	(8,919)	(2,667)	-	-	(2,953)	(1,292)	1,003	(14,828)
Other	(3,121)	3,053	-	-	(1,476)	-	(63)	(1,607)
	<u>(64,556)</u>	<u>4,263</u>	<u>-</u>	<u>-</u>	<u>(226)</u>	<u>(1,292)</u>	<u>(2,793)</u>	<u>(64,604)</u>
	<u>(18,668)</u>							<u>11,068</u>

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Thousand euros

	Balance as at 1 January 2020	Expense d for the year	Charged to equity	Business combinations	Transfers	Hyperinflation adjustment	Translation differences	Balance as at December 2020
<u>Assets</u>								
Tax Credits	15,736	(1,355)	-	-	1056	-	(22)	15,415
Intangible fixed assets	17,865	2,559	-	-	(1,098)	-	(2,457)	16,869
Tangible fixed assets	9,932	(195)	58	7	(995)	-	(1,209)	7,598
Provisions	2,003	1,364	-	-	837	-	(25)	4,179
Financial investments	(1)	-	-	-	1	-	-	-
IFRS 16	5,197	689	-	-	418	-	(805)	5,499
Inflation effect Argentina	912	2,047	-	-	(4,306)	(2,199)	(320)	(3,866)
Other	1,186	(560)	-	1	(417)	-	(16)	194
	52,830	4,549	58	8	(4,504)	(2,199)	(4,854)	45,888
<u>Liabilities</u>								
Tax Credits	-	4,781	-	-	-	-	-	4,781
Tangible fixed assets	(2,258)	2,194	-	-	(8,940)	-	2,009	(6,995)
Financial investments	-	-	-	-	-	-	-	-
Intangible fixed assets	(80,842)	5,295	-	(221)	17,202	-	7,339	(51,227)
Provisions	2,071	2,329	-	-	(3,055)	-	(420)	925
Fiscal Revaluation Argentina	(17,248)	(541)	-	-	4641	(1,667)	5,896	(8,919)
Other	3,034	(1,067)	(58)	-	(5,344)	-	314	(3,121)
	(95,243)	12,991	(58)	(221)	4,504	(1,667)	15,138	(64,556)
	(42,413)							(18,668)

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Deferred tax assets and liabilities recognised at the end of 2021 mainly relate to the following:

Tax Credits As a result of the analysis of the recovery of tax losses obtained in previous years, on the one hand, tax credits for tax loss carryforwards were recognised amounting to

- 3,547 thousand euros in Italy.
- 21,973 thousand euros in Mexico.
- 1,270 thousand euros in Argentina.

On the other hand, tax credits have been written off in the amount of:

- 4,311 thousand euros in Argentina.
- 106 thousand euros in Spain.

In 2020, on the one hand, tax loss carryforwards of 10,707 thousand euros were recognised in Argentina, 5,088 thousand euros in Italy and 209 thousand euros in Spain in relation to companies that are not part of the tax group, and on the other hand, tax loss carryforwards of 11,089 thousand euros were derecognised in Spain in relation to the tax group and in Panama in the amount of 1,490 thousand euros.

IFRS 16: The initial application in 2019 of International Financial Reporting Standard 16 "Leases" resulted in the recognition of a deferred tax asset for temporary differences totalling 300.000 euros in 2020. In 2021, the application of this Standard results in a deferred tax asset balance of 6,842 thousand euros and a deferred tax liability of 2,772 thousand euros. See impacts from the application of IFRS 16 in Note 8 above on rights of use.

Provisions: The opening balance of the deferred tax asset corresponding to Provisions amounts to 5,104 thousand euros in 2020, with a closing balance of 14,051 thousand euros in 2021. This change is mainly due to accounts receivable's write-offs as a result of unrealised risks as well as due to long-term employee benefits that are not deductible until they become due.

Fiscal Revaluation in Argentina: This deferred tax relates to the following three items.

On 29 December 2017, Law 27,430 came into force, approving a comprehensive tax reform that addresses, among other aspects, the tax reassessment. On this basis, it establishes the possibility of revaluing certain assets for tax purposes in order to update their value. This revaluation is optional and involves the payment of a special tax equivalent to between 8% and 15% of the value of the revaluation, depending on the type of asset to be revalued, and this option must be exercised during the financial year following the entry into force of the regulation.

In 2018, the Group decided to take advantage of the tax revaluation option. At 31 December 2021, the Group has recognised a deferred tax asset of 16,666 thousand euros.

Furthermore, as a result of the accounting revaluation of assets carried out by application with effect from 1 January 2018 of IAS 29 on Hyperinflationary Economies (see Note 2.b.3.2), a deferred tax liability has been recognised as a result of the accounting expense for the depreciation of assets revalued due to hyperinflation. The amount recognised at the end of 2021 amounts to 31,011 thousand euros.

Lastly, in Argentina, Law No. 27,430, subsequently amended by Law No. 27,468, establishes the obligation, for tax years starting on or after 1 January 2018, to deduct or include in taxable income the

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inflation adjustment calculated on the basis of the procedure described in the Income Tax Law, only to the extent that the variation in the general level consumer price index (CPI) accumulated in the 36 months prior to the end of the tax year exceeds 100%.

Based on a subsequent amendment, it is established that the positive or negative inflation adjustment, as the case may be, corresponding to the first and second fiscal year starting on or after 1/1/2019, one sixth (1/6) shall be allocated in that fiscal period and the remaining five sixths (5/6) in equal parts, in the five (5) immediately following fiscal periods.

Lastly, in 2021 a deferred tax liability has been recognised for the net amount of 3,069 thousand euros of the tax inflation adjustment calculated for the year indicated. The portion corresponding to the remaining one-sixth to be applied in the current year has been recognised as part of current tax.

The sum of these three items together with adjustments for hyperinflation and translation differences gives a balance of 17,415 thousand euros as deferred tax liabilities.

Intangible and tangible fixed assets: The remaining change in deferred tax assets and liabilities compared to 2021 is due to temporary differences for the year arising from differences between accounting and tax depreciation in the year.

Conversion differences and hyperinflation adjustment:

In addition, the year-end balance of deferred tax assets and liabilities is affected by translation differences and hyperinflationary adjustments.

14. IMPAIRMENT OF NON-FINANCIAL ASSETS

a) Method of determining the recoverable amount of cash-generating units and key assumptions used in the calculations:

The Group periodically tests non-financial assets (goodwill and other non-current assets) for impairment, annually or more frequently if events or changes in circumstances indicate a potential impairment loss. However, as a consequence of the mandatory and enforced restrictions generated by COVID-19 and considering that during the first half of 2020 a large part of the Group's face-to-face operations remained closed. The group has performed impairment tests coinciding with the quarterly closes of 2021 (including 31 December 2021).

The basis on which the Group determines the recoverable amount of cash-generating units is the value in use criterion. Value in use equals the net present value of the projected future cash flows derived from the operating assets of each identified unit.

The impairment tests incorporate the right of use in the CGU, but reduce it by the financial liability, considering that paragraph 78 of IAS 36 applies.

Cash flow projections

The estimation of future cash flows for each cash-generating unit has been developed using projection models that integrate the most relevant operational, financial and macroeconomic indicators in each case. The explicit projection horizon used is five years. Thereafter, a terminal value determined as a perpetual income calculated at a constant growth rate is estimated.

The explicit projection for the first year takes into account the detailed budgets approved in each unit for

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the financial year 2022 adjusted, where appropriate, for the estimated impact of relevant changes in regulation, the competitive environment, the business model, or the performance of each unit. These budgets were prepared by Codere Group management in 2021 and finally approved by the Group's Board of Directors on 30 March 2022.

For the years 2023 to 2026, the detailed projections approved by each business unit and the best estimate of business development expectations are taken into consideration. These are based on a gradual recovery of business until early 2023, by which time the group expects to return to pre-pandemic revenue levels.

The subsequent years of the explicit projection horizon reflect the developments that can reasonably be expected according to the strategies and action plans defined by the Group for each of the markets in which it operates, in accordance with their distinctive characteristics and their own competitive dynamics. With regard to capital investments, those necessary to maintain each business in its current conditions (maintenance capex) have been included. Only growth investments explicitly approved in the budgets were included based on the new scenario impacted by the current COVID-19 crisis.

The cash flow projections were discounted using the local-currency weighted average cost of capital calculated for each CGU. The weighted average cost of capital factors in the cost of equity and debt financing, weighted in keeping with a defined target leverage structure. The cost of equity varies for each CGU, depending on the corresponding market risk premium and the country risk premium (which also reflects exchange rate risk). For practical reasons, the discount rates used are after-tax rates. Similarly, the undiscounted cash flows factor in tax effects. The growth rate used to calculate each CGU's terminal value is based mainly on the annual change in the consumer price index contemplated in prevailing macroeconomic forecasts for each country over the long term, i.e., it does not contemplate growth in real terms. For cash-generating units whose functional currency is not the euro, the cash flows were projected in the corresponding local currency and the resulting net present value was translated into euros at the exchange rate prevailing as of December 31, 2021.

Capital structure reflects the impact of recent financing transactions arranged by the Group, as well as the normalization of the capital structure in a context of business continuity and the return to more usual operating and financing conditions.

Common methodology to calculate the average cost of capital uses data observations taken mainly from external sources.

For capital structure, in the case of cost of equity obtained using the capital asset pricing model (CAPM); the risk-free rate was determined using yield curves for bonds issued by certain benchmark sovereigns (Germany and the US); the country risk premiums were then calculated by looking at the yield curves for the various sovereign issuers (10-year bond curves in the eurozone and emerging market bond index (EMBI) spreads for Latin American issuers). Levered business risk was then layered in using the levered beta multiplied by the equity risk premium to obtain the total cost of equity.

In light of the values found and readings observed, for capital structure estimates, it was noted that the yield curves for the bonds issued by certain European governments imply returns that are not consistent with the risks and inflation prevailing in those countries' macroeconomic environments. In the case of the European states analyzed, the returns are well below those that might be expected in light of current European Central Bank monetary policy; for that reason, the European sovereign bond curves have been revised upwards.

In Europe, the size of the correction was determined by reference to the yield on BBB issues in US dollars, corrected by the inflation differential between the US and the eurozone and also by reference to the average yield on long-term European sovereign bonds since 2012.

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To calculate the cost of debt, it is considered as starting point the risk-free assets in each jurisdiction for external borrowings (long term SWAPs in euro or sovereign bonds in USD). The calculations then factor in the implicit spreads on B- issues with respect to the risk-free curves.

Lastly, the weighted average cost of capital used for Argentina is calculated as the weighted average of cost of equity considering the yearly inflation effect that is used also for sensibility analysis.

Key assumptions

The most relevant operational assumptions for gaming operations during the period in which the group is being affected in terms of the opening of its operations and the restrictions established by each particular government are those related to the installed gaming capacity (number of halls, casinos, racetracks or betting agencies, installed gaming machines, bingo capacity, gaming tables, etc.) as well as the average daily takings per machine, per capacity, per table or per gaming room attendee. The evolution of these variables after the closure of operations due to the global COVID-19 pandemic determines a change in revenues during the 2020 period and for the year 2021.

Also relevant are the levels of efficiency and operating leverage achieved, which are mainly reflected in the EBITDA margin, as well as the adjustment in variable costs during the period of closure of the operating activities during 2021. The value of the net operating assets recorded for each cash-generating unit as at 31 December 2021 and the key assumptions used in the calculation of their value in use and, where applicable, the impairment loss or reversal determined are set out below. The key assumptions comprise the after-tax discount rate, the vegetative growth rate used for the terminal value estimate, ending on 31 December 2021 and the last year of the explicit projection period:

Cash-generating unit	Carrying amount of the CGU assets ⁽¹⁾ at December 31, 2021 (thousands of euros)	Impairment loss / reversal of loss at December 31, 2021 (thousands of euros)	Discount rate After tax
Argentina	97,023	-	48.1%
Uruguay	30,786	-	14.1%
Mexico	252,312	-	12.4%
Banamex Convention Center	42,874	-	12.4%
Panama	39,788	-	13.0%
Colombia	4,976	-	12.3%
Spain ⁽²⁾	81,801	-	10.4%
Italy ⁽³⁾	44,691	-	10.6%
Holdcos and other	-	-	-
Total	594,251		N/A

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Cash-generating unit	Organic growth rate used to calculate the terminal value
Argentina	10.0%
Mexico	3.0%
Banamex Convention Center	3.0%
Spain ⁽²⁾	1.7%
Italy ⁽³⁾	1.4%
Panama	2.0%
Colombia	3.0%
Uruguay ⁽⁵⁾	4.5%
Holdcos and other	-
Total	N/A

Note: Given the pandemic situation caused by Covid 19 and its impact on the company's revenues and results, data on the compound annual growth rate of revenues in local currency and the change in EBITDA margin in percentage points are not provided, due to the lack of comparability from one year to another.

(1) Includes net value of goodwill, intangible assets, long-term deferred taxes, tangible fixed assets and certain operating working capital items, all before impairment losses for the period.

(2) Includes the business lines in Spain: AWP machines, sports betting and traditional bingo.

It provides for the deployment of sports betting in Madrid, the Basque Country, Navarre, Valencia, Aragon, Murcia, Galicia, Castilla la Mancha, Ceuta, Castilla y León, Catalonia, La Rioja, Extremadura, Cantabria, Melilla, Asturias and the Balearic Islands.

(3) Covers all business lines in Italy (indirect operation of AWP machines, traditional bingo, video lotteries and interconnection network).

Cash Generating Unit	Carrying amount of the CGU assets ⁽¹⁾ at 31 December 2020 (Thousand euros)	Impairment loss / reversal of loss at 31 December 2020 (thousands of euros)	Discount rate After tax
Argentina	101,039	-	39.7%
México	53,256	-	11.0%
Banamex Convention Center	267,780	-	10.3%
Spain ⁽³⁾	42,874	-	10.3%
Italy ⁽⁴⁾	42,244	-	9.1%
Panama	2,217	-	9.6%
Colombia	117,371	-	7.4%
Uruguay	40,014	-	7.6%
Holding companies and others			
Total	666,795		n/a

Cash Generting Unit	Vegetative growth rate for terminal value
Argentina	17.0%
Mexico	3.0%
Banamex Convention Center	3.0%
Spain ⁽³⁾	1.7%
Italy ⁽⁴⁾	1.4%
Panama	2.0%
Colombia	3.0%
Uruguay	4.0%
Holding companies and others	-
Total	n.a.

(1) Includes the net value of goodwill, intangible and tangible assets, and certain operating working capital items, before impairment losses for the period.

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(2) Derived from a comparison of the amounts for the last year of the explicit projection horizon with those for the 12 months ending 31 December 2019 (as reported on a quarterly basis and translated into local currency at average exchange rates).

(3) Includes the business lines in Spain (AWP machines, sports betting and traditional bingo). It provides for the deployment of sports betting in Madrid, Basque Country, Navarra, Valencia, Aragon, Murcia, Galicia, Ceuta, Castilla la Mancha, La Rioja, Castilla Leon, Catalonia, Extremadura, Cantabria, Melilla and Asturias)

(4) Covers all business lines in Italy (indirect operation of AWP machines, traditional bingo, video lotteries and interconnection network).

Sensitivity analysis 31 December 2021

The following table shows what would be the values that should take, in isolation, either the discount rate after taxes or the natural growth rate used in the calculation of the terminal value so that the difference between the value in use and the book value of its net operating assets is nil:

Cash Generating Unit	Value required in key assumptions to reverse surplus value in use vs. recorded value	
	After-tax discount rate	Vegetative growth rate for terminal value(1)
Argentina	58.9%	-5.2%
Uruguay	24.4%	-17.5%
Mexico	20.4%	-11.7%
Banamex Convention center	13.8%	-1.0%
Panama	21.5%	-15.0%
Colombia	42.6%	< -25%
Spain	23.8%	-23.5%
Italy	23.3%	-30.9%
Cabeceras and others		
Total	n.a.	n.a.

(1) The "not applicable" is justified on the grounds that such growth would be negative, which by the very definition of terminal value makes no economic sense to use negative growth in perpetuity.

15. INVENTORIES

	Thousand euros	
	2021	2020
AWP Machines	106	134
Machine Spare Parts	1,848	1,625
Hospitality	1,941	2,141
Bingo Cards	102	105
Other Concepts	2,802	3,118
	6,799	7,123

The amount of inventories recognised as an expense in the financial year 2021 and 2020 amounts to 14,001 thousand euros and 8,711 thousand euros, respectively.

16. DEBTORS

a) Clients through sales and services

As at 31 December 2021, the "Trade receivables for sales and services" accounts include, among other items, 3,579 thousand euros for hospitality and management services to hospitality establishments in Spain (31 December 2020: 3,977 thousand euros).

b) Assets through current tax:

As at 31 December 2021, the section "Current tax assets" amounts to 3,301 thousand euros (5,603 thousand euros in 2020), of which 161 thousand euros correspond to the Argentine segment and 698 thousand euros to the Mexico segment and 1,620 thousand euros to the Panama segment (166

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thousand euros, 3,444 thousand euros and 1,472 thousand euros in December 2020, respectively).

c) Sundry debtors

	Thousand euros	
	2021	2020
Sundry debtors	67,079	64,294
Accrued taxes receivable	36,937	29,196
Accounts receivable from employees	734	913
Provisions	(48,776)	(42,492)
	55,974	51,911

"Sundry debtors" at 31 December 2021 includes approximately 27,200 thousand euros (25,485 thousand euros at 31 December 2020) of advances paid to owners of hospitality establishments for their share of the proceeds from gaming machines located in their establishments. These advances are recovered on the basis of the revenue collected.

It also includes 1,574 thousand euros (370 thousand euros at 31 December 2020) of balances receivable from CIE group companies, mainly Make Pro, S.A. de C.V., for advertising and sponsorship.

This heading also includes 12,905 thousand euros (9,168 thousand euros at 31 December 2020) from Codere Network, S.p.A. in respect of receivables from gaming machine operators in Italy. The remaining amount is made up of a significant number of smaller amounts of receivables.

The heading "Provisions" mainly includes amounts to cover advances on collections in Spain, other amounts to cover receivables from gaming machine operators in Italy and from Carrasco Nobile's customers in Uruguay. As noted in note 2, during 2021, due to the pandemic situation and its effect on the business, an exhaustive analysis of the expected credit loss in the different markets in which the Group operates has been performed, which has resulted in a significant increase in the amount of provisions compared to previous years.

The changes to provisions were as follows:

	Thousand euros
Balance at 31/12/2020	(42,492)
Business Incorporation	-
Provisions	(36,791)
Reversion	29,107
Cancellation	1,539
Translation differences	(139)
Balance at 31/12/2021	(48,776)
Balance at 1/01/2020	(37,275)
Business Incorporation	-
Provisions	(29,920)
Reversion	23,179
Cancellation	469
Translation differences	1,055
Balance at 31/12/2020	(42,492)

The remaining accounts included in trade and other receivables do not contain any impaired assets.

d) Accrued taxes receivable:

As at 31 December 2021, "Accrued taxes receivable" amounts to 36,937 thousand euros (2020: 29,196

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thousand euros). This amount includes 27,215 thousand euros (24,583 thousand euros in 2020) for VAT to be recovered from the Mexican tax authorities. In Mexico, indirect taxes of this type are recovered on the basis of the effective cash flows of the transactions giving rise to them.

The remaining 9,722 thousand euros correspond to taxes to be recovered from the tax authorities of the rest of the Group's countries.

The carrying amount of the debtors heading is denominated in the following currencies:

Currency	Thousand euros	
	2021	2020
Euro	35,853	29,544
Dollars	10,092	8,925
Argentine pesos	2,741	623
Mexican pesos	30,855	33,806
Uruguayan Pesos	4,684	6,759
Pounds Sterling	1	-
Colombian Pesos	1,076	2,406
Brazilian Reais	68	68
	85,370	82,131

The maximum exposure to credit risk at the balance sheet date is the carrying amount of each class of receivable mentioned above. The Group does not hold any guarantees such as payment insurance.

17. OTHER CURRENT FINANCIAL ASSETS

The changes to "Other current financial assets as at 31 December 2021 and 2020 are as follows, expressed in thousand euros:

						Thousand euros
	Balance as at December 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2021
2021						
Other Credits	43,183	8,094	(9,664)	-	701	42,314
	43,183	8,094	(9,664)	-	701	42,314

In 2021, the main changes in "Other Credits" related to withdrawals due to the partial repayment of the deposit held by Codere Finance 2 (Luxembourg), S.A. with Credit Suisse and the offsetting in Italy of suspense account balances and the increase in collateral deposits with HRU.

						Thousand euros
	Balance as at 1 January 2020	Additions	Retirements	Transfers	Translation differences	Balance as at December 2020
2020						
Other Credits	105,652	5,369	(65,832)	(292)	(1,714)	43,183
	105,652	5,369	(65,832)	(292)	(1,714)	43,183

The decrease in "other Credits" in 2020 was mainly due to the decrease in receivables in the Italian network compared to the same period of the previous year, as a result of the operational closures caused by the pandemic.

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The heading "Other receivables" is broken down as follows:

	Thousand euros	
	2021	2020
Short-term credits	15,064	18,681
Deposits and surety granted	27,250	24,502
	42,314	43,183

The heading "Deposits and surety granted" includes the deposits recorded with Codere Network, S.p.A. as a result of the "Concession Agreement" of Codere Network, S.p.A. under which this entity operates, amounting to 4,794 thousand euros (4,205 thousand euros in 2020).

The carrying amount of this item is denominated in the following currencies:

Currency	Thousand euros	
	2021	2020
Euro	23,277	18,886
Dollars	1,891	8,548
Argentine pesos	32	3,115
Mexican pesos	12,190	12,321
Uruguayan Pesos	4,124	92
Colombian Pesos	800	221
Pounds Sterling	-	-
	42,314	43,183

18. NET EQUITY

a) Share capital

The share capital of Codere Luxembourg 2, S.à.r.l. amounts to USD 15 thousand (13.3 thousand euros) with no variation since its incorporation in 2016, Codere New Holdco, S.A. being the sole shareholder of the Company

The shares are not listed.

b) Share premium

The share premium of Codere Luxemburgo 2, S.à.r.l. amounts to 1,110 million euros and has been generated as a result of:

- Contributions to equity made by its former single shareholder, Codere Luxembourg 1, S.à.r.l. for USD 811 million (718 million euros), in advance of the year 2021.
- The contributions of USD 442,217 thousand (392,349 thousand euros) made during 2021 by its single shareholder Codere New Holdco, S.A., as a result of the financial and corporate restructuring process carried out by the Group (see notes 2.a) and 20 of these notes to the consolidated financial statements.

c) Online transaction

The movement in the Group's reserves as a result of the online transaction corresponds to the contribution of DD3 to Codere Online Luxembourg, S.A. as part of the transaction as at 30 November 2021. (See note 6.a.) **d) Restrictions on the free distribution of dividends**

The Company, as the primary guarantor of the bonds issued by Codere Finance 2 (Luxembourg), S.A.

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(Note 20), is limited in its ability to approve and pay dividends until the bonds are redeemed.

There are no restrictions on the free distribution of dividends from any of the Latin American or European countries in which the Codere Group operates to Luxembourg.

At present, all subsidiaries are allowed to distribute dividends, except for those Spanish companies that were subject to Temporary Redundancy Proceedings (ERTE) due to force majeure, and those in Argentina that received government aid, since, with certain exceptions, they may not distribute dividends corresponding to the year in which such measures were adopted. In addition, in the case of Argentina, dividend distributions can only be made after offsetting tax losses from previous years.

e) Information by company

The breakdown of the equity of the Group companies at 31 December 2021 can be found in Appendix II.

19. NON-CURRENT PROVISIONS

					Thousand euros
<u>2021</u>	Balance as at December 2020	Additions	Retirements	Translation Differences	Balance as at December 2021
Retirement awards	15,786	5,167	(2,117)	454	19,290
Other provisions	13,081	9,448	(10,146)	(278)	12,105
	28,867	14,615	(12,263)	176	31,395

					Thousand euros
<u>2020</u>	Balance as at 1 January 2020	Additions	Retirements	Translation Differences	Balance as at December 2020
Retirement awards	14,568	3,851	(1,686)	(947)	15,786
Other provisions	7,420	6,266	662	(1,267)	13,081
	21,988	10,117	(1,024)	(2,214)	28,867

a) Retirement awards

Retirement awards include the amounts that various Group companies accrue to their employees in accordance with the provisions of their collective bargaining agreements. The increase relates mainly to companies in Italy, Panama and Mexico.

b) Other provisions

At 31 December 2021 and 31 December 2020 this heading includes 1,855 thousand euros and 1,689 thousand euros recorded at Codere Network, S.p.A. to cover possible liabilities that could arise from claims in Italy.

20. FINANCIAL LIABILITIES

a) Long-term creditors

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	Thousand euros	
	2021	2020
Bonds issued by Codere Finance 2 (Luxembourg), S.A., by HRU, S.A. (Hípica Rioplatense de Uruguay, S.A.) and by Alta Cordillera, S.A	637,353	922,431
Debts with credit institutions	41,758	42,732
Warrants online (note 6.a.1) (*)	5,512	-
Other debts	24,002	28,494
Creditors through financial leases (**)	131,226	152,292
Total	839,851	1,145,949

(*) At the date of the online operations on 30 November 2021, the market price of each warrant was approximately 1.46 euros per warrant or 9,450 thousand euros in total. As at 31 December 2021, the market price was reduced to 0.86 euros per warrant; therefore, as at 31 December 2021, the fair value of warrant liabilities amounts to 5,512 thousand euros, giving rise to financial income of 3,938 thousand euros.

(**) In 2021 and 2020 the breakdown corresponds in full to IFRS 16 (see note 8)

a.1) Long-term bonds issued

Breakdown of the Group's long-term bond issue are set out in the table below:

	Thousand euros					
	Nominal Value	Local currency	Effective Interest Rate	Maturity	2021	2020
Bonds issued by Codere Finance (Luxembourg), S.A.						
"Existing bonds" euro	500,000	Euro	14.55%	31.10.23	-	457,875
"Existing bonds" dollars	300,000	Dollars	15.36%	31.10.23	-	223,933
Additional 2020 bonds	250,000	Euro	13.28%	30.09.23	-	238,526
Super senior secured bonds:						
Additional 2020 bonds	250,000	Euro	13.28%		233,121	
2021 bridge bonds	103,093	Euro	17.67%		90,619	-
NMT Bonds	128,866	Euro	17.67%		119,288	-
Total Super senior secured bonds	481,959	Euro		30.09.26	443,028	-
Euro senior bonds	133,337	Euro	14.72%	30.11.27	124,713	-
Dollar senior bonds	80,716	Dollars	15.52%	30.11.27	67,324	-
Other Group bonds and debentures:						
Negotiable bond issued by Hípica Rioplatense Uruguay	26,924	Dollars	4.25%	29.11.29	-	-
Negotiable bond issued by Hípica Rioplatense Uruguay	3,076	Dollars	4.75%	29.11.29	-	-
Bonds issued by Alta Cordillera, S.A	1,500	Dollars	8.89%	13.09.24	1,288	1,180
Bonds issued by Alta Cordillera, S.A	700	Dollars	8.89%	02.10.24	602	550
Bonds issued by Alta Cordillera, S.A	200	Dollars	7.50%	26.07.24	177	163
Bonds issued by Alta Cordillera, S.A	250	Dollars	7.50%	26.07.24	221	204
					637,353	922,431

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Refinancing and corporate restructuring process carried out during 2021

As a consequence of the impact on the Group's business and liquidity caused by the worsening of the Covid-19 pandemic, the Group started in the first half of 2021 discussions with a group of the main holders of the Senior Bonds (the "Bondholders' Committee") with the objective of exploring possible alternatives to improve the Group's liquidity and strengthen its capital structure, ensuring the viability of the Group, a process that led to the Restructuring agreement explained in note 2.a.1), which was concluded on 19 November 2021, having reached the following agreements:

- The granting, in two tranches, the first of 31 million euro issued on 26 April 2021 and the second of 72 million euro issued on 24 May 2021, of the so-called "Bridge Bonds". These bonds provided funding for the Group's operations and liquidity to meet the interest payments on the Super Senior Bonds and Senior Bonds.
- The granting of an additional amount of 129 million euros of cash financing through the issue of additional Super Senior Bonds. For clarification purposes, these Super Senior Bonds are additional to the Bridge Bonds. Said bonds were issued on 19 November 2021.
- Amendments to the terms of the Super Senior Bonds issued in 2021 amounting to 250 million euros change likewise the conditions of Bridge Bonds and NMT Bonds, including:
 - o An extension of their maturity until 30 September 2026; and
 - o A change in the interest rate to 8% cash plus 3% capitalisable (PIK) (or, if available liquidity is less than 100 million euros for the first 18 months, 6% cash plus 5.5% capitalisable (PIK)).
- A restructuring of Senior Bonds (500 million euros and USD 300 million), including:
 - a) Approximately 25% of the outstanding principal amount plus the same percentage of the accrued and outstanding amount as of the effective date of the PIK Interest Restructuring of the Senior Bonds have been modified (the "**Modified Bonds**") such that:
 - They will pay an interest rate of 2% in cash plus 10.75% capitalisable (PIK) for Euro-denominated Modified Bonds and 2% in cash plus 11.625% capitalisable (PIK) for US Dollar-denominated Modified Bonds.
 - They will mature on 30 November 2027.
 - b) Approximately 29% of the outstanding principal amount of the Senior Bonds, plus the same percentage of the accrued and outstanding amount as at the Restructuring Effective Date of the PIK interests plus 100% of the accrued and outstanding amount of the cash interest on the Senior Bonds have been exchanged for subordinated PIK bonds issued in euros (the "Subordinated Capitalisable (PIK) Bonds"), which have been issued on 19 November 2021 by Codere New Holdco, S.A. This company is the sole shareholder of Codere Luxembourg 2, S.à.r.l. These amounts, regarding the consolidate Group headed by Codere Luxembourg 2, S.à.r.l. have represented an increase in its equity.
 - c) The Subordinated Capitalisable (PIK) Bonds:
 - They will pay an interest rate of 7,5% capitalisable (PIK), maturing on 30 November 2027.
 - They shall have no recourse to the operating Group.
 - d) The remaining balance of the Senior Bonds (46% of the outstanding principal amount of the Senior Bonds plus the same percentage of the accrued and outstanding amount as at the effective date of the PIK interest restructuring) have been exchanged for 95% of the capital of Codere New Topco, S.A.

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As per is shown below in the detailed table included in this note, both, the amounts interchanged by capitalisable bonds (PIK) and the bonds interchanged by share capital of Codere New Topco, S.A. have meant an increase of the equity in the Group headed by Codere Luxembourg 2, S.à,r,l. of an overall amount of 583,236 thousand euros (once recognized fair value adjustments hereinafter explained).

- i. The Super Senior Bonds (which also includes Bridge Bonds and the NMT Bonds), the Modified Bondsor Senior Bonds) and the Subordinated PIK Bonds will have a period of 18 months after the implementation of the Restructuring in which they cannot be redeemed without payment of a premium. They will then be repayable at par plus 3% over the next 12 months and at par plus 2% over the following 12 months.

In the two bond issuances, (Senior Bonds and Super Senior Bonds) Glas Trust Corporation Limited acted as Guarantee Agent and the following subsidiaries of the Group act as guarantor of the transactions:

Alta Cordillera, S.A. (*)	Codera Argentina, S.A. (**)	Codere Italia, S.p.A (**)
Colonder, S.A.U.(**)	Operibérica, S.A. (**)	Operbingo Italia, S.p.A. (**)
Bingos Platenses, S.A. (**)	Codere España, S.A.U. (**)	Codere Apuestas España, S.L.U. (**)
Codere América, S.A.U. (**)	Codere Internacional, S.A.U (**)	Codere Operadora de Apuestas, S.L.U. (**)
Iberargen, S.A. (**)	Codere Internacional Dos, S.A.U.(**)	JPVMatic 2005, S.L.U. (**)
Interbas, S.A. (**)	Codere México, S.A. de C.V. (**)	San Jaime, S.A. (**)
Codere Newco, S.A.U. (**)	Codere Network, S.p.A. (**)	Codere Latam Colombia, S.A. (**)
Nididem, S.A.U. (**)	Codere Luxembourg 2, S.a.r.L (**)	Codere Finance 2 (UK) Limited (**)
Codere Latam, S.A.U. (**)	Codemática, S.R.L. (*)	Codere Luxembourg 3, S.a.r.L (**)
Interjuegos, S.A. (**)	Intermar Bingos, S.A. (**)	
Codere Finance 2 (Luxembourg), S.A. (****)	Bingos del Oeste, S.A. (**)	

(*) Guarantor of the Bonds.

(**) Guarantor of the bonds and its shares pledged as collateral.

(***) Parent Guarantor of the Bonds and pledged shares.

(****) Issuer of the Bonds and pledged their shares as collateral.

The following subsidiaries are not guarantors but have the shares pledged as collateral:

Codere Apuestas Castilla La Mancha, S.A.

Comercial Yontxa, S.A.

Codere Girona, S.A.

Misuri, S.A.U.

Codere Servicios, S.L.U.

Codere do Brasil Entretenimento Ltda

Codere Uruguay, S.A.

Codere Colombia S.A.

These bonds incorporated limitations on the issuance of local debt, including baskets of 150 million euros of local debt and a limitation of 25 million euros for general purpose debt. The Group has complied with the limits set by these bonds at each monthly closing.

The bonds issuances made by Codere Finance 2 (Luxembourg), S.A., with Codere Luxembourg 2, S.A R.L. as Parent Guarantor contains a number of obligations and limitations, the main ones being:

- Limitation on issuing financial debt except in certain cases.

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- Limitation on mergers, sale of assets except certain cases.
- Limitation on payments except in certain cases.
- Limitation on transactions with Affiliates, except in certain cases.
- Include companies considered as relevant as guarantors of the bond.
- Maintain the current Luxembourg corporate structure.

These bonds incorporate a minimum liquidity requirement whereby the Group must have at all times 40 million euros of liquidity (measured cash and cash equivalents and available credit lines) tested on a monthly basis until 31 December 2022 and quarterly thereafter.

Accounting treatment of the 2021 refinancing process.

The accounting treatment of the 2021 refinancing process has been different depending on the tranche of debt involved.

The debt with modification of its conditions, which includes the the Bridge Bonds, the Super Senior Bonds issued in 2021 and 25% of the Senior Bonds, but for which the IFRS 9 test yields a result below 10%, the accounting treatment has been to derecognise the amortised cost of the original debt and to recognise the cash flows of the new debt as a liability at the EIR (effective interest rate) of the original debt. The difference between the two amounts has been taken to the consolidated income statement generating an income of 1.2 million euros. The directly related fees and costs have been recognised as lower debt and the new EIR and the amortised cost on the basis of which this new debt will be recorded has been recalculated.

The effects in Group's equity as a result of the refinancing process were valued at fair value of the capitalized debt according to IFRIC 19. Such effects take place at the refinancing date (19 November 2021).

For this case, the direct use of the quoted price has been discarded. This is because the market in which the previous Bonds were listed was considered not to be an "active market" within the meaning of IFRS 13, as there are infrequent (non-daily) transactions, for a low nominal amount and with disparate prices. Therefore, we conclude that the price of these transactions is not considered to be a Level 1 quoted price (paragraphs 76 and 77 of IFRS 13).

On the same restructuring date, Codere Finance 2 (Luxembourg), S.à.r.l. issued bonds other than the restructured bonds (the NMT Bonds). These new bonds do not stem from a previous restructuring and the yield at which investors have invested their funds is considered to be a market yield, thus being new money, in euro, on which investors have accepted a certain yield.

On this basis, the yield of these newly issued bonds has been taken and adjusted to reflect a different recovery rate relative to the previous restructured bonds, as the new bonds have a higher seniority. The change in the recovery rate has been made taking into account the different ratings given by the official rating agencies to different issues. A Yield has been considered for Euro and Dollar bonds due to the difference in the risk-free rate (swap rate) in both environments.

With the adjusted Yield, the flows of the restructured bonds have been discounted and the present value is considered the best estimate of the fair value, resulting in an accounting income of 45.3 million euros, which has been reflected in the income statement for the year 2021.

The rating obtained is considered Level 2.

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The summary of the accounting effects of the refinancing process is as follows:

	500MM	300MM	250MM	103MM	128MM	TOTAL	Fair value adjustments	TOTAL
Opening Debt	457.9	223.9	238.5	-	-	920.3	-	920.3
PIK interest.until 19/11	28.2	16.3	-	-	-	44.5	-	44.5
Capitalised Cash Interest	12.9	6.7	-	-	-	19.6	-	19.6
Pik Notes Capitalisation	(412.9)	(215.8)	-	-	-	(628.7)	45.3	(583.5)
New debt	-	-	-	103.1	128.9	232.0	-	232.0
Pik Interest	1.6	0.9	0.9	0.4	0.4	4.2	-	4.2
Results impact of refinancing	41.0	37.5	1.5	1.8	(0.2)	81.5	-	81.5
Amortised cost	(3.9)	(2.2)	(7.8)	(14.6)	(9.8)	(38.3)	-	(38.3)
Closing Debt	124.7	67.3	233.1	90.6	119.3	635.1	45.3	680.3

The impact on the income statement of the financial restructuring amounting to 81.5 million euros consists of:

- 72.3 million euros from transaction costs of the 2020 bond issue and accrual of capitalised costs of the 2021 financial restructuring,
- 1.2 million euros positive effect on results from the application of the 10% test on 25% of the existing bonds and the secured super senior bonds (2021 bridge bonds and additional 2020 bonds) and exchange rate differences of 10.4 million euros.

Transaction costs associated with the issuance of the Additional Bonds and the renegotiation of the Existing Bonds amounted to 56.5 million euros, of which:

- 38.3 million (shown in the table as "amortised cost"), which includes direct flows from the refinancing operation amounting to 20.5 million euros that have been allocated directly to each series of bonds concerned, and other transaction costs amounting to 17.8 million euros, which have been allocated on a pro rata basis, are recognised as lower debt, and
- 15.4 million euros recorded in the income statement (13.7 million euros in financial expenses and 1.7 million euros in Professional Services).

Refinancing process carried out during 2020

The Group concluded on 30 October 2020 the refinancing process of the bonds issued by Codere Finance 2 (Luxembourg), S.A., called "existing bonds", as well as the issuance of additional bonds in the amount of 165 million euros, which together with the 85 million euros issued in July 2020 completed the issuance of additional bonds in the amount of 250 million euros. Up to that date, the existing euro-denominated bonds had an annual coupon of 6.750% in 2020, and the existing US dollar-denominated bonds had an annual coupon of 7.625%. The additional 85 million euro bonds have had a coupon of 12.75%.

As of the refinancing date, 31 October 2020, the terms of the existing bonds and the additional bonds were amended as follows:

- The maturity date of the existing bonds was changed to 30 October 2023, and the maturity date of the additional bonds to 30 September 2023.

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- The interest rate was changed:
 - o For the existing bonds there was an increase in their interest rate, which was configured as a mandatory cash portion at 4.50% and, at the Issuer's choice, a supplementary cash portion (5% for Euro Bonds and 5.875% for US Dollar Bonds) or a payment in kind portion (6.25% for Euro Bonds and 7.125% for US Dollar Bonds).
 - o For the additional bonds, the interest rate is 10.75%.

These bonds incorporated limitations on the issuance of local debt, including baskets of 95 million euros of local debt and a limitation of 25 million euros for general purpose debt. The Group has complied with the limits set by these bonds at each closing.

In the two bond concessions, Glas Trust Corporation Limited acts as Security Agent and the following subsidiaries of the Group act as are the guarantor of the transactions:

Alta Cordillera, S.A. (*)	Codera Argentina, S.A. (**)	Codere Italia, S.p.A. (**)
Colonder, S.A.U.(**)	Operibérica, S.A. (**)	Operbingo Italia, S.p.A. (**)
Bingos Platenses, S.A. (**)	Codere España, S.A.U. (**)	Codere Apuestas España, S.L.U. (**)
Codere, S.A. (***)	Codere Internacional, S.A.U. (**)	Codere Operadora de Apuestas, S.L.U. (**)
Codere América, S.A.U. (**)	Codere Internacional Dos, S.A.U.(**)	JPVMatic 2005, S.L.U. (**)
Iberargen, S.A. (**)	Codere México, S.A. de C.V. (**)	San Jaime, S.A. (**)
Interbas, S.A. (**)	Codere Network, S.p.A. (**)	Codere Latam Colombia, S.A. *(*)
Codere Newco, S.A.U. (***)	Codere Luxembourg 1, S.a.r.L (**)	Codere Finance 2 (UK) Ltd (****)
Nididem, S.A.U. (**)	Codere Luxembourg 2, S.a.r.L (**)	
Codere Latam, S.A.U. (**)	Codemática, S.R.L. (*)	
Interjuegos, S.A. (**)	Intermar Bingos, S.A. (**)	
Codere Finance 2 (Luxembourg), S.A. (****)	Bingos del Oeste, S.A. (**)	

(*) Guarantor of the Bonds.

(**) Guarantor of the Bonds and their shares as collateral.

(***) Parent company guarantor of the Bonds.

(****) Issuer and guarantor of the bonds.

In addition, all the aforementioned companies were guarantors of the super senior multi-currency credit line for 95 million euros, of which Codere Newco, S.A.U. was the borrower and which was cancelled in the refinancing process on 30 October 2020.

The bond issue made by Codere Finance 2 (Luxembourg), S.A. as principal guarantor contained a number of obligations and limitations, including:

- Limitation on issuing financial debt above a certain amount.
- Limitation on mergers, sale of assets above a certain amount.
- Limitation on payments to companies that are not guarantors.
- Limitation on transactions with subsidiaries.
- Include companies considered as relevant as guarantors of the bond.

These bonds incorporate a minimum liquidity requirement whereby the Group must have at all times 40 million euros of liquidity (measured cash and cash equivalents and available credit lines on a monthly basis). However, in the event of non-compliance with this requirement, the Group has 60 days to remedy the situation.

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Accounting treatment of the refinancing process in 2020.

As the debt arising from the modification of the terms of the existing bonds was considered to be new debt (the 10% test yields a result above 10%), it had to be recorded at fair value at the restructuring date (30 October 2020).

In estimating the fair value of the restructured bonds, the direct use of the quoted price (both for Euro and USD bonds) has been discarded. This is because the market in which they are listed is considered not to be an "active market" within the meaning of IFRS 13, as there are infrequent (non-daily) transactions, for a low nominal amount and with disparate prices. Therefore, we conclude that the price of these transactions is not considered to be a Level 1 quoted price (paragraphs 76 and 77 of IFRS 13).

Therefore, the valuation obtained was considered to be Level 2, discounting the flows of the restructured bonds, the present value being considered the best estimate of the fair value, the result of this valuation being the recording of an accounting income of 60 million euros in the year 2020.

Transaction costs associated with the issuance of the Additional Bonds and the renegotiation of the Existing Bonds, totalling 28,853 thousand euros, were considered as a reduction in the value of the debt. Subsequently, these financial debts were valued at their amortised cost.

Compliance with ratios and restrictions

As at 31 December 2021, the Group is in compliance with all restrictions and ratios imposed by its main debt contracts.

The Group regularly assesses compliance with these ratios and will address any potential future non-compliance as appropriate.

With respect to the bonds issued by HRU, S.A., the bonds have certain mandatory ratios (indebtedness, debt coverage and guarantee), as well as limitations on non-operating investments and the obligation to continue with the concession contract signed by the company with the state.

As at 31 December 2021, the entire balance of the marketable debt securities issued by HRU have been classified as short-term as the Company expects a shortfall with respect to the "Guarantee Ratio", "Debt Coverage Ratio II" and "Debt Coverage Ratio" set out in the Issuance Documents and the Trust Agreement at the closing date, due to the effects of the pandemic on the business figures.

Although the aforementioned shortfall in the 2021 Ratios mentioned in the previous paragraph does not automatically cause the debt to become due and payable immediately, as this can only occur by decision of a Bondholders' Meeting convened for this purpose with a majority of at least 51% of the votes, and that, in this respect, bondholders representing more than 51% of the votes have expressly stated to the Company after the end of the financial year that they do not plan to call the debt due to these ratios, the debt has been classified as short-term in accordance with IAS 1, paragraph 75.

On 29 March 2022, the Bondholders' Meeting of HRU met and approved by majority the granting of a Waiver for non-compliance with the Ratios measured at 31 December 2021, thereby waiving the rights to early payment of the marketable bonds due to such non-compliance.

a.2) Long-term debt with credit institutions:

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	Average effective interest rate	Maturity	Thousand euros	
			2021	2020
Spain Group	1.82%	2021-2026	1,424	1,630
Holding	8.25%	2022	-	1,860
Italy Group	1.44%	2022-2026	4,875	3,853
Icela Group	TIIE(*) + 3.5%	2028	6,080	5,776
Icela Group	TIIE + 4.9%	2025	11,835	15,329
Mexico Group	TIIE + 6.7%	2026	3,443	-
Mexico Group	TIIE + 5%	2023	1,435	1,363
Uruguay (CN)	5.4%-8.35%	2024-2025	12,666	12,921
			41,758	42,732

(*) TIIE (Tasa de Interés Interbancario de equilibrio (in Mexico)) – Interbank interest rate of balance.

This heading mainly includes debt subscribed locally to finance the expansion of the Group's business in these countries, at market interest rates.

The most significant debts include the following:

- In Uruguay, the debt of Carrasco Nobile, S.A. amounts to 12,666 thousand euros in December 2021 and 12,921 thousand euros in December 2020, signed with Nobilis Corredor de Bolsa S.A, Urraburu & Hijos Corredor de Bolsa, S.R.L and Compañía de Valores Pérez Marexiano S.B.S.A with the Group company Carrasco Nobile, S.A.
- The ICELA Group's debt in Mexico, amounting to 11,835 thousand euros and 15,329 thousand euros in December 2020, relates to a loan agreement signed on 13 March 2020 for 85 million pesos and maturing in 2025.

a.3) Other long-term liabilities

The amounts recorded as "Other long-term payables", which at 31 December 2021 and 2020 amount to 29,514 thousand euros and 28,494 thousand euros, respectively, include long-term payables at Spanish companies generated by outstanding payments for exclusivity rights of approximately 6,514 thousand euros in 2021 and 10,124 thousand euros in 2020. Also included at 31 December 2021 and 2020 are 13,706 thousand euros and 11,925 thousand euros, respectively, relating to long-term debt for the deferral of gaming taxes as a result of the approval of such deferral for a certain number of machines in the Autonomous Communities of Madrid, Cantabria, Valencia, Catalonia, Asturias, Aragon, Castilla y León, Extremadura and La Rioja. Short-term amounts are recorded under "Other short-term non-trade payables". The interest accrued on these debts is that established as the legal interest rate for money in Spain.

This heading also includes the financial debt with third parties for the acquisition of licences by Codere Network, S.p.A. to install and operate a new type of machines in Italy (VLTs) at 31 December 2021 and 2020 amounting to 217 thousand euros and 411 thousand euros, respectively.

The amount of the heading "Long-term liabilities" is denominated in the following currencies:

Currency	Thousand euros	
	2021	2020
Euro	639,767	763,100
Dollars	138,620	298,189
Argentine pesos	6,799	8,978
Mexican pesos	48,658	70,113
Uruguayan Pesos	3,869	3,666
Colombian Pesos	2,138	1,903
	839,851	1,145,949

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The breakdown of long-term debt classified by type of debt and maturity is as follows:

Year	2021			2020		
	Debts with credit institutions	Other long-term creditors	Total	Debts with credit institutions	Other long-term creditors	Total
2022	-	-	-	10,820	9,879	20,699
2023	8,732	13,333	22,065	26,960	928,182	955,142
2024	5,880	6,077	11,957	2,722	3,865	6,587
2025	25,718	1,304	27,022	1,598	806	2,404
2026	1,281	448,984	450,265	-	-	-
Rest	147	197,169	197,316	632	8,194	8,826
	41,758	666,867	708,625	42,732	950,926	993,658

This breakdown does not include the amount due for maturity of the IFRS 16 portion in other long-term payables (see note 8).

b) Current liabilities

b.1) Bonds

At 31 December 2021, the amount recognised under "Bonds and other marketable securities" at short term 25,932 thousand euros (21,473 thousand euros at 31 December 2020), includes accrued interest payable of 7,857 thousand euros relating to the bonds issued by Codere Finance 2 (Luxembourg), S.A. (12,749 thousand euros at 31 December 2020), as well as accrued interest on the bonds issued by Alta Cordillera S.A., and marketable bonds issued by HRU, S.A. In addition, as mentioned in note 20.a.1), given the shortfall in the 2021 Ratios of HRU's marketable debt, which matures in 2029, although this shortfall does not automatically result in the immediate callability of the debt, the entire debt has been classified as short-term in accordance with IAS 1, paragraph 75. (21,062 thousand euros).

b.2) Debts with credit institutions

	Thousand euros	
	2021	2020
Short-term loans	18,068	16,845
Discount lines and credit policies	-	-
Accrued interest	37	33
Total debt with credit institutions	18,105	16,878
Total available	-	-
Total limit	18,105	16,878

Short-term loans

At 31 December 2021, the main short-term bank loans are from Administradora Mexicana de Hipódromo, S.A. de C.V., for 5,748 thousand euros (4,841 thousand euros at 31 December 2020), Uruguay for 5,705 thousand euros (4,287 thousand euros at 31 December 2020) and Codere Newco, S.A.U. for 2,700 thousand euros (3,441 thousand euros at 31 December 2020).

b.3) Other non-trade payables and current tax liabilities:

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	Thousand euros	
	2021	2020
Public treasury creditor	73,464	74,923
Fee deferral	17,757	29,933
Remuneration pending payment	26,870	14,970
IFRS 16	57,753	60,315
Other debts	42,251	47,136
	218,095	227,277

b.3.1) Public treasury creditor

This heading records the balances payable in respect of VAT, personal income tax, corporate income tax and other taxes.

b.3.2) Fee deferral

This heading includes the account payable as a result of the request for and approval of the deferral of fees for a certain number of gaming machines in Spain in the Autonomous Communities of Madrid, Cantabria, Comunidad Valenciana, Cataluña, Asturias, Aragón, Castilla y León, Extremadura and La Rioja. This item includes both requested and approved amounts with a maturity of less than one year.

b.3.3) Other debts

This heading includes:

- Suppliers of fixed assets of Spanish companies amounting to 11,149 thousand euros at 31 December 2021 (4,868 thousand euros at 31 December 2020). In Argentina as at 31 December 2021 they amount to 3,287 thousand euros (2020: 3,157 thousand euros). In Mexico as at 31 December 2021 they amount to 8,481 thousand euros (22,539 thousand euros in 2020).
- Short-term payables in Spanish companies amounting to 2,388 thousand euros as at 31 December 2021 (1,311 thousand euros as at 31 December 2020).
- Payables for the acquisition of companies in Italy amounting to 1,179 thousand euros at 31 December 2021 (31 December 2020: 1,830 thousand euros).

c) Loans guaranteed by the Group

In addition to the pledging of shares in various Group companies, as indicated in paragraph b.1) above, at 31 December 2021 and 2020 several Group companies have fixed assets pledged as security for debt totalling 56,521 thousand euros and 53,970 thousand euros, respectively (see note 23).

d) Current liabilities by currency

Currency	Thousand euros	
	2021	2020
Euro	149,486	164,486
Dollars	61,852	75,843
Argentine pesos	23,224	19,589
Mexican pesos	87,815	76,698
Uruguayan Pesos	28,611	32,327
Colombian Pesos	6,599	10,163
Pounds Sterling	179	1,038
Brazilian Reais	201	200
	357,967	380,344

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21. TAX SITUATION

Tax Consolidation Group in Spain:

Historically, Codere, S.A. has been taxed, since 1 January 2000, under the Consolidation Tax Regime, regulated in Chapter VI of Title VII of Law 27/2014, of 27 November, on Corporate Income Tax, with Codere S.A. as the parent company.

National Fiscal Group 2020:

Codere, S.A.	Codere Apuestas Melilla, S.A.	Codere Servicios, S.R.L.
Codere América, S.A.U.	Codere Apuestas Murcia, S.L.U.	Colonder, S.A.U.
Codere Apuestas Baleares, S.A.	Codere Apuestas Navarra S.A.U.	J.M. Quero Asociados, S.A.
Codere Apuestas España, S.L.U.	Codere Apuestas Valencia, S.A.U.	JPV Matic 2005, S.L.
Codere Apuestas, S.A.U.	Codere Castilla y León, S.L.	Misuri, S.A.
Codere Apuestas Aragón, S.L.U.	Codere Distribuciones, S.L.	Nididem, S.A.U.
Codere Apuestas Castilla la Mancha, S.A.	Codere España, S.A.U.	Operiberica, S.A.
Codere Apuestas Castilla y León, S.A.	Codere Interactiva, S.L.	Opersherka, S.L.U.
Codere Apuestas Cataluña, S.A.	Codere Internacional, S.A.	Codere Operadoras de Apuestas, S.L.
Codere Apuestas Cantabria, S.A.	Codere Internacional Dos, S.A.U.	Servicios de Juego On line, S.A
Codere Apuestas Ceuta, S.L.	Codere Latam, S.A.	Royuela Recreativos, S.L (*)
Codere Apuestas Extremadura, S.A.	Codere Logroño, S.L.	Sport Bet Extremadura, S.L (*)
Codere Apuestas Andalucía, S.A.	Codere Online, S.A.	Milenial Gaming, S.A. (**)
Codere Apuestas La Rioja, S.A.	Codere Newco, S.A.U.	Game Asturias, S.L.U (**)

(*) These companies were included in the scope of consolidation in 2019.

(**) These companies were included in the scope of consolidation in 2020.

On 19 November 2021, Codere S.A. ceased to be the parent company of the consolidated tax group for corporate income tax purposes number 0119/00 and, as a result, the tax group was broken up and the entities that formed part of the tax group were taxed individually for corporate income tax purposes in 2021. The event that led to this break-up was the financial restructuring carried out, whereby Codere S.A. reduced its indirect shareholding in its subsidiaries to below the percentages established in the Corporate Income Tax Act to form part of a consolidated tax group, and therefore lost its status as the parent company in accordance with article 58.2.c) of the Corporate Tax Act.

New tax Groups in Spain, for corporate income tax and VAT, have been formed from 1 January 2022 onwards.

Tax Consolidation Group in Italy:

In addition, Italian companies are also included in the consolidated tax regime applicable in Italy. This consolidated taxation is carried out as from 1 January 2005 for the companies included in the tax group headed by Codere Italia, S.p.A. and as from 1 January 2006 for the companies included in the tax group headed by Operbingo Italia, S.p.A. As from 2012, the tax group of Operbingo Italia, S.p.A. has been included in the tax group of Codere Italia, S.p.A.

The subsidiaries included in each of these groups in 2021 and 2020 are as follows:

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Tax Group in Italy 2021

Codere Italia, S.p.a.	Operbingo Italia, S.p.a.
Seven Cora Service, S.r.l.	Nori Games, S.r.l.
Cristaltec Service, S.r.l.	King Slot, S.r.l.
Vasa e Azzena Service, S.r.l.	King Bingo, S.r.l.
DP Service, S.r.l.	Garet, S.r.l.
Codematica, S.r.l.	Se.bi.lot, S.r.l.
CodereNetwork, S.p.a.	New Joker, S.r.l. (*)
Gaming Re, S.r.l.	Codwin, S.r.l.

(*) This company has included in the scope of consolidation in 2021.

Tax Group in Italy 2020

Codere Italia, S.p.a.	Operbingo Italia, S.p.a.
Seven Cora Service, S.r.l.	Nori Games, S.r.l.
Cristaltec Service, S.r.l.	King Slot, S.r.l.
Vasa e Azzena Service, S.r.l.	King Bingo, S.r.l.
Gap Games, S.r.l.	Garet, S.r.l.
DP Service, S.r.l.	Se.bi.lot, S.r.l.
Codematica, S.r.l.	Codere Scommesse, S.r.l.
CodereNetwork, S.p.a.	Codwin, S.r.l. (*)
Gaming Re, S.r.l.	

(*) These companies were included in the scope of consolidation in 2020.

Group companies taxed individually:

All other companies file their income tax returns on an individual basis.

Companies with registered office in Spain are subject to a 25% tax on the taxable base for the years 2021 and 2020. Companies domiciled outside Spain apply the legislation and tax rates in force in the country where they are located, which range from 24% to 41.5%, depending on each jurisdiction.

As established by current legislation, taxes cannot be considered definitive until the returns filed have been inspected by the tax authorities or the statute of limitations period has elapsed.

The directors of Codere Luxemburgo 2, S.A. consider that the companies comprising the consolidated Codere Group have adequately settled the taxes applicable to them and, therefore, do not expect that, in the event of inspection, any significant additional liabilities would arise.

The reconciliation of the income tax expense corresponding to the accounting profit before tax, at the current tax rate, to the income tax expense is as follows:

	Thousand euros	
	2021	2020
Consolidated pre-tax results (loss)	(360,890)	(250,976)
At the basic tax rate of 25%	(90,222)	(62,744)
Difference in rates in different countries	(12)	(6)
Tax effect of unrecognised tax losses and permanent differences	88,284	61,705
Consumption/Activation Tax Loss Carryforwards (Note 13)	(22,374)	(14,514)
Income tax expense/(income) on the consolidated income statement	(23,324)	(15,559)

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The concept "Differences in rates in the different countries" includes the difference between applying the nominal rate in Spain, 25% in 2021 and in 2020, to the consolidated accounting profit before tax in Spain, and applying the corresponding nominal rate to the accounting profit before tax in each country, in those cases where it was positive. These amounts correspond mainly to the difference between the rates in each jurisdiction (e.g. Spain at 25% and Argentina whose nominal rate is 41.5%).

The item "Tax effect of unrecognised tax losses and permanent differences" amounting to 88,584 thousand euros mainly includes the following items:

- Non-temporary differences (expense) amounting to 66,378 thousand euros at the end of 2021:
 - o The permanent differences of the various Group companies applying the nominal tax rate of each country concerned, as a result of non-taxable income and non-deductible expenses on the basis of the tax legislation applicable in each country.
 - o Non-temporary differences (expense) in accounting consolidation adjustments amounting to 31,149 thousand euros.
- Other adjustments to deferred tax (income) amounting to 20,201 thousand euros in 2021 are mainly due to the following items:
 - o 16.086 thousand euros of deferred tax income generated as a result of accounting consolidation adjustments.
 - o 4.929 thousand euros of deferred tax income generated as a consequence of the tax revaluation carried out in Argentina.
 - o 814 thousand euros of deferred tax expense corresponding to the five-sixths tax inflation adjustment calculated for the year 2021 which is recognised as a deferred tax liability to be applied in subsequent years.

The concept "Consumption/Activation of Tax Loss Carryforwards" includes mainly the following:

- Activation in 2021 of tax loss carryforwards generated in the year in Argentina, Italy and Mexico in relation to the Spanish companies taxed individually, amounting to 26,791 thousand euros.
- Depreciation in 2021 of tax loss carryforwards generated in previous years in the consolidation group in Spain and Argentina in the amount of 4,417 thousand euros.

The calculation of charges through corporate income tax in 2021 and 2020 is as follows:

	Thousand euros	
	2021	2020
Consolidated accounting profit before tax	(360,890)	(250,976)
Permanent differences	249,358	46,587
Temporary differences	51,585	82,830
Utilisation of previously unrecognised tax losses	(39,026)	(601)
Taxable amount (tax result)	(98,973)	(119,160)

Temporary differences mainly relate to:

- Differences in the tax and accounting useful lives of tangible and intangible fixed assets.

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- Provisions not deductible for tax purposes in the current year or reversal of amounts recognised as deferred tax assets in prior years.
- Amounts recognised as deferred tax in Argentina as a result of the tax revaluation of certain intangible assets, as well as the effect of the accounting revaluation of assets due to hyperinflation, as a consequence of the tax and accounting amortisation of the year which results in a decrease in the tax base.

The permanent differences mainly relate to the non-deductible expenses described above and adjustments due to the consolidation process, as well as the non-deductibility for tax purposes of the hyperinflation applied in 2021 and 2020 to the income and expense accounts in Argentina.

The main components of income tax expense are the follows:

Consolidated income statement	Thousand euros	
	2021	2020
Current corporate income tax		
- Current corporate income tax expense (*)	6,472	478
- Foreign taxation and other adjustments to current taxation	3,034	12,590
Deferred corporate income tax		
- Relating to increases and decreases in temporary differences (Note 13)	9,745	4,465
- Concerning the deferred tax charge on retained earnings in Argentina	-	-
- Activation/deactivation of tax loss carryforwards for the year (Note 13)	(22,374)	(14,514)
- Other adjustments to deferred tax	(20,201)	(18,578)
	(23,324)	(15,559)

(*) Includes cost of tax inspections, if applicable.

Tax loss carry-forwards

The Codere Group's taxable income pending offset at 31 December 2021 and 2020, after taking into account the tax payable for both years, is as follows,

Company	Thousand euros	
	2021	2020
Spain (after break-up of tax group)	516,699	497,919
Italy	50,795	36,608
México	302,608	274,836
Argentina	16,008	25,801
Panama	29,358	23,773
Uruguay	42,635	48,102
Brazil	12,617	12,506
Colombia	24,160	18,646
Malta	24,614	15,562
	1,019,494	953,753

The tax credit that could be generated by these tax loss carryforwards in future years is not recorded in the Group's consolidated balance sheet, except for tax credits capitalised by Argentina, Italy, Mexico and certain Spanish companies.

The expiry periods of the year-end bases are as follows:

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Year	Thousand euros			
	2021		2020	
	Spain	The rest of the countries	Spain	The rest of the countries
2020	-	-	-	15,195
2021	-	18,612	-	18,919
2022	-	8,734	-	8,188
2023	-	12,236	-	11,668
2024	-	36,223	-	34,786
2025	-	81,598	-	105,020
2026	-	51,925	-	34,159
2027	-	32,239	-	33,346
2028	-	9,596	-	9,215
2029	-	13,421	-	12,644
Subsequent years	-	136,741	-	93,724
Indefinite	516,699	101,470	497,918	78,971
Total	516,699	502,795	497,918	455,835

The amount of the deductions pending application by the Codere Group and their date of validity at 31 December 2021 and 2020 are as follows:

Year	Thousand euros			
	2021		2020	
	Spain	The rest of the countries	Spain	The rest of the countries
2020	-	-	97	-
2021	2	568	2	566
2022	14	116	14	3,892
2023	9	-	9	-
2024	4	-	4	-
2025	-	-	-	-
2026	84	4,438	84	5,438
2027	84	-	84	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
Subsequent years	-	78,074	-	77,787
Indefinite	33,673	-	32,047	-
Total	33,870	83,196	32,341	87,683

22. GUARANTEES TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

One of the Group's main activities is the operation of amusement and gaming machines, for which in Spain the guarantees established by Royal Decree 593/1990 of 27 April 1990 are required. These guarantees have been duly deposited with the competent bodies.

Although Codere NewCo S.A.U. does not engage in gambling activities, the companies have provided their own operating company guarantees to Group companies in view of the requirement of the financial institutions to have the parent company's guarantee.

The breakdown of guarantees and sureties by item as at 31 December 2021 and 31 December 2020 is shown below, expressed in thousand euros:

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Surety and guarantees	Thousand euros	
	2021	2020
Sureties and guarantees for gaming	91,707	105,906
Other guarantees	46,186	36,492

Sureties and guarantees for gaming

Within the guarantees and sureties for gaming, at 31 December 2021 and 31 December 2020 the most significant relate to the surety policies guaranteeing compliance with the obligations deriving from the granting by L'Amministrazione Autonoma dei Monopoli dello Stato (AAMS) of the administrative concession to Codere Network, S.p.A. for the activation and management of the network for the management of gaming in Italy, for an amount at 31 December 2021 of 19,858 thousand euros and 35,563 thousand euros at 31 December 2020, due to the corresponding decrease in the Preu due to the effects of the pandemic.

We also maintain surety policies and guarantees to ensure faithful compliance with the concession contract and payment of royalties to the Municipality of Montevideo for Carrasco Nobile, S.A. (Hotel Casino Carrasco), amounting to 7,063 thousand euros at 31 December 2021.

In addition, the Codere Group is guaranteeing compliance with the obligations derived from the tax authorities of the Community of Madrid for the organisation and marketing of Sports Betting for an amount of 11,940 thousand euros as at 31 December 2021 and the same amount as at 31 December 2020.

Other guarantees

There are other non-bank guarantees provided by the Codere Group, including those issued by Afianzadora Aserta S.A. de C.V. in Mexico, bonds in favour of the Mexican Federal Treasury for the most significant lawsuits on tax interests of the Codere Mexico Group, amounting to 12,552 thousand euros at 31 December 2021.

In addition, there are other non-bank guarantees provided by the Codere Group, among which the guarantees that Assicurazioni Generali Spa has issued in Italy for the rental of bingo halls and concessions to various companies of the Operbingo Group for 3,854 thousand euros.

In the opinion of management, no significant liabilities will arise from the granting of these guarantees that are not already provided for.

The companies listed in the annexed table own land, buildings and machinery which are collateralised by bank loans and guarantees for tax deferral requests (in the case of Spanish companies), the values of which are as follows (expressed in thousand euros):

	Thousand euros		
	December 2021		
	Land and buildings (*)	G. Machines (*)	Total
Operibérica, S.A.	10,761	36,984	47,745
J.M.Quero S.A.	1,116	-	1,116
J.P.V.Matic 2005, S.L.	762	-	762
Codere Girona, S.L.	4,827	-	4,827
Codere Alicante, S.L.	152	-	152
Bingos Codere, S.A.	1,918	-	1,918
	19,536	36,984	56,520

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	Thousand euros		
	December 2020		
	Land and buildings (*)	G- Machines (*)	Total
Operibérica, S.A.	7,919	36,984	44,903
J.M.Quero S.A.	1,129	-	1,129
J.P.V.Matic 2005, S.L.	776	-	776
Codere Girona, S.L.	4,900	-	4,900
Codere Alicante, S.L.	160	-	160
Bingos Codere, S.A.	2,102	-	2,102
	16,986	36,984	53,970

(*) The amounts included for Gaming Machinery correspond to the value for which the guarantee has been granted; and those for Land and Buildings are shown at net book value.

23. INCOME AND EXPENSE

a) Revenue from customer contracts

The heading "Operating income" consists of the following items at 31 December 2021 and 2020 (amounts expressed in thousand euros):

	Year ended 31 December	
	2021	2020
Operating Revenue		
Revenue from customer contracts	793,284	575,420
Works performed by the Group on Fixed Assets	340	261
Other operating Revenues	14,086	9,078
Total	807,710	584,759

The Group's revenue from customer contracts for the year ended 31 December 2021 and 2020 is broken down by business line and geographic area as follows:

	Thousand euros					
	December 2021					
Geographic area	Machines	Betting	Bingo	Tables	Other	Total
Argentina	160,806	-	-	-	2,235	163,041
México	100,694	1,589	1,852	4,737	42,954	151,826
Colombia	13,012	410	53	469	323	14,267
Panama	36,903	2,114	-	6,333	1,159	46,509
Uruguay (Casino)	5,303	-	-	2,027	705	8,035
Italy	122,415	18	17,014	-	11,918	151,365
Spain	89,333	47,572	6,077	-	1,289	144,271
Uruguay (Horse racing)	-	-	-	-	33,986	33,986
Brazil	-	-	-	-	-	-
Online	-	-	-	-	79,984	79,984
Total Revenue for customer contracts	528,466	51,703	24,996	13,566	174,553	793,284

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(thousand euros)

Thousand euros						
December 2020						
<u>Geographic area</u>	<u>Machines</u>	<u>Betting</u>	<u>Bingo</u>	<u>Tables</u>	<u>Other</u>	<u>Total</u>
Argentina	56,761	-	1,720	-	1,481	59,962
México	70,072	8,290	1,079	3,260	12,860	95,561
Colombia	7,808	398	218	228	(102)	8,550
Panama	15,482	2,084	-	3,094	542	21,202
Uruguay (Casino)	4,103	-	-	2,182	1,086	7,371
Italy	122,715	11	16,041	-	12,570	151,337
Spain	69,645	41,715	4,980	-	(198)	116,142
Uruguay (Horse racing)	-	-	-	-	44,873	44,873
Brazil	-	-	-	-	-	-
Online	-	-	-	-	70,422	70,422
Total Revenue for customer contracts	346,586	52,498	24,038	8,764	143,534	575,420

Other" mainly includes racecourse revenues (access, ticket sales, events and sponsorships), food and beverage sales in halls and casinos as well as the provision of miscellaneous services.

The following table shows the reconciliation between the amounts disclosed above in relation to revenue from customer contracts and the amounts disclosed in the segment note above (see Note 5) for the years 2021 and 2020:

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Statement of profit or loss
2021

	Spain	Mexico	Argentina	Colombia	Italy	Uruguay	Brazil	Panama	Holdcos	Online	(*) Inter-segments transactions	Total
Operating income												
External customers	145,502	160,962	163,128	14,846	152,777	42,073	-	48,428	-	79,994	-	807,710
Inter-segment	-	-	-	-	-	-	-	-	47,251	-	(47,251)	-
Total revenue as per segment reporting note	145,502	160,962	163,128	14,846	152,777	42,073	-	48,428	47,251	79,994	(47,251)	807,710
Amounts classified as other operating revenue and own work capitalized,	1,231	9,136	87	579	1,412	52	-	1,919	-	10	-	14,426
Revenue from contracts with customers	144,271	151,826	163,041	14,267	151,365	42,021	-	46,509	-	79,984	-	793,284
Machines	89,333	100,694	160,806	13,012	122,415	5,303	-	36,903	-	-	-	528,466
Horse- and sports-betting	47,572	1,589	-	410	18	-	-	2,114	-	-	-	51,703
Bingo	6,077	1,852	-	53	17,014	-	-	-	-	-	-	24,996
Tables	-	4,737	-	469	-	2,027	-	6,333	-	-	-	13,566
Other	1,289	42,954	2,235	323	11,918	34,691	-	1,159	-	-	-	174,553
Revenue from contracts with customers	144,271	151,826	163,041	14,267	151,365	42,021	-	46,509	-	79,984	-	793,284

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(thousand euros)

Statement of profit or loss
2020

	<u>Spain</u>	<u>Mexico</u>	<u>Argentina</u>	<u>Colombia</u>	<u>Italy</u>	<u>Uruguay</u>	<u>Brazil</u>	<u>Panama</u>	<u>Holdcos</u>	<u>Online</u>	<u>(*) Inter-segments transactions</u>	<u>Total</u>
Operating income												
External customers	116,925	97,812	59,972	8,743	154,966	52,288	-	22,668	-	71,385		584,759
Inter-segment	-	-	-	-	-	-	-	-	29,703	-	(29,703)	-
Total revenue as per segment reporting note	116,925	97,812	59,972	8,743	154,966	52,288	-	22,668	29,703	71,385	(29,703)	584,759
Amounts classified as other operating revenue and own work capitalized,												
	783	2,251	10	193	3,629	43	-	1,466	-	963	-	9,339
Revenue from contracts with customers	116,142	95,561	59,962	8,550	151,337	52,245	-	21,202	29,703	70,422	(29,703)	575,420
Machines	69,645	70,072	56,761	7,808	122,715	4,103	-	15,482	-	-	-	346,586
Horse- and sports-betting	41,715	8,290	-	398	11	-	-	2,084	-	-	-	52,498
Bingo	4,980	1,079	1,720	218	16,041	-	-	-	-	-	-	24,038
Tables	-	3,260	-	228	-	2,183	-	3,094	-	-	-	8,765
Other	(198)	12,860	1,481	(102)	12,570	45,959	-	542	-	70,422	-	143,534
Revenue from contracts with customers	116,142	95,561	59,962	8,550	151,337	52,245	-	21,202	-	70,422	-	575,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(thousand euros)

b) Consumables and other external expenses

This concept includes consumption related to the hotel and catering industry, mainly in Mexico, Argentina, Spain and Panama.

c) Other operating expense

	Thousand euros	
	2021	2020
Gambling fees and other taxes	277,912	220,221
Rental of machinery and other leasing (*)	20,133	487
Supplies, repair and maintenance	52,098	44,093
Professional services and other expenses	253,952	180,790
	604,095	445,591

(*) As indicated in note 8, the Group has opted to take advantage of the practical amendment to IFRS 16 which allows the lessee to elect not to account for rent concessions under Covid-19 as a lease modification, with an impact on the income statement for the year of 15,132 thousand euros in 2020.

The increase in the different lines of operating expenses in 2021 compared to the previous year is mainly due to the fact that the Group's activity was halted for a large part of 2020 as a result of the Covid 19 pandemic, activity which gradually recovered. During the closing periods, no variable gaming fees on revenues were accrued, nor were several of the variable costs of doing business. In addition, professional services include 35 million euros resulting from the online transaction (see note 6.a.1) and expenses related to the Group's financial restructuring process (see note 20).

d) Personnel expense

The breakdown of consolidated personnel expenses in 2021 and 2020 is as follows, expressed in thousand euros:

	Thousand euros	
	2021	2020
Wages and salaries	122,438	95,499
Social security	23,638	21,210
Other employee benefits	6,506	5,311
	152,582	122,020

The increase in personnel expenses is explained by the evolution of the Covid 19 pandemic, given that during 2020 a large part of the operation was closed and part of the staff was included in temporary lay-off programmes, which have been gradually recovered.

The line "Wages, salaries and similar" includes severance payments of 2,530 thousand euros in 2021 (1,721 thousand euros in 2020).

e) Workforce

	2021		2020	
	Number of employees:		Number of employees:	
	Male	Female	Male	Female
Administrative staff	272	386	267	376
Senior Management	10	-	12	-
Executives	72	23	71	19
Middle management	1,288	672	1,289	672
Operations Staff	3,332	2,572	3,794	2,845
Technicians	1,246	363	1,192	351
	6,220	4,016	6,625	4,263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(thousand euros)

The average number of people employed by Codere Group in Spain during 2021 with a disability greater than or equal to 33% is 11, the same figure as in 2020.

	2021
	Number of employees with disabilities
Administrative staff	3
Senior Management	-
Executives	1
Middle management	-
Operations Staff	5
Technicians	2
	11
	11

	2020
	Number of employees with disabilities
Administrative staff	3
Senior Management	-
Executives	-
Middle management	1
Operations Staff	5
Technicians	2
	11
	11

f) Financial income and expense

	2021	2020
	Thousand euros	Thousand euros
Financial expense		
Contractual costs and interest	(216,642)	(104,511)
Expenses for financial restatement of provisions and other liabilities	(3,536)	-
	(220,178)	(104,511)
Financial income		
Financial income	10,874	62,204
Income from securities, receivables and other assets	45,435	459
	56,309	62,663
Exchange rate differences (net)	(13,082)	(15,265)
Total financial income/(loss)	(176,951)	(57,113)

Contractual costs and interest

This item mainly includes interest expenses on debts owed to third parties, financial restatement expenses and other liabilities. Also included here is the effect of the application of IFRS 16, which has resulted in higher financial expenses of 16,023 thousand euros and 21,854 thousand euros in 2021 and 2020, respectively.

Also included in 2021 are financial expenses due to the financial restructuring process (see Note 20.a.1) amounting to 198,512 thousand euros, including 64,976 thousand euros in cash interest, 48,731 thousand euros in pik interest, capitalised expenses charged to income of 71,118 thousand euros and restructuring expenses recorded directly in income of 13,686 thousand euros.

Expenses for financial restatement of provisions and other liabilities

In 2021, mainly 3,236 thousand euros was recognised for impairment of receivables from third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(thousand euros)

In the year 2020, 5,093 thousand euros were recognised in respect of impairment of receivables from third parties.

Income from securities, loans and other assets includes the positive impact of 45 million euros corresponding to the accounting treatment of the refinancing process discussed in note 20.a.1.

Exchange rate differences (net)

In 2021, this item recorded 174,670 thousand euros of exchange gains and 187,750 thousand euros of exchange losses. In 2020, this item recorded 172,815 thousand euros of exchange gains and 188,699 thousand euros of exchange losses.

24. ADDITIONAL INFORMATION ON THE CONSOLIDATED CASH FLOW STATEMENT.

Breakdown of cash and cash equivalents

	Thousand euros	
	2021	2020
Cash Equivalents	7,427	4,079
Cash and banks	215,339	105,739
	222,766	109,818

<i>Currency</i>	Thousand euros	
	2021	2020
Euro	172,464	71,411
Dollars	18,577	11,480
Argentine pesos	10,036	8,156
Mexican pesos	10,549	6,127
Uruguayan Pesos	8,362	10,643
Colombian Pesos	2,678	1,914
Pounds Sterling	99	85
Brazilian Reais	1	2
	222,766	109,818

Additional information on cash flows

For the year ended 31 December 2021, the main non-cash transactions were gains on sale of assets and operating income of 2,585 thousand euros, losses on disposal of fixed assets (3,428 thousand euros), operating expenses (41,062 thousand euros, including 35,798 thousand euros of the service cost of the Online operation) and the negative effect of inflation on results in Argentina of 1,287 thousand euros.

The Other heading, within the variation in working capital, includes the effect of the variation due to the exchange rate in operating operations, as well as the variation in accrual adjustments for prepaid expenses and deferred income.

For the year ended 31 December 2021, in respect of cash applied to investment activities, payments were made for the acquisition of fixed assets of 46,337 thousand euros; 1,136 thousand euros were paid on long-term loans consisting of: a net increase of 936 thousand euros in loans to owners of hospitality premises in Spain (loan repayments of 2.986 thousand euros, net of collections of 2,050 thousand euros) and 200 thousand euros granted from long-term credits granted to owners of premises

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(thousand euros)

in Italy (loan repayments of 9,534 thousand euros, net of 9,334 thousand euros in collections). Payments have been made for company acquisitions for 150 thousand euros by a company acquired in Spain, and collections for the sale of a company in Mexico and Spain.

The bond issue proceeds of 231,959 thousand euros correspond to the Super Senior bridge bond issue of 103,093 thousand euros plus the new Super Senior bond tranche of 128,866 thousand euros, completing the financial restructuring process. The decrease in financial debts of 2,532 thousand euros corresponds to the redemption of the bond issue of HRU, S.A. the increase in funds from bank loans of 4,125 thousand euros corresponds to loans obtained in Mexico (265 thousand euros), Spain (860 thousand euros) and Italy (3,000 thousand euros). The 7,613 thousand euros of repayments of bank loans occurred in Mexico (576 thousand euros), Uruguay (710 thousand euros), Spain (3,474 thousand euros), Colombia (191 thousand euros) and Italy (2,662 thousand euros). The change in other financial liabilities includes net proceeds from the deferral of fees of 26 thousand euros and payments of expenses associated with the financial restructuring of the group of 41,240 thousand euros.

The heading "Other cash flows due to exchange rate impact on receipts and payments" includes applications of funds amounting to 1,713 thousand euros.

For the year ended 31 December 2020, the main non-cash transactions were gains on sale of assets and operating income of 2,691 thousand euros, losses on disposal of fixed assets (3,169 thousand euros), operating expenses (8,770 thousand euros) and the effect of inflation on results in Argentina of 618 thousand euros.

The Other heading, within the variation in working capital, includes the effect of the variation due to the exchange rate in operating operations, as well as the variation in accrual adjustments for prepaid expenses and deferred income.

For the year ended 31 December 2020, in respect of cash applied to investing activities, payments were made for the acquisition of fixed assets of 45,584 thousand euros; 767 thousand euros were obtained from long-term loans consisting of: a net increase of 2 thousand euros in loans to owners of hospitality premises in Spain (loan repayments of 1,876 thousand euros, net of collections of 1,874 thousand euros) and 769 thousand euros granted from long-term credits granted to owners of premises in Italy (loan repayments of 11,891 thousand euros, net of 12,660 thousand euros in collections). Payments for company acquisitions of 164 thousand euros have been made, including payments for companies acquired in Spain of 600 thousand euros, offset by the cash of the fully consolidated Italian company at the time of integration of 436 thousand euros.

The decrease in financial debts of 47,160 thousand euros corresponds to the redemption of senior debt for a net amount of 45,000 thousand euros (drawdowns of 41,000 thousand euros and repayments of 86,000 thousand euros), new bonds issued for 409 thousand euros (in Panama) and redemption of the issue of bonds from HRU, S.A. for 2,569 thousand euros. The increase in funds from bank loans of 22,061 thousand euros corresponds to loans obtained in Mexico (19,432 thousand euros) and Italy (2,629 thousand euros). 11,417 thousand euros of bank loans were repaid in Mexico (5,332 thousand euros), Uruguay (1,479 thousand euros), Codere Newco (2,277 thousand euros) Spain (1,784 thousand euros) Colombia (513 thousand euros) and Italy (32 thousand euros). The change in other financial debts includes funds obtained from the deferral of taxes for 6,679 thousand euros and payments of expenses associated with the financial restructuring of the group for 28,854 thousand euros and indebtedness in Mexico for 243 thousand euros.

The heading "Other cash flows due to exchange rate impact on receipts and payments" includes applications of funds amounting to 1,787 thousand euros.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **(thousand euros)**

	Balance at 01/01/2021	Cash flows	Movement of foreign currency	Changes in fair value	New debts (*)	Reclassifications	Other	Balance at 31/12/2021
Short-term bonds issued by Codere Finance 2 (Luxembourg), S.A. and by HRU, S.A	34,240	(68,482)	443	-	-	-	59,731	25,932
Short-term debts with credit institutions	16,878	(11,822)	2,126	-	-	6,587	4,336	18,105
Creditors for financial lease and short-term purchase contract	113,383	(61,575)	206	-	-	40,322	4,080	96,416
Long-term bonds issued by Codere Finance 2 (Luxembourg), S.A. and by HRU, S.A	922,431	190,459	13,812	-	(609,189)	-	119,840	637,353
Long-term debts with credit institutions	42,732	4,124	1,489	-	-	(6,587)	-	41,758
Creditors for long-term finance leases and long-term purchase contracts	180,837	(1,129)	8,813	-	12,431	(40,322)	-	160,630
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	1,310,501	51,575	26,889	-	(596,758)	-	187,987	980,194

(*) Includes IFRS-16 liabilities at 1 January 2020 amounting to 316,320 thousand euros.

	Balance at 01/01/2020	Cash flows	Movement of foreign currency	Changes in fair value	New debts	Reclassifications	Other	Balance at 31/12/2020
Short-term bonds issued by Codere Finance 2 (Luxembourg), S.A. and by HRU, S.A	11,737	(70,694)	1,518	-	-	21,331	70,348	34,240
Short-term debts with credit institutions	20,645	(106,006)	1,155	-	-	92,996	8,088	16,878
Creditors for financial lease and short-term purchase contract	102,554	(51,385)	(6,625)	-	-	72,846	(4,007)	113,383
Long-term bonds issued by Codere Finance 2 (Luxembourg), S.A. and by HRU, S.A	787,931	221,555	(20,774)	(59,824)	-	(21,331)	14,874	922,431
Long-term debts with credit institutions	76,990	63,061	(4,323)	-	-	(92,996)	-	42,732
Creditors for long-term finance leases and long-term purchase contracts	238,805	6,329	(34,954)	-	43,503	(72,846)	-	180,837
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	1,238,662	62,860	(64,003)	(59,824)	43,503	-	89,303	1,310,501

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

25. Information on related-party transactions

Transactions and balances with non-Group related parties as at 31 December 2021 and 2020 are as follows, expressed in thousand euros:

31 December 2021	Nature of the relationship	Thousand euros	
		Other	Services rendered
Jusvil, S.A.	Advisor	-	1,487
G3M, S.R.L.	Advisor	-	220
		-	1,707

The independent professional services heading includes the portion corresponding to the accrual of the long-term incentive corresponding to the contract signed with Jusvil, S.A., which, as detailed in note 2.b.19, has been accrued in the amount of 2.9 million euros.

31 December 2020	Nature of the relationship	Thousand euros	
		Other	Services rendered
Jusvil, S.A.	Advisor	-	949
G3M, S.R.L.	Advisor	-	325
		-	1,274

a) Remuneration of members of the Board of Directors and Senior Management

The members of the Board of Directors do not receive any remuneration for the performance of their duties.

The amount of remuneration accrued to senior executives during the financial year 2021 amounts to 2,997 thousand euros (31 December 2020: 4,903 thousand euros). In addition, there is a long-term incentive plan signed in February 2020 for part of the executives, the maximum amount of which would amount to 3,371 thousand euros, 33.3% of the maximum amount reported in other reports previously, given that the business objectives established in said Plan have not been met.

In addition, several of the Spanish members of Codere's management team have employment contracts which include special redundancy payment provisions in addition to those mandatory under the applicable legislation. The overall value of severance payments under these contracts amounts to 210 thousand euros by December 2021, 183 thousand euros by December 2020.

As at December 2021, we made a severance payment to a senior executive amounting to 220 thousand euros

At 31 December 2021 and 2020, the Group has not given any advances to any member of the Board of Directors. Furthermore, there are no pension obligations to former or current members of the Board.

In the financial years 2021 and 2020 there is no Remuneration corresponding to the natural persons representing the Company in the administrative bodies in which the Company is a managing legal entity.

In 2021, directors' liability insurance premiums of 248 thousand euros (276 thousand euros in 2020) were paid for damages incurred in the course of their duties.

The Directors, or persons acting on their behalf, have not entered into any transactions with the Company during the year outside the ordinary course of business or outside market conditions.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (thousand euros)

b) Balances with the CIE Group

The Codere Group has a receivable of 1,573 thousand euros at 31 December 2021 (370 thousand euros at 31 December 2020) from the subsidiary of the CIE Group (minority shareholder in Mexico), Make Pro, S.A. de C.V., for advertising and sponsorship.

26. ENVIRONMENTAL ASPECTS

Any activity whose main purpose is the minimization of environmental impact and protection and improvement of the environment is considered as an environmental activity.

In 2021 and 2020, the Codere Group has not made any significant investments in environmental matters.

No provision is recognised in the consolidated balance sheet for environmental activities as there are no obligations at year-end to be settled in the future arising from the Group's actions to reduce or repair damage to the environment or, if any, such obligations would not be material.

27. SUBSEQUENT EVENTS

The main post-closing events have been the following:

- **Codere Network licence renewal**

Codere Network, State Concessionaire for the management and connection of gaming machines, a leading multinational in the private gaming sector, has obtained a one-year extension of its gaming concession in Italy, the company has been informed by the ADM (Agency for Customs and Monopoly), the Italian gaming authority.

Codere Network's gaming concession was originally due to expire on 20 March 2022; the continuation of the state of emergency until 31 March, provided for by Legislative Decree 24 December 2021, postponed the deadline to 29 June 2022.

As of 31 March, the Agency has communicated the extension of the concession for another twelve months from the current expiry date, thus extending it free of charge until 29 June 2023.

- **New Board of Directors of Codere New Topco, S.A.**

On 9 February 2022, the Group announced that the Board of Directors of the Group's parent company, Codere New Topco, S.A., has been formed as per approved by an Extraordinary Shareholders' Meeting. The highest governing body of the group is composed of eight members. Christopher Bell assumes the position of non-executive chairman, as an independent director.

The remaining "Class A" ⁽¹⁾ directors are:

- Aidan de Brunner, as independent director.
- Antonio Moya-Angeler, as Qualifying Shareholder Director.

Vicente Di Loreto, as corporate director, also maintaining the position he has held since January 2018 as CEO of Codere Group.

In addition, the so-called "Class B" ⁽²⁾ directors are:

- Laurence Biver
- Isabelle Lambert
- Mathieu Kakal
- Sandra Egan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(thousand euros)

The directors of each class (A or B) shall have the roles assigned to them in the Shareholders' Agreement entered into on 19 November 2021.

⁽¹⁾ "Class A" directors are defined as those directors who have been appointed on the basis of their independence, their employment relationship with the group or their relationship with one of the shareholders.

⁽²⁾ The other directors are designated as "Class B", one of whom shall act as Secretary of the Board.

- **CEO succession planning**

On 25 February 2022, the Group announced that Vicente Di Loreto, CEO of Codere Group since January 2018, has decided to gradually retire from his executive duties as CEO of the company, although he will remain committed to the group as a member of the Board of Directors and senior advisor to the management team. This personal decision follows an intense 35-year career in executive roles, and will allow him to devote more time to his family and personal projects, while continuing to bring his knowledge and experience to the group in his new position.

In an orderly transition, which subject to shareholder approval will be completed by 30 June, Di Loreto will transfer his executive duties to Alberto González del Solar and Alejandro Rodino, who will take over as Co-CEOs from 1 July 2022.

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT
(Thousand euros)

CONSOLIDATED MANAGEMENT REPORT
FOR THE YEAR 2021

CONSOLIDATED MANAGEMENT REPORT
(Thousand euros)

Evolution of the Codere Group's businesses

After 2 very difficult years in which the pandemic had a very negative impact on our retail business, with successive closures and reopenings in the various markets in which the Group operates due to the Covid-19 pandemic and successive variants of the disease, the Group continues to restore operations to pre-pandemic levels of activity in 2019 in all jurisdictions, although there are still some constraints slowing down the recovery, such as the Covid certificates limiting access to our facilities in certain countries, and the Omicron variable, which was felt particularly in Europe in December 2021 and January 2022.

In the fourth quarter of 2021, Codere reached 85% of the operating revenues it achieved in the same period of 2019. Although the recovery has taken place at different speeds, most countries have continued the improvement seen in the third quarter of 2021. Spain, Argentina, Panama and Colombia were the leading countries in the recovery of operations, followed by Italy, which had to deal with the imposition of Covid certificates for access to premises, which undermined the recovery of its operations. Also, recovery in Mexico remains slower than in other jurisdictions. Lastly, Uruguay saw strong growth in machines offset by lower activity at gaming tables.

Codere Group's main milestones for the financial year 2021

Among the Codere Group's achievements during 2021, the following two stand out above all others:

- Debt refinancing initiated in 2020 completed:

The devastating effects of the pandemic on the business, especially in 2020, led the Group during 2020 and 2021 to work to refinance the debt and in April 2021, an agreement was reached with the bondholders, which was completed in November 2021. Following this process, the Group received an injection of 225 million euros, enabling it to continue operations and meet its commitments, with more than 350 million euros of existing bonds having been capitalised.

As a result of the refinancing, the business of the Codere Group has been transferred to a new holding company (Codere New Topco, S.A., domiciled in Luxembourg) which is 95% owned by the former bondholders after the execution of a pledge on the shares of Codere, S.A. during the process, with the remaining 5% of the capital being held by the former shareholders of Codere, S.A.

- Reorganisation and relaunch of the Online Business

Following the reorganisation of the Group's online business in all jurisdictions, the merger with DD3 Acquisition Corp. II ("DD3") has been completed. This merger has enabled Codere to create the first online gaming operator in Latin America to be listed on the US stock exchange (Nasdaq) as of 1 December 2021. The IPO provided the Group with the necessary resources to continue the expansion of the business planned for the next 2 years and to achieve a positive cash generation performance.

The achievement of these important milestones for Codere has meant the reinforcement of its capital structure, which is enabling the Group to meet its short, medium and long-term commitments, as well as to develop a Business Plan to lead the omnichannel operation of the gaming industry.

CONSOLIDATED MANAGEMENT REPORT
(Thousand euros)

Foreseeable evolution of the Group

The Group expects to recover 100% of its pre-pandemic 2019 operating revenues and thereafter, once the necessary liquidity has been secured following the refinancing and as it gradually returns to normal operations, the company will continue to promote each of the pillars on which its strategy is based, with a particular focus on customer centricity, the development of the omnichannel gaming offering and digitisation.

Based on this, on profitable growth, efficiency and operational excellence, we are determined to continue to do our utmost to meet the expectations of our stakeholders.

The Group's main risks

The Group's principal business risks include, but are not limited to, those relating to the private gaming sector in which we operate. The gaming industry is subject to an intense level of regulation (including, among others, regulation of the gaming activity itself and the permitted modes and channels, management of the risks associated with the activity, gaming advertising, customer data protection, anti-money laundering and anti-corruption) and technical and compliance requirements in addition to operating through gaming licences which must be renewed every certain period of time or which are subject to compliance conditions in order to remain in force. Failure to comply with any of these regulations and requirements or failure to renew or maintain our gaming licences may have a negative effect on our business. In addition, future regulation may place new restrictions on currently regulated activities that could reduce our ability to offer the products and services provided to our customers.

The industry is also subject to the definition and interpretation of gaming tax regulations in each market, which may result in increases or changes in the method of calculation of gaming taxes that may impact the viability of our business. The gaming industry is a sensitive industry and public perception of the activity can also have an impact on company results. In addition, regulation may in turn change in each market to allow for new competitors or new forms of activity that may impact our business. Lastly, the Group is exposed, and may be exposed, to litigation resulting from the aforementioned tax and compliance regulations.

On the other hand, due to the markets in which the Group operates, there are political, macroeconomic and currency risks associated with the Group's international operations. Market conditions and socio-economic variables in each of the markets in which we operate affect the spending power of our customers and therefore the performance of our business. The Group is also affected by political and currency risks (including currency devaluations or changes in corporate regulation in the markets where we operate).

The Group is also exposed to risks arising from its growth strategy and its strategy of raising finance (debt). The company's own level of indebtedness may condition the management of the business, while market conditions for long-term financing or unprofitable investments may affect the company's results. In addition, both the financial situation of the markets and of the company may affect the ability to obtain the necessary guarantees or collateral to operate a large part of the gaming licences we manage in different geographies.

The Group is also exposed to risks arising from changing and evolving customer preferences and the impact of technology on the generation of alternative leisure activities. Also those arising from the concentration of suppliers or competitors in certain types or products and the ability of the former to generate safe and attractive gambling products for customers in accordance with the regulations in force in each market customers in accordance with the regulations in force in each market. Lastly, the technological evolution of business and product management (digitalisation and interconnection) entails the appearance of integrity risks in our systems and platforms that the company must manage

CONSOLIDATED MANAGEMENT REPORT
(Thousand euros)

proactively to avoid potential contingencies. Our financial systems currently require a high degree of human intervention, which can lead to errors. The Group is making efforts to reduce the level of human intervention in these processes.

Lastly, and as highlighted during 2020, as detailed in note 2.a.1) of this report, the Group faces other general and hardly predictable risks:

- The appearance of possible new variants of the virus causing the Covid 19 pandemic, which could significantly affect the Group's operations and therefore its capacity to generate revenues, although the high vaccination rate in the countries in which we operate and the natural immunisation that is being acquired favour the application of less severe restrictions by the Health Authorities and mean that we can face 2022 with greater optimism.
- Geopolitical tensions and war in Ukraine. The energy crisis that has followed the pandemic has been exacerbated by Russia's invasion of Ukraine. Inflation, which had already been high in recent months, has soared in Spain to levels close to 10% in March. In Italy, although to a lesser extent, inflation is also rising as in the rest of Europe. This situation will have an impact on the purchasing power of the population, which may have negative consequences on the Group's operating revenues in the coming months, especially in Europe, which is more closely affected by the conflict and more dependent on natural gas from Russia.

With regard to the use of financial instruments, the group has a financial risk management policy, which is detailed in the notes to the financial statements. The Group's activities expose it to various financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's global risk management programme focuses on uncertainty in financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

For a more detailed description of the Group's main risks, please refer to the relevant notes to the consolidated financial statements, particularly note 3, which provides a breakdown of the Group's risk management objectives and policies.

Group results

- Operating Income

Operating revenues increased during the year by 223 million euros (38%) to 808 million euros, due to the recovery of activities after the pandemic, which has allowed for a gradual recovery of the business. Restrictions during the year due to new variants of the pandemic virus and the requirement of Covid certificates for access to premises in certain countries have slowed down the recovery.

Argentina, Mexico, Spain and Panama led the increase in revenues with positive variations of 103, 63, 29 and 26 million euro. Restrictions during the year due to new variants of the pandemic virus and the requirement of Covid certificates for access to premises in certain countries (Italy) have slowed down the recovery.

Note 5 of the accompanying notes to the consolidated financial statements provides a breakdown of operating income by country.

- Operating expense

CONSOLIDATED MANAGEMENT REPORT
(Thousand euros)

Operating expense, excluding depreciation, impairments and changes in trade provisions, increased by 202 million euros, 34% higher than in 2020, as a result of higher variable costs in all our markets compared to 2020, when the most severe health restrictions were in place and our sites were closed for several months.

However, the percentage increase was lower than the increase in revenues due to the multiple cost containment measures implemented by management during the pandemic, especially in Argentina, Italy, Mexico and Spain.

The Group continues to work on the digital transformation of its operational, administrative and financial processes as part of its strategy of excellence and continuous business improvement.

- Operating profit/loss

In 2021, the Group has reduced operating losses by 10 million euros, from 194 million euros to 184 million euros. Access restrictions (Covid passport in Italy) and volatility in openings, closures and operational restrictions, as well as the impact of the Omicron variant in December 2021, especially in Europe, made it difficult to achieve a more substantial improvement on the revenue side.

- Financial results

The financial results (loss) increased mainly due to the effects of accounting for the refinancing in accordance with the accounting standard (IFRS 13), as explained in notes 2.a.1 and 20 of the accompanying Notes to the consolidated financial statements.

- Corporation tax

Consolidated income tax increased from 16 million euros to 23 million euros as a result of the gradual resumption of activity in our markets.

- Profit attributable to non-controlling interests

Loss attributable to non-controlling interests amounted to 16 million euros, a change of 4 million euros compared to the previous year, due to the negative effect of the financial result for the year in 2021.

- Profit (loss) attributable to the parent company

As a result mainly of the effects described in the preceding paragraphs, the result attributable to the parent company is a loss in 2021 of 322 million euros, compared to 215 million euros in the financial year 2020.

The group's consolidated equity, following the refinancing, looks healthy, compared to the unbalanced situation as at 31 December 2020.

The equity of the Group's parent company, Codere Luxebourg 2, S.à.r.l., is positive at year-end at USD 442 million.

Personnel Information

The Group employed 10,235 employees as at 31 December 2021 (31 December 2020: 10,888 employees). The attached report details the proportion of men and women by category.

Information on environmental issues

CONSOLIDATED MANAGEMENT REPORT
(Thousand euros)

As at 31 December 2020 and 2021, we have developed policies aimed at protecting the environment, as detailed in the Non-Financial Information Report available on our website.

R&D expenses

As at 31 December 2020 and 2021, the Group has not incurred any R&D costs.

Treasury shares

As at 31 December 2020, and 2021, the Company did not have any treasury shares.

Significant events for the group after the close

The main post-closing events have been the following:

- Codere Network licence renewal

Codere Network, State Concessionaire for the management and connection of gaming machines, a leading multinational in the private gaming sector, has obtained a one-year extension of its gaming concession in Italy, the company has been informed by the ADM (Agency for Customs and Monopoly), the Italian gaming authority.

Codere Network's gaming concession was originally due to expire on 20 March 2022; the continuation of the state of emergency until 31 March, provided for by Legislative Decree 24 December 2021, postponed the deadline to 29 June 2022.

As of 31 March, the Agency has communicated the extension of the concession for another twelve months from the current expiry date, thus extending it free of charge until 29 June 2023.

- New Board of Directors of Codere New Topco, S.A.

On 9 February 2022, the Group announced that the Board of Directors of the Group's parent company, Codere New Topco, S.A., has been formed following Monday's Extraordinary Shareholders' Meeting.

The highest governing body of the group is composed of eight members. Christopher Bell assumes the position of non-executive chairman, as an independent director.

The remaining "Class A" 1 directors are:

- Aidan de Brunner, as independent director.
- Antonio Moya-Angeler, as Qualifying Shareholder Director.

Vicente Di Loreto, as corporate director, also maintaining the position he has held since January 2018 as CEO of Codere Group.

In addition, the so-called "Class B" 2 directors are:

- Laurence Biver
- Isabelle Lambert
- Mathieu Kakal

CONSOLIDATED MANAGEMENT REPORT
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- Sandra Egan

The directors of each class (A or B) shall have the roles assigned to them in the Shareholders' Agreement entered into on 19 November 2021.

⁽¹⁾ "Class A" directors are defined as those directors who have been appointed on the basis of their independence, their employment relationship with the group or their relationship with one of the shareholders.

⁽²⁾ The other directors are designated as "Class B", one of whom shall act as Secretary of the Board.

- CEO succession planning

On 25 February 2022, the Group announced that Vicente Di Loreto, CEO of Codere Group since January 2018, has decided to gradually retire from his executive duties as CEO of the company, although he will remain committed to the group as a member of the Board of Directors and senior advisor to the management team. This personal decision follows an intense 35-year career in executive roles, and will allow him to devote more time to his family and personal projects, while continuing to bring his knowledge and experience to the group in his new position.

In an orderly transition, which subject to shareholder approval will be completed by 30 June, Di Loreto will transfer his executive duties to Alberto González del Solar and Alejandro Rodino, who will take over as Co-CEOs from 1 July 2022.

ANNEX I

Consolidated Group as at 31 December 2020 and 2021

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

Consolidated Group as at 31 December 2020 and 2021

(Thousand euros)

Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020		
			Ownership	Holding Company		Ownership	Holding Company	
SPAIN:								
APUESTAS DEL PRINCIPADO ASTURIAS, S.A. Calle Pola de Siero, 8 33207 Gijón (Asturias)	Sports bets	GIM	-	-	GIM	51%	CODERE APUESTAS ASTURIAS, S.A.	
BETSLOTS CR-COD, S.L. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Gambling machines operation	GIM	51%	MISURI, S.A.U.	GIM	51%	MISURI, S.A.U.	
CODERE ALICANTE, S.L. Avda. Alqueria de Moret, 19-21 Picanya (Valencia)	Gambling machines operation	GIM	59%	CODERE ESPAÑA, S.A.U.	GIM	59%	CODERE ESPAÑA, S.A.U.	
CODERE AMÉRICA, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Management and administration of entities not resident in the European Union	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U.	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U.	
CODERE APUESTAS, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	
CODERE APUESTAS ANDALUCIA, S.A.U. C/ Esmeralda, 16, Polígono Industrial Granadal 14014, Córdoba	Sports bets	GIM	100%	CODERE APUESTAS ESPAÑA, S.L.U.	GIM	100%	CODERE APUESTAS ESPAÑA, S.L.U.	
CODERE APUESTAS ARAGÓN, S.L.U. Calle José Pellicer, 33 50007 Zaragoza	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	
CODERE APUESTAS ASTURIAS, S.A. Calle Pola de Siero, 8 y 10 33207 Gijón (Asturias)	Sports bets	GIM	51%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	51%	CODERE OPERADORAS DE APUESTAS, S.L.U.	
CODERE APUESTAS BALEARES, S.A.U. Crta. de Palma a Alcudia, Km. 19,400 07330 Consell (Mallorca)	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	
CODERE APUESTAS CANTABRIA, S.A.U. C/ Las Rederas, 3 y 5, 39009 Santander	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	
CODERE APUESTAS CASTILLA LA MANCHA, S.A.U. Polígono Industrial "Santa Maria de Benquerencia", Calle Jarama, 50 A 45007 Toledo	Sports bets	GIM	51%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	

GIM: Global Integration Method
EM: Equity Method

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(Thousand euros)

Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020	
			%			%	
			Ownership	Holding Company		Ownership	Holding Company
CODERE APUESTAS CASTILLA Y LEÓN, S.A.U. Calle Reconde, 11 - 13 47007 Valladolid	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS CATALUÑA, S.A.U. Poligono Industrial "Riera de Caldes" Calle Mercaders, 1 08184 Palau i Solità Plegamans (Barcelona)	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS CEUTA, S.L.U. Pasco Alcalde Sánchez Prados, 6, entreplanta A, 51001 Ceuta	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS ESPAÑA, S.L.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Sports bets	GIM	100%	CODERE NEWCO, S.A.U.	GIM	100%	CODERE NEWCO, S.A.U.
CODERE APUESTAS EXTREMADURA, S.A.U. Poligono Industrial Capellánias, Travesía 1, Parcela 105, Nave 11 10005 Cáceres	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS GALICIA, S.L.U. Avenida Enrique Salgado Torres, 11, 15008 A Coruña	Sports bets	GIM	51%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	51%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS LA RIOJA, S.A.U. Poligono Industrial "El Sequero", Calle Río Piqueras, 133 – N3 26151 Arrabal (La Rioja)	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS MELILLA, S.A.U. Calle Puerto Deportivo Local, 11, 52001 Melilla	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS MURCIA, S.L.U. Calle Los Martínez, 4 (Bajo), Barrio del Progreso, 30012 Murcia	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS NAVARRA, S.A.U. Poligono Plazaola, Manzana D, Nave 10, Aizoaín 31195 Barrioplano (Navarra)	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE APUESTAS VALENCIA, S.A.U. Avda. Alquería de Moret, 19-21 46210 Picanya (Valencia)	Sports bets	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.	GIM	100%	CODERE OPERADORAS DE APUESTAS, S.L.U.
CODERE CASTILLA Y LEÓN, S.L.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Gambling machines operation	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.

GIM: Global Integration Method
EM: Equity Method

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
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		2021		2020			
Company Name	Activity	Consolidation Method			Consolidation Method		
			Ownership	Holding Company		Ownership	Holding Company
CODERE DISTRIBUCIONES, S.L.U. Pol. Ind. Riera de Caldes, Calle Mercaders, 1 08184 Palau de Plegamans (Barcelona)	Operation, distribution and marketing of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.
CODERE ESPAÑA, S.A.U. Avda. de Brusclas, 26 28108 Alcobendas (Madrid)	Holding Company; operation of gambling machines and Bingo Halls	GIM	100%	CODERE NEWCO, S.A.U.	GIM	100%	CODERE NEWCO, S.A.U.
CODERE GIRONA, S.A. Calle Benet del Riu, 10 17007 Girona (Barcelona)	Operation of gambling machines	GIM	66,67%	CODERE ESPAÑA, S.A.U.	GIM	66,67%	CODERE ESPAÑA, S.A.U.
CODERE GUADALAJARA, S.L. Avda. de Brusclas, 26 28108 Alcobendas (Madrid)	Explotación, distribución y comercialización de máquinas recreativas	GIM	50%	OPERIBÉRICA, S.A.U.	GIM	50%	OPERIBÉRICA, S.A.U.
CODERE HUESCA, S.L. Calle Pedro Arnal Cervero, 5 22005 Huesca	Operation of gambling machines	GIM	51,02%	OPERIBÉRICA, S.A.U.	GIM	51,02%	OPERIBÉRICA, S.A.U.
CODERE INTERACTIVA, S.L. Avda. de Brusclas, 26 28108 Alcobendas (Madrid)	Gambling activity on television, internet or telephone	-	-	-	GIM	90%	CODERE NEWCO, S.A.U.
CODERE INTERNACIONAL, S.A.U. Avda. de Brusclas, 26 28108 Alcobendas (Madrid)	Holding Company	GIM	100%	CODERE NEWCO, S.A.U.	GIM	100%	CODERE NEWCO, S.A.U.
CODERE INTERNACIONAL DOS, S.A.U. Avda. de Brusclas, 26 28108 Alcobendas (Madrid)	Holding Company	GIM	100%	CODERE INTERNACIONAL, S.A.U.	GIM	100%	CODERE INTERNACIONAL, S.A.U.
CODERE LATAM, S.A. Avda. de Brusclas, 26 28108 Alcobendas (Madrid)	Management and administration of entities not resident in the European Union	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U. Y CODERE NEWCO, S.A.U.	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U. Y CODERE NEWCO, S.A.U.
CODERE LOGROÑO, S.L. Calle Río Piqueras 133 (Polig. Ind. El Sequero) 26509 Arrubal (La Rioja)	Operation of gambling machines	GIM	75,03%	OPERIBÉRICA, S.A.U.	GIM	75,03%	OPERIBÉRICA, S.A.U.
CODERE NAVARRA, S.A.U. Poligono Plazaola, manzana D, nave 10 31195 Aizoaín, Berrioplano (Navarra)	Operation of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.
CODERE NEWCO, S.A.U. Avda. de Brusclas, 26 28108 Alcobendas (Madrid)	Financial services	GIM	100%	CODERE LUXEMBOURG 3, S.a.r.l.	GIM	100%	CODERE LUXEMBOURG 2, S.a.r.l.
CODERE ONLINE, S.A.U. C/ Cándido Lobera, nº 2, 1º A, 52001 Melilla	Organization, marketing and operation of gaming activities	GIM	100%	SERVICIOS DE JUEGO ONLINE, S.A.U.	GIM	100%	CODERE ESPAÑA, S.A.U.

GIM: Global Integration Method
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Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020	
			%			%	
			Ownership	Holding Company		Ownership	Holding Company
CODERE OPERADORA DE APUESTAS, S.L.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Sports bets	GIM	100%	CODERE APUESTAS ESPAÑA, S.L.U.	GIM	100%	CODERE APUESTAS ESPAÑA, S.L.U.
CODERE SERVICIOS, S.L.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Provision of real estate advisory services, brokerage, promotion and management of related services	GIM	100%	JPVMATIC 2005, S.L.U.	GIM	100%	JPVMATIC 2005, S.L.U.
COLONDER, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Holding Company	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U.	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U.
COMERCIAL YONTXA, S.A. Calle Nicolás Alcorta, 1 y 3 48003 Bilbao	Operation of gambling machines	GIM	51%	OPERIBÉRICA, S.A.U.	GIM	51%	OPERIBÉRICA, S.A.U.
EL PORTALÓN, S.L. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	50%	OPERIBÉRICA, S.A.U.	GIM	50%	OPERIBÉRICA, S.A.U.
GAME ASTURIAS, S.L.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.
GARAIPEN VICTORIA APUSTUAK, S.L. Pol. Ind. Asuarán, Edif. Artxanda, nº3 48950 Erandio (Vizcaya)	Sports bets	GIM	85,19%	CODERE APUESTAS ESPAÑA, S.L.U. Y COMERCIAL YONTXA S.A.	GIM	85,19%	CODERE APUESTAS ESPAÑA, S.L.U. Y COMERCIAL YONTXA S.A.
IPM MÁQUINAS, S.L.U. C/ Perdiz, 29 Pol.Ind. Gibraltar La Línea de la Concepción (Cádiz)	Operation of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.
J.M. QUERO Y ASOCIADOS, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Business Organization	GIM	100%	CODERE ESPAÑA, S.A.U.	GIM	100%	CODERE ESPAÑA, S.A.U.
JPVMATIC 2005, S.L.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	100%	CODERE ESPAÑA, S.A.U.	GIM	100%	CODERE ESPAÑA, S.A.U.
JUEGO RESPONSABLE, A.I.E. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	IEM	50%	OPERIBÉRICA, S.A.U.	IP	50%	OPERIBÉRICA, S.A.U.
MILLENNIAL GAMING, S.A. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.

GIM: Global Integration Method
EM: Equity Method

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Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020	
			%			%	
			Ownership	Holding Company		Ownership	Holding Company
MISURI, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Bingo gaming	GIM	100%	CODERE ESPAÑA, S.A.U.	GIM	100%	CODERE ESPAÑA, S.A.U.
NIDIDEM, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Management of the control portfolio	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U.	GIM	100%	CODERE INTERNACIONAL DOS, S.A.U.
OPERADORES ELECTRÓNICOS DE ANDALUCÍA, S.A. Polig. Industrial Granadal, C/ Esmeralda, 16, 14014, Córdoba	Operation of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	51%	OPERIBÉRICA, S.A.U.
OPERIBÉRICA, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	100%	CODERE ESPAÑA, S.A.U.	GIM	100%	CODERE ESPAÑA, S.A.U.
OPEROESTE, S.A. Calle Hernán Cortés, 188, 1ª planta 06700 Villanueva de la Serena (Badajoz)	Operation of gambling machines	GIM	50%	OPERIBÉRICA, S.A.U.	GIM	50%	OPERIBÉRICA, S.A.U.
OPERSHERKA, S.L.U. Calle Padre Melchor Prieto, 31 09005 Burgos	Operation of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.
RECREATIVOS ACR, S.L. Poligono Espiritu Santo, Parcela 11-12 Nave 3 33010 Colloto, Oviedo (Asturias)	Operation of gambling machines	GIM	50%	OPERIBÉRICA, S.A.U.	GIM	50%	OPERIBÉRICA, S.A.U.
RECREATIVOS OBELISCO, S.L. Poligono Industrial San Rafael, Calle San Rafael, 73 04230 Huercal de Almeria (Almeria)	Operation of gambling machines	GIM	60,61%	OPERIBÉRICA, S.A.U.	GIM	60,61%	OPERIBÉRICA, S.A.U.
RESTI Y CIA, S.L. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	50%	OPERIBÉRICA, S.A.U.	GIM	50%	OPERIBÉRICA, S.A.U.
ROYUELA RECREATIVOS, S.L.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	100%	OPERIBÉRICA, S.A.U.	GIM	100%	OPERIBÉRICA, S.A.U.
SERVICIOS DE JUEGO ONLINE, S.A.U. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Provision of services	GIM	100%	CODERE ONLINE LUXEMBOURG, S.A.	GIM	100%	CODERE NEWCO S.A.U.
SPORT BET EXTREMADURA, S.L. Avda. de Bruselas, 26 28108 Alcobendas (Madrid)	Operation of gambling machines	GIM	100%	CODERE APUESTAS EXTREMADURA, S.A.U. Y J.M. QUERO Y ASOCIADOS, S.A.U.	GIM	100%	CODERE APUESTAS EXTREMADURA, S.A.U. Y J.M. QUERO Y ASOCIADOS, S.A.U.

GIM: Global Integration Method
EM: Equity Method

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
Consolidated Group as at 31 December 2020 and 2021
(Thousand euros)

Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020	
			%			%	
			Ownership	Holding Company		Ownership	Holding Company
ARGENTINA:							
BINGOS DEL OESTE, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Lottery and Bingo Halls	GIM	100%	CODERE ARGENTINA, S.A. Y BINGOS PLATENSES, S.A	GIM	100%	CODERE ARGENTINA, S.A. Y BINGOS PLATENSES, S.A
BINGOS PLATENSES, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Bingo Halls operation	GIM	100%	CODERE ARGENTINA, S.A. Y COLONDER S.A.U.	GIM	100%	CODERE ARGENTINA, S.A. Y COLONDER S.A.U.
CODERE ARGENTINA, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Holding Company	GIM	100%	IBERARGEN, S.A. Y COLONDER S.A.U.	GIM	100%	IBERARGEN, S.A. Y COLONDER S.A.U.
IBERARGEN, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Bingo, lottery and hotel business	GIM	100%	COLONDER S.A.U. Y NIDIDEM, S.A.U.	GIM	100%	COLONDER S.A.U. Y NIDIDEM, S.A.U.
INTERBAS, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Lottery and Bingo operation	GIM	100%	COLONDER S.A.U. E IBERARGEN S.A.	GIM	100%	COLONDER S.A.U. E IBERARGEN S.A.
INTERJUEGOS, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Bigno and lottery	GIM	100%	CODERE ARGENTINA, S.A. Y COLONDER, S.A.U.	GIM	100%	CODERE ARGENTINA, S.A. Y COLONDER, S.A.U.
INTERMAR BINGOS, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Bingo Halls operation	GIM	80%	CODERE ARGENTINA, S.A. Y COLONDER, S.A.U.	GIM	80%	CODERE ARGENTINA, S.A. Y COLONDER, S.A.U.
ITAPOAN, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Bingo Halls operation	GIM	81,80%	IBERARGEN, S.A. E INTERBAS, S.A.	GIM	81,80%	IBERARGEN, S.A. E INTERBAS, S.A.
SAN JAIME, S.A. Av. Del Libertador 1068, P 9º Buenos Aires (Argentina)	Real Estate	GIM	100%	CODERE ARGENTINA, S.A. Y BINGOS DEL OESTE, S.A.	GIM	100%	CODERE ARGENTINA, S.A. Y BINGOS DEL OESTE, S.A.
BRAZIL:							
CODERE DO BRASIL ENTRETENIMIENTO, LTDA. Avenida Nove de Julho 5229, 1º andar, sala 45, Itaim Bibi, Ciudad de Sao Paulo (Brasil)	Gambling machines operation and horse racing management	GIM	100%	CODERE LATAM, S.A., CODERE INTERNACIONAL DOS S.A. Y NIDIDEM, S.A.U.	GIM	100%	CODERE LATAM, S.A., CODERE INTERNACIONAL DOS S.A. Y NIDIDEM, S.A.U.
CHILE:							
CODERE CHILE, LTDA. Gerónimo de Alderete 790, depto. 107, La Florida Santiago de Chile (Chile)	Investment, leasing, sale, purchase/sale and exchange of all types of assets	GIM	100%	CODERE AMÉRICA, S.A.U. Y NIDIDEM, S.A.U.	GIM	100%	CODERE AMÉRICA, S.A.U. Y NIDIDEM, S.A.U.

GIM: Global Integration Method

EM: Equity Method

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
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(Thousand euros)

Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020	
			%			%	
			Ownership	Holding Company		Ownership	Holding Company
COLOMBIA:							
BINGOS CODERE, S.A. AK 103 # 25 F Bogotá (Colombia)	Bingo Halls operation	GIM	99,99%	NIDIDEM, S.A.U., INTERSARE, S.A., CODERE COLOMBIA, S.A., COLONDER, S.A.U. Y CODERE LATAM, S.A.	GIM	99,99%	NIDIDEM, S.A.U., INTERSARE, S.A., CODERE COLOMBIA, S.A., COLONDER, S.A.U. Y CODERE LATAM, S.A.
CODERE COLOMBIA, S.A. AK 103 # 25 F Bogotá (Colombia)	Operation of electronic gaming and gambling	GIM	99,99%	CODERE LATAM COLOMBIA, S.A. NIDIDEM S.A.U., CODERE LATAM, S.A., CODERE INTERNACIONAL DOS, S.A.U. Y CODERE INTERNACIONAL, S.A.U.	GIM	99,99%	CODERE LATAM COLOMBIA, S.A. NIDIDEM S.A.U., CODERE LATAM, S.A., CODERE INTERNACIONAL DOS, S.A.U. Y CODERE INTERNACIONAL, S.A.U.
CODERE LATAM COLOMBIA, S.A. AK 103 # 25 F Colombia	Real Estate investment and reinvestment activities	GIM	100,00%	CODERE LATAM, S.A., NIDIDEM, S.A.U., CODERE INTERNACIONAL, S.A.U., CODERE INTERNACIONAL DOS, S.A.U. Y COLONDER, S.A.U.	GIM	100,00%	CODERE LATAM, S.A., NIDIDEM, S.A.U., CODERE INTERNACIONAL, S.A.U., CODERE INTERNACIONAL DOS, S.A.U. Y CODERE INTERNACIONAL, S.A.U.
INTERSARE, S.A. AK 103 # 25 F Bogotá (Colombia)	Direct and indirect (through third parties) commercial operation of electronic gambling machines	GIM	59,89%	CODERE COLOMBIA, S.A. Y NIDIDEM, S.A.U.	GIM	59,89%	CODERE COLOMBIA, S.A. Y NIDIDEM, S.A.U.
CODERE ONLINE COLOMBIA, S.A. AK 103 # 25 F Bogotá (Colombia)	Gambling activities operation focused on innovative games (sports betting, events or games operated on internet)	GIM	66,5%	SERVICIOS DE JUEGO ONLINE, S.A.U.			
GIBRALTAR:							
CODERE MARKETING SERVICES, LTD Suite 1, Burn's House, 19 Town Range, Gibraltar	Provision of services	GIM	67%	SERVICIOS DE JUEGO ONLINE, S.A.U.	GIM	100%	SERVICIOS DE JUEGO ONLINE, S.A.U.
ISRAEL:							
CODERE ISRAEL MARKETING SUPPORT SERVICES, LTD Hashlosa 2, Jaffa Area Code 6706054 Tel Aviv	Provision of services	GIM	66,5%	SERVICIOS DE JUEGO ONLINE, S.A.U.	GIM	100%	SERVICIOS DE JUEGO ONLINE, S.A.U.
ITALY:							
CODEMATICA, S.R.L. Via Cornelia, 498 Rome	Operation of gambling machines	GIM	98,0%	CODERE ITALIA, S.R.L. CREDITALIEU NETWORK, S.A.U.	GIM	93,5%	CODERE GAMING ITALIA, S.R.L.
CODERE ITALIA, S.P.A. Via Cornelia, 498 Rome	Provision of advisory services	GIM	100%	CODERE INTERNACIONAL, S.A.U.	GIM	100%	CODERE INTERNACIONAL, S.A.U.
CODERE NETWORK, S.P.A. Via Cornelia, 498 Rome	Network Concession	GIM	100%	CODEMATICA, S.R.L.	GIM	98%	CODEMATICA, S.R.L.
CODERE SCOMMESSE, S.R.L. Via Cornelia, 498 Rome	Gambling machines operation	GIM	66,5%	SERVICIOS DE JUEGO ONLINE, S.A.U.	GIM	100%	CODERE ITALIA, S.P.A.

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			%			%	
			Ownership	Holding Company		Ownership	Holding Company
CRISTALTEC SERVICE, S.R.L. Via Cornelia, 498 Rome	Operation of gambling machines	GIM	51%	CODERE ITALIA, S.P.A.	GIM	51%	CODERE ITALIA, S.P.A.
DP SERVICE, S.R.L. Via Cornelia, 498 Rome	Gambling machines operation	GIM	60%	CODERE ITALIA, S.P.A.	GIM	60%	CODERE ITALIA, S.P.A.
GAMING RE, S.R.L. Via Cornelia, 498 Rome	Operation of gambling machines	GIM	75%	CODERE ITALIA, S.P.A.	GIM	75%	CODERE ITALIA, S.P.A.
CODWIN S.R.L. Via Cornelia, 498 Rome	Operation of gambling machines	GIM	52%	CODERE ITALIA, S.P.A.	GIM	51%	CODERE ITALIA, S.P.A.
G.A.R.E.T., S.R.L. Via Cornelia, 498 Rome	Operation of gambling machines	GIM	51%	CODERE ITALIA, S.P.A.	GIM	51%	CODERE ITALIA, S.P.A.
HIPPOBINGO FIRENZE, S.R.L. Via Giuseppe Ambrosini, 300 Cesena	Bingo Halls operation	EM	34%	OPERBINGO ITALIA, S.P.A.	EM	34%	OPERBINGO ITALIA, S.P.A.
KING BINGO, S.R.L. Via Napoli, 463 Maddaloni (Ce)	Bingo Halls operation	GIM	85%	OPERBINGO ITALIA, S.P.A.	GIM	85%	OPERBINGO ITALIA, S.P.A.
KING SLOT, S.R.L. Via Napoli, 463 Maddaloni (Ce)	Bingo Halls operation	GIM	85%	OPERBINGO ITALIA, S.P.A.	GIM	85%	OPERBINGO ITALIA, S.P.A.
NEW JOKER, S.R.L.100 Via della Magliana, 279a Rome	Bingo Halls operation	GIM	100%	OPERBINGO ITALIA, S.P.A.	GIM	70%	OPERBINGO ITALIA, S.P.A.
NORI GAMES SERVICE, S.R.L. Via Cornelia, 498 Rome	Gambling machines operation	GIM	83,18%	CODERE ITALIA, S.P.A., GAMING RE, S.R.L. SEVENCORA SERVICE, S.R.L.	GIM	51%	CODERE ITALIA, S.P.A.
OPERBINGO ITALIA, S.P.A. Via Cornelia, 498 Rome	Bingo Halls operation	GIM	100%	CODERE ITALIA, S.P.A.	GIM	100%	CODERE ITALIA, S.P.A.
SE.BLOT, S.R.L. Via Cornelia, 498 Rome	Sales and rental of audiovisual material	GIM	76,5%	CODERE ITALIA, S.P.A.	GIM	77%	CODERE ITALIA, S.P.A.

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CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
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			%			%	
			Ownership	Holding Company		Ownership	Holding Company
SEVEN CORA SERVICE, S.R.L. Via Cornellia, 498 Rome	Gambling machines operation	GIM	89%	CODERE ITALIA, S.P.A.	GIM	60%	CODERE ITALIA, S.P.A.
VASA & AZZENA SERVICE, S.R.L. Via Cornellia, 498 Rome	Gambling machines operation	GIM	51%	CODERE ITALIA, S.P.A.	GIM	51%	CODERE ITALIA, S.P.A.
LUXEMBURGO:							
CODERE FINANCE 2 (LUXEMBOURG), S.A. 7 Rue Robert Stümper, L-2557 (Luxemburgo)	Holding Company	GIM	100%	CODERE NEWCO, S.A.U.	GIM	100%	CODERE NEWCO, S.A.U.
CODERE LUXEMBOURG 1, S.a.r.l. 7 Rue Robert Stümper, L-2557 (Luxemburgo)	Holding Company	-	-	-	GIM	100%	CODERE, S.A.
CODERE LUXEMBOURG 2, S.a.r.l. 7 Rue Robert Stümper, L-2557 (Luxemburgo)	Holding Company	GIM	100%	CODERE NEW HOLCO, S.A.	GIM	100%	CODERE LUXEMBOURG 1, S.a.r.l.
CODERE ONLINE LUXEMBOURG, S.A. 7 Rue Robert Stümper, L-2557 (Luxemburgo)	Holding Company	GIM	66,50%	CODERE NEWCO, S.A.U.	-	-	-
CODERE LUXEMBOURG 3, S.a.r.l. 7 Rue Robert Stümper, L-2557 (Luxemburgo)	Holding Company	GIM	100,00%	CODERE LUXEMBOURG 2, S.a.r.l.	-	-	-
MALTA:							
CODERE ONLINE OPERATOR, LTD Level 3 (suite no. 2266), Tower Business Centre, Tower Street, Swatar Birkirkara BKR 4013, Malta	Remote gaming of any kind, allowing, facilitating and assisting in connection with such gaming	GIM	66,5%	SERVICIOS DE JUEGO ONLINE, S.A.U.	GIM	100%	SERVICIOS DE JUEGO ONLINE, S.A.U.
CODERE ONLINE MANAGEMENT SERVICES, LTD Level 3 (suite no. 2265), Tower Business Centre, Tower Street, Swatar Birkirkara BKR 4013, Malta	Remote gaming of any kind, allowing, facilitating and assisting in connection with such gaming	GIM	66,5%	SERVICIOS DE JUEGO ONLINE, S.A.U.	GIM	100%	SERVICIOS DE JUEGO ONLINE, S.A.U.
MEXICO:							
ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. de C.V Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal.	Operation, administration and development of horse and greyhound racing as well as sporting events	GIM	84,8%	IMPULSORA CENTRO DE ENTRETENIMIENTO LAS AMÉRICAS, S.A.P.I. DE C.V. Y SERVICIOS ADMINISTRATIVOS DEL HIPÓDROMO, S.A. DE C.V.	GIM	84,8%	IMPULSORA CENTRO DE ENTRETENIMIENTO LAS AMÉRICAS, S.A.P.I. DE C.V. Y SERVICIOS ADMINISTRATIVOS DEL HIPÓDROMO, S.A. DE C.V.
ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. ASOCIACIÓN EN PARTICIPACIÓN Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal.	Operation, administration and development of horse and greyhound racing as well as sporting events	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A DE C.V. Y ENTRETENIMIENTO RECREATIVO, S.A. DE C.V.	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A DE C.V. Y ENTRETENIMIENTO RECREATIVO, S.A. DE C.V.

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CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
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(Thousand euros)

Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020	
			%			%	
			Ownership	Holding Company		Ownership	Holding Company
ADMINISTRADORA MEXICANA DE HIPÓDROMO II, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal.	Operation, administration and development of horse and greyhound racing as well as sporting events	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. Y JUEGAMAX DE LAS AMÉRICAS S.A. DE C.V.	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. Y JUEGAMAX DE LAS AMÉRICAS S.A. DE C.V.
ADMINISTRADORA MEXICANA DE HIPÓDROMO III, S.A. de C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal.	Operation, administration and development of horse and greyhound racing as well as sporting events	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. E IMPULSORA RECREATIVA DE ENTRETENIMIENTO AMH, S.A. DE C.V.	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. E IMPULSORA RECREATIVA DE ENTRETENIMIENTO AMH, S.A. DE C.V.
CALLE DE ENTRETENIMIENTO LAS AMÉRICAS, S.A. de C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Promotion, construction, organization, operation, acquisition and investment in the equity and share capital of companies	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. Y SERVICIOS ADMINISTRATIVOS DEL HIPÓDROMO S.A. DE C.V.	GIM	84,8%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. Y ENTRETENIMIENTO VIRTUAL S.A. DE C.V.
CALLE ICELA, S.A.P.I. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Promotion, construction, organization, operation, acquisition and investment in the equity and share capital of companies	EM	50%	CODERE MÉXICO, S.A. DE C.V.	EM	50%	CODERE MÉXICO, S.A. DE C.V.
CENTRO DE CONVENCIONES LAS AMÉRICAS, S.A. de C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Administration, Operation and Development of Exhibitions and Conventions	EM	49%	HOTEL ICELA, S.A.P.I. DE C.V. Y CALLE ICELA, S.A.P.I. DE C.V.	EM	49%	HOTEL ICELA, S.A.P.I. DE C.V. Y CALLE ICELA, S.A.P.I. DE C.V.
CODERCO, S.A. DE C.V., SOFOM, E.N.R. Av. Conscripto 311, Puerta 4 Caballerizas 6 D 102, Lomas de Sotelo Ciudad de México, Distrito Federal	Other business support services	GIM	100%	CODERE LATAM, S.A., Y NIDIDEM, S.A.U.	GIM	100%	CODERE LATAM, S.A., Y NIDIDEM, S.A.U.
CODERE MÉXICO, S.A. DE C.V. Av. Conscripto 311, Puerta 4 Caballerizas 6 D 102, Lomas de Sotelo Ciudad de México, Distrito Federal	Holding Company	GIM	100%	CODERE LATAM, S.A., NIDIDEM, S.A.U., CODERCO, S.A. DE C.V., SOFOM, E.N.R. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	GIM	100%	CODERE LATAM, S.A., NIDIDEM, S.A.U., CODERCO, S.A. DE C.V., SOFOM, E.N.R. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.
HOTEL ENTRETENIMIENTO LAS AMÉRICAS, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Construction and management of Resorts and gym centers	EM	50%	HOTEL ICELA S.A.P.I. DE C.V. Y CALLE ICELA S.A.P.I. DE C.V.	EM	50%	HOTEL ICELA S.A.P.I. DE C.V. Y CALLE ICELA S.A.P.I. DE C.V.
HOTEL ICELA, S.A.P.I. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Promotion, construction, organization, operation, acquisition and investment in the equity and share capital of companies	EM	50%	CODERE MÉXICO, S.A. DE C.V.	EM	49%	CODERE MÉXICO, S.A. DE C.V.
HR MÉXICO CITY PROJECT CO, S.A.P.I. DE C.V. Av. Conscripto 311, Acceso 4, Caballeriza 6D, 102, Colonia Lomas de Sotelo, Alkalidia Miguel Hidalgo, Ciudad de México.	Holding Company	GIM	99,99%	CCJV, S.A.P.I. DE C.V.	GIM	100%	CCJV, S.A.P.I. DE C.V.
IMPULSORA DE CENTROS DE ENTRETENIMIENTO DE LAS AMÉRICAS, S.A.P.I. de C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Gambling halls management and operation	GIM	84,80%	CODERE MÉXICO, S.A. DE C.V.	GIM	84,80%	CODERE MÉXICO, S.A. DE C.V.
LIBROS FORÁNEOS, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Organization of any kind of games, bets and raffles	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.

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CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
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				2021				2020	
Company Name	Activity	Consolidation Method	%		Consolidation Method	%			
			Ownership	Holding Company		Ownership	Holding Company		
MIO GAMES, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Games	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.		
OPERADORA CANTABRIA, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Organization of any kind of games, bets and raffles	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.		
OPERADORA DE ESPECTÁCULOS DEPORTIVOS, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Organization of any kind of games, bets and raffles	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.		
PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Advice, operation, administration and activities related to number games transmitted remotely to predetermined places	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y NIDIDEM S.A.U.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y NIDIDEM S.A.U.		
PROMOJUEGOS DE MÉXICO, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Organization of any kind of games, bets and raffles	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.		
RECREATIVOS CODERE, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Organization of any kind of games, bets and raffles	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y NIDIDEM S.A.U.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y NIDIDEM S.A.U.		
RECREATIVOS MARINA, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Organization of any kind of games, bets and raffles	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	GIM	100%	CODERE MÉXICO, S.A. DE C.V. Y PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.		
SERVICIOS ADMINISTRATIVOS DEL HIPÓDROMO, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Provision of payroll and related services, administration, recruiting, advisory and labor labor assistance	GIM	84,80%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. Y CALLE DE ENTRETENIMIENTO LAS AMERICAS S.A. DE C.V.	GIM	84,80%	ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V. Y ENTRETENIMIENTO RECREATIVO S.A. DE C.V.		
SERVICIOS COMPARTIDOS EN FACTOR HUMANO HIPÓDROMO, S.A. DE C.V. Av. Industria Militar s/n Puerta 2 – Col. Industria Militar Del. Miguel Hidalgo Ciudad de México, Distrito Federal	Provision of payroll and related services, administration, recruiting, advisory and labor labor assistance	GIM	100,00%	SERVICIOS ADMINISTRATIVOS DE HIPÓDROMO, S.A. DE C.V. Y ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V.	GIM	84,80%	SERVICIOS ADMINISTRATIVOS DE HIPÓDROMO, S.A. DE C.V. Y ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V.		
CCJV, S.A.P.I. DE C.V. Av. Conscripto 311, Acceso 4, Caballeriza 6D, 102, Colonia Lomas de Sotelo, Alcaldia Miguel Hidalgo, Ciudad de México.	Holding Company	GIM	75,0%	CODERE MÉXICO, S.A. DE C.V.	GIM	75,0%	CODERE MÉXICO, S.A. DE C.V.		
CODERE ON LINE MEXICO, S.A. Av. Conscripto 311, Acceso 4, Caballeriza 6D, 102, Colonia Lomas de Sotelo, Alcaldia Miguel Hidalgo, Ciudad de México.	Internet Gambling activities' operation	GIM	66,5%	SERVICIOS DE JUEGOS ONLINE, S.A.U.	-	-	-		
GIM: Global Integration Method EM: Equity Method									

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES
Consolidated Group as at 31 December 2020 and 2021
(Thousand euros)

Company Name	Activity	Consolidation Method	2021		Consolidation Method	2020	
			%			%	
			Ownership	Holding Company		Ownership	Holding Company
PANAMÁ:							
ALTA CORDILLERA, S.A. Avenida Israel, Calle 76, Hotel Aloft, Piso L. Corregimiento de San Francisco	Integral operation of casinos	GIM	75%	CODERE CHILE, LTDA. Y CODERE AMÉRICA, S.A.U.	GIM	75%	CODERE CHILE, LTDA. Y CODERE AMÉRICA, S.A.U.
HÍPICA DE PANAMÁ, S.A. Via José Agustín Arango, Corregimiento de Juan Díaz, Apdo 1, Zona 9ª Panamá	Horse races and slots	GIM	75%	ALTA CORDILLERA, S.A.	GIM	75%	ALTA CORDILLERA, S.A.
CODERE ONLINE PANAMA, S.A. Avenida Israel, Calle 76, Hotel Aloft, Piso L. Corregimiento de San Francisco (Panamá)	Internet Gambling activities' operation	GIM	66,5%	SERVICIOS DE JUEGOS ONLINE, S.A.U.	-	-	-
UNITED KINGDOM:							
CODERE FINANCE 2 (UK), S.A. Suite 1, 3rd floor, 11-12 St. James's Square, London, SW1Y 4LB United Kingdom	Holding Company	GIM	100%	CODERE LUXEMBOURG 3, S.a.r.l.	GIM	100%	CODERE, S.A.
URUGUAY:							
CARRASCO NOBILE, S.A. Rambla República de México 6451 Montevideo (Uruguay)	Operation, administration and management of hotels, casinos, gambling halls, slot machine rooms and related activities.	GIM	100%	CODERE MÉXICO, S.A. DE C.V.	GIM	100%	CODERE MÉXICO, S.A. DE C.V.
CODERE URUGUAY, S.A. 25 de Mayo 455, 2º piso (Domicilio social) Mones Roses 6937 (Domicilio fiscal)	Installation, administration and operation of bingo rooms, and complementary services	GIM	100%	CODERE LATAM, S.A.	GIM	100%	CODERE LATAM, S.A.
HRU, S.A. José María Guerra 3540 Montevideo (Uruguay)	Operation of horse races and slots	GIM	100%	CODERE URUGUAY, S.A.	GIM	100%	CODERE URUGUAY, S.A.
UNITED STATES OF AMERICA:							
CODERE ON LINE U.S. CORP. Corporation trust center, 1209 Orange Street Ciudad de Wilmington, Estado de Delaware (Estados Unidos)	Legal activity to incorporate companies	GIM	66,5%	CODERE ONLIEN LUXEMBOURG, S.A.	-	-	-

GIM: Global Integration Method
EM: Equity Method

ANEXO II

**Cuentas de Reservas y Resultados
por sociedad a 31 de diciembre de 2021**

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

Reserves and Income Statements by company as at 31 December 2021

(Thousand euros)

Company	Share Capital	Share Premium	Reserves	Year Result	Interim Dividend	Net Equity
CODERE APUESTAS ANDALUCÍA, S.A.U.	2,000	-	(9,914)	(3,157)	-	(11,071)
CODERE APUESTAS ASTURIAS, S.A.U.	1,000	-	(736)	(317)	-	(53)
CODERE APUESTAS BALEARES, S.A.U.	500	-	(1,956)	(426)	-	(1,882)
CODERE APUESTAS CANTABRIA, S.A.U.	60	-	(1,790)	(337)	-	(2,067)
CODERE APUESTAS CATALUÑA, S.A.U.	600	-	(1,829)	(55)	-	(1,285)
CODERE APUESTAS CEUTA, S.L.U.	250	-	19	2	-	271
CODERE APUESTAS CASTILLA Y LEÓN, S.A.U.	1,000	-	(2,159)	(252)	-	(1,411)
CODERE APUESTAS CASTILLA LA MANCHA, S.A.U.	500	-	(43)	279	-	736
ALTA CORDILLERA, S.A.	26,399	-	(33,832)	(13,400)	-	(20,832)
ASOCIACIÓN EN PARTICIPACIÓN	10,949	-	44,391	3,444	-	58,784
CODERE APUESTAS GALICIA, S.L.U.	2,000	-	3,194	1,544	-	6,738
CODERE APUESTAS MELILLA, S.A.U.	60	-	(177)	(77)	-	(195)
ADMINISTRADORA MEXICANA DE HIPÓDROMO II, S.A. DE C.V.	1,183	-	4,485	103	-	5,771
ADMINISTRADORA MEXICANA DE HIPÓDROMO III, S.A. DE C.V.	1,223	-	(332)	(115)	-	776
ADMINISTRADORA MEXICANA DE HIPÓDROMO, S.A. DE C.V.	116,080	4,614	46,246	(4,483)	-	162,457
CODERE APUESTAS MURCIA, S.L.U.	1,000	-	(2,646)	(371)	-	(2,016)
CODERE APUESTAS EXTREMADURA, S.A.U.	1,000	-	(2,513)	(565)	-	(2,079)
CODERE APUESTAS LA RIOJA, S.A.U.	1,000	-	(1,507)	(272)	-	(780)
CODERE ARGENTINA, S.A.	561	3,079	3,982	(1,508)	-	6,114
BETSLOTS CR-COD, S.L.	5,686	648	(1,591)	301	-	5,044
BINGOS DEL OESTE, S.A.	227	7,113	(1,530)	(1,518)	-	4,292
BINGOS PLATENSES, S.A.	-	-	6,632	(1,577)	-	5,055
CODERE APUESTAS ARAGÓN, S.L.U.	1,000	-	(2,039)	(407)	-	(1,446)
CODERE APUESTAS ESPAÑA, S.L.U.	662	32,286	(93,670)	(1,805)	-	(62,527)
CODERE ALICANTE, S.L.	875	-	111	265	-	1,251
CODERE CASTILLA LEÓN, S.L.U.	3	-	18	-	-	20
CODERE AMÉRICA, S.A.U.	16,367	-	19,965	7,256	-	43,588
CODERE APUESTAS NAVARRA, S.A.U.	2,000	-	(2,598)	(113)	-	(711)

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

Reserves and Income Statements by company as at 31 December 2021

(Thousand euros)

Company	Share Capital	Share Premium	Reserves	Year Result	Interim Dividend	Net Equity
CARRASCO NOBILE, S.A.	7,305	-	1,712	(2,631)	-	6,386
OPERADORA CANTABRIA, S.A. DE C.V.	17,007	-	(41,909)	(9,588)	-	(34,490)
CODERE APUESTAS, S.A.U.	60	-	(26,957)	(3,954)	-	(30,851)
CODERE APUESTAS VALENCIA, S.A.U.	2,000	-	(8,214)	(1,042)	-	(7,256)
CODERE DO BRASIL ENTRETENIMIENTO, LTDA.	7,812	-	(8,150)	(190)	-	(527)
CCJV, S.A.P.I. DE C.V.	583	-	408	(1)	-	174
CODERE COLOMBIA, S.A.	8	31	(14)	-	-	24
CODERE DISTRIBUCIONES, S.L.U.	3	-	(126)	(54)	-	(177)
CODERE ONLINE, S.A.U.	100	-	12,934	1,307	-	14,341
CODERE SERVICIOS, S.L.U.	3	-	(1,378)	(1,714)	-	(3,089)
CALLE ICELA, S.A.P.I. DE C.V.	1,093	-	894	(213)	-	(14)
CALLE DE ENTRETENIMIENTO LAS AMÉRICAS, S.A. DE C.V.	3	-	(580)	(656)	-	(1,234)
CODERE ESPAÑA, S.A.U.	2,613	5,185	852	(1,425)	-	7,225
CODERE FINANCE 2 (LUXEMBOURG), S.A.	35	21,720	41,966	(71,688)	-	(7,966)
CODERE GIRONA, S.A.	126	-	9,701	540	-	10,367
CODERE GUADALAJARA, S.L.	3	-	205	123	-	331
CODERE CHILE, LTDA.	19,372	-	9,249	(10)	-	28,611
CODERE FINANCE 2 (UK) LIMITED	5	-	404	337	-	745
CODERE INTERNACIONAL DOS, S.A.U.	436	-	(633,078)	(28,595)	-	(661,237)
CODERE INTERNACIONAL, S.A.U.	85,727	25,270	(189,636)	2,362	-	(76,277)
CODERE ITALIA, S.P.A.	15,000	-	25,576	(7,750)	-	32,826
CODERE LATAM, S.A.	74	169,729	(36,958)	(98)	-	132,747
CODERE LATAM COLOMBIA, S.A.	0	24	(13)	(1)	-	10
CODERE LOGROÑO, S.L.	6	-	(57)	37	-	(15)
CODEMÁTICA, S.R.L.	10	-	2,310	(139)	-	2,181
CODERE MÉXICO, S.A. DE C.V.	594,261	26	(130,913)	(50,178)	-	413,196
CODERE NEWCO, S.A.U.	60	-	847,900	(209,431)	-	638,528
COLONDER, S.A.U.	9,761	-	174,381	(22,358)	-	161,784
COMERCIAL YONTXA, S.A.	481	-	3,653	898	-	5,031

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

Reserves and Income Statements by company as at 31 December 2021

(Thousand euros)

Company	Share Capital	Share Premium	Reserves	Year Result	Interim Dividend	Net Equity
CRISTALTEC SERVICE, S.R.L.	10	-	1,701	(96)	-	1,615
CODERE URUGUAY, S.A.	13,954	-	4,630	4,327	-	22,911
DP SERVICE, S.R.L.	90	315	(1,993)	(913)	-	(2,501)
OPERADORES ELECTRÓNICOS DE ANDALUCÍA, S.A.	60	-	(2)	(1)	-	57
CODERE FINANCE 2 (UK) LIMITED	0	-	(94)	1,903	-	1,810
CODWIN, S.R.L.	137	-	(9,066)	216	-	(8,712)
GAMING RE, S.R.L	10	-	(2,072)	(559)	-	(2,620)
GAME ASTURIAS, S.L.U.	60	-	253	125	-	439
GARAIPEN VICTORIA APUSTUAK, S.L.	14,569	-	(40,721)	- 1,981	-	(28,133)
CODERE GIBRALTAR MARKETING SERVICES LIMITED	-	-	69	(59)	-	(128)
HR MÉXICO CITY PROYECT CO, S.A.P.I. DE C.V.	110	-	446	(92)	-	464
HOTEL ICELA, S.A.P.I. DE C.V.	450	-	(306)	(58)	-	86
HÍPICA DE PANAMÁ, S.A.	0	-	(144)	(81)	-	(225)
HRU, S.A.	7,516	-	19,948	(893)	-	26,571
HR MÉXICO CITY PROYECT CO, S.A.P.I. DE C.V	2	-	-	(1)	-	1
IBERARGEN, S.A.	14,822	-	(19,141)	(4,811)	-	(9,130)
IMP. DE CENTROS DE ENTRE. DE LAS AMÉRICAS, S.A.P.I. DE C.V.	138,872	2,769,00	74,715	180	-	216,536
CODERE ISRAEL MARKETING SUPPORT SERVICES LTD	0	-	313	386	-	699
JUEGO RESPONSABLE, A.I.E	12	-	201	206	-	419
ITAPOAN, S.A.	1,452	-	1,849	(56)	-	3,245
J.M.QUERO ASOCIADOS, S.A.U.	97	-	(1,404)	(123)	-	(1,430)
JPVMATIC 2005, S.L.U.	3	-	6,603	(141)	-	6,465
KING BINGO, S.R.L.	10	-	(2,784)	(691)	-	(3,466)
KING SLOT, S.R.L.	100	-	238	(298)	-	39
LIBROS FORÁNEOS, S.A. DE C.V.	131,732	-	(133,845)	(5,716)	-	(7,829)
CODERE LUXEMBOURG 2, S.A.R.L.	13	1,105,810,00	(715,385)	(74)	-	390,365
CODERE LUXEMBOURG 3, S.A.R.L.	12	-	392,349	(28)	-	392,333

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

Reserves and Income Statements by company as at 31 December 2021

(Thousand euros)

Company	Share Capital	Share Premium	Reserves	Year Result	Interim Dividend	Net Equity
CODERE ONLINE LUXEMBOURG, S.A.	45,122	345,770,00	-	(45,877)	-	345,015
MILLENNIAL GAMING, S.A.	60	-	(4,230)	(660)	-	(4,831)
MISURI, S.A.U.	2,542	-	12,224	1,015	-	15,781
CODERE NAVARRA, S.A.U.	90	-	(324)	(155)	-	(389)
NEW JOKER, S.R.L.	10	-	757	(380)	-	387
NIDIDEM, S.A.U.	380	-	(9,060)	61	-	(8,620)
NORI GAMES SERVICE, S.R.L.	291	178,00	- 572	246	-	144
CODERE OPERADORA DE APUESTAS, S.L.U.	12,009	-	(4,978)	(635)	- 77,00	6,320
OPERBINGO ITALIA, S.P.A.	10,180	-	20,387	(3,310)	-	27,257
OPERADORA DE ESPECTÁCULOS DEPORTIVOS, S.A. DE C.V.	39,601	-	(37,679)	1,037	-	2,959
OPEROESTE, S.A.	204	-	383	157	-	744
ARGENTINA ONLINE, S.A.	0	-	-	(1,118)	-	(1,118)
CODERE ONLINE COLOMBIA, S.A.	0	-	(3)	(4)	-	(7)
CODERE ONLINE MÉXICO, S.A.	2,152	-	(13,161)	(12,441)	-	(23,450)
CODERE ONLINE PANAMÁ, S.A.	0	-	246	166	-	412
CODERE ONLINE US	36,721	-	(25,435)	9,490	-	20,776
CODERE ONLINE MANAGEMENT SERVICES LTD	40	-	(16,752)	(10,498)	-	(27,210)
CODERE ONLINE OPERATOR LIMITED	200	-	- 38	(57)	-	105
OPERIBÉRICA, S.A.U	2,104	-	97,471	1,718	-	101,293
OPERSHERKA, S.L.U.	1,049	-	1,028	64	-	2,140
PROMOJUEGOS DE MÉXICO, S.A. DE C.V.	32,049	-	(30,689)	(115)	-	1,245
EL PORTALÓN, S.L.	3	-	160	56	-	219
PROMOCIONES RECREATIVAS MEXICANAS, S.A. DE C.V.	1,454	-	- 3,059	303	-	(1,302)
RECREATIVOS ACR, S.L.	24	-	8	67	-	98
RECREATIVOS CODERE, S.A. DE C.V.	2	-	(63)	(2)	-	(62)
RESTI Y CÍA., S.L.	3	-	122	60	-	185
CODERE NETWORK, S.P.A.	2,000	-	23,345	(2,964)	-	22,381
RECREATIVOS MARINA, S.A. DE C.V.	13,154	-	(15,422)	(3,276)	-	(5,544)
RECREATIVOS OBELISCO, S.L.	37	703,00	478	597	-	1,814

CODERE LUXEMBURGO 2, S.À.R.L. AND SUBSIDIARIES

Reserves and Income Statements by company as at 31 December 2021

(Thousand euros)

Company	Share Capital	Share Premium	Reserves	Year Result	Interim Dividend	Net Equity
ROYUELA RECREATIVOS, S.L.U.	89	-	84	(11)	-	163
SERVICIOS ADMINISTRATIVOS DEL HIPÓDROMO, S.A. DE C.V.	2	-	(2,116)	2,578	-	465
SPORT BET EXTREMADURA, S.L.	203	-	152	80	-	(29)
CODERE SCOMMESSE, S.R.L	10	-	1,122	(1,186)	-	(53)
CODERCO, S.A. DE C.V., SOFOM, E.N.R.	383,839	-	(22,590)	313	-	361,562
SE.BI.LOT, S.R.L.	50	-	(2,393)	(587)	-	(2,930)
SERV. COMPARTIDOS EN FACTOR HUMANO HIP., S.A. DE C.V.	2	-	(2,607)	911	-	(1,694)
SERVICIOS DE JUEGO ONLINE, S.A.U.	60	-	43,518	(6,479)	-	37,099
SEVEN CORA SERVICE, S.R.L.	20	4,00	(357)	(766)	-	(1,099)
SAN JAIME, S.A.	369	-	1,179	46	-	1,594
INTERBAS, S.A.	2,494	5,189,00	21,941	(3,410)	-	26,214
INTERJUEGOS, S.A.	5	2,336,00	8,640	(964)	-	10,017
INTERMAR BINGOS, S.A.	30	-	2,926	(2,451)	-	504
VASA E AZZENA SERVICE, S.R.L.	10	-	1,062	4	-	1,076

ANNEX III

Statements by members of the Board of Directors

The undersigned, whose positions are indicated under their names, hereby certify the accuracy and integrity of the consolidated financial statements and management report of Codere Luxembourg 2 S.à.r.l.. and subsidiaries as of December 31, 2021

April 29, 2022



Vicente di Loreto
Class B Manager

Alejandro Rodino
Class B Manager

Eric Lie
Class A Manager

Tarik El Hanch
Class A Manager

Maxime Roberti
Class A Manager