

CODERE, S.A.

For the attention of Mr. Norman Sorensen Valdez
(Chairman of the Board of Directors)
For the attention of Mr. Luis Argüello Álvarez
(Secretary of the Board of Directors)
Avenida de Bruselas, 26
(28108) Alcobendas – Madrid

With a copy to: all the members of the Board of Directors of Codere, S.A.

Madrid, May 29, 2019

Dear Sirs,

Pursuant to articles 172 and 519 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders’ Meeting Regulation of CODERE, S.A. (the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, hereby requests the publication of the following supplement to the notice of call of the next Annual Shareholders’ Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively.

The item that it is requested be included on the agenda of the notice of call for the Annual Shareholders’ Meeting of the Company is set out below:

Single: Taking of corporate action for liability against Mr. Norman Sorensen Valdez and removal of director Mr. Norman Sorensen Valdez

It is likewise requested that, pursuant to the LSC, the new agenda for the Shareholders’ Meeting called to be held on June 26 and 27, 2019, at first and second call, respectively, be published, furnishing all the documentation attached hereto, relating to the proposal for a resolution and its grounds, through the procedures and channels that may have been used for the purpose for the adequate access by the shareholders to the documentation attached to the notice of call for the Shareholders’ Meeting.

For the appropriate purposes, the following documentation is attached hereto:

1. Copy of the certificate of authentication evidencing the holder of said shares and that they represent a percentage higher than required 3% of the share capital of the Company.
2. Proposal for a resolution together with its grounds, meeting the legal requirements.

Yours sincerely

MASAMPE, S.L.

(Represented by José Antonio Martínez Sampedro. Sole Director)

PROPOSAL FOR A FOUNDED RESOLUTION SUBMITTED TO THE 2019 ANNUAL SHAREHOLDERS' MEETING OF CODERE, S.A., RELATING TO THE AGENDA OF THE NOTICE OF CALL TO INCLUDE A NEW ITEM ON THE AGENDA REQUESTED BY A SUPPLEMENT REFERRED TO THE TAKING OF CORPORATE ACTION FOR LIABILITY AGAINST NORMAN SORENSEN VALDEZ AND TO THE REMOVAL OF NORMAN SORENSEN VALDEZ FROM OFFICE

Exercising the right conferred by articles 172 and 519 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders' Meeting Regulation of CODERE, S.A. (the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, has requested the publication of a supplement to the notice of call of the next Annual Shareholders' Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively, for the following item to be included on the agenda:

Single: Taking of corporate action for liability against Mr. Norman Sorensen Valdez and removal of director Mr. Norman Sorensen Valdez

For the appropriate purposes, this document contains: (i) the proposal for a specific resolution relating to said additional item requested in the supplement, relating to taking of corporate action for liability against Norman Sorensen Valdez, pursuant to article 238 of the LSC, and the removal from office of Norman Sorensen Valdez pursuant to section 3 of said article 238 of the LSC; and (ii) the relevant grounds for the supplement to the notice of call.

1. PROPOSAL FOR A RESOLUTION

“Single: Taking of corporate action for liability against Mr. Norman Sorensen Valdez and removal of director Mr. Norman Sorensen Valdez.

To approve the taking of corporate action for liability against Mr. Norman Sorensen Valdez, pursuant to article 238 of Legislative Royal Decree 1/2010, of July 2, passing the restated Spanish Corporate Enterprises Law (Ley de Sociedades de Capital) and to remove Mr. Norman Sorensen Valdez from office as director of the Company, pursuant to section 3 of said article.”

2. GROUNDS

The shareholder requesting the supplement to the notice of call considers that Mr. Norman Sorensen Valdez has repeatedly violated on an ongoing basis throughout the past financial year the duties of due diligence and loyalty that apply to him as director of the Company pursuant to articles 225, 227 et seq. of the Spanish Corporate Enterprises Law.

Likewise, throughout financial years 2018 and 2019, Mr. Sorensen did not comply adequately with the legal provisions or with the internal rules of the Company in breach, as regards his adequate performance as Chairman of the Board, of his duties as a director.

In this regard, the documentary evidence obtained as shareholders, despite the resistance of the shareholder Silver Point Capital, demonstrate, among many other facts, the lack of independence of Mr. Sorensen in the discharge of his office as Director and as Chairman of the Board of Directors. Thus, we consider that Mr. Norman Sorensen Valdez does not currently have the status of independent director, which is the class of director to which he was appointed, since his action contravened the aforementioned duties and the requirements demanded from independent directors pursuant to article

529k, section 4, of the Spanish Corporate Enterprises Law, having demonstrated the lack of his “non-conformance” to significant shareholders or executives of the Company, in his action as director in 2018 and 2019.

An example of the above was the management by Mr. Sorensen, as Chairman of the Board of Directors, of the request made by certain shareholders to renew the offices as nominee directors of Mr. José Antonio Martínez Sampedro and Mr. Luis Javier Martínez Sampedro, impeding in the discharge of his office, the submission to the Shareholders’ Meeting of said proposal for renewal made in compliance with the Shareholders’ Agreement, which impeded the Shareholders’ Meeting from knowing the existence of said request for renewal.

In addition, such actions of Mr. Sorensen imply breach of the Shareholders’ Agreement in effect and published, as a relevant fact, on the website of the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

Therefore, it is considered adequate to propose, as a supplement to the notice of call for the Annual Shareholders’ Meeting of the Company, the taking of corporate action for liability against Mr. Norman Sorensen Valdez, and the removal from office of Mr. Sorensen as director.

CODERE, S.A.

For the attention of Mr. Norman Sorensen Valdez
(Chairman of the Board of Directors)
For the attention of Mr. Luis Argüello Álvarez
(Secretary of the Board of Directors)
Avenida de Bruselas, 26
(28108) Alcobendas – Madrid

With a copy to: all the members of the Board of Directors of Codere, S.A.

At Madrid, May 29, 2019

Dear Sirs,

Pursuant to article 519.3 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders’ Meeting Regulation of CODERE, S.A. (the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, hereby submits the following alternative proposal for a resolution on items already included on the agenda of the Annual Shareholders’ Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively.

The founded proposal for a resolution refers to the following item on the agenda contemplated in the notice of call for the Annual Shareholders’ Meeting of the Company.

ONE. Annual financial statements and corporate management

1.1 Review and approval of the annual financial statements (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements) and of the management report of CODERE, S.A. and of the annual financial statements (balance sheet, income statement, consolidated statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements) and of the management report of its Consolidated Group of companies, for the financial year ended December 31, 2018.

It is likewise requested that, pursuant to the LSC, the submitted alternative proposal, and the relevant supporting report, be made available to the shareholders, through the procedures and channels that may have been used for the purpose for the adequate access by the shareholders to the documentation attached to the notice of call for the Shareholders’ Meeting.

For the appropriate purposes, the following documentation is attached hereto:

1. Copy of the certificate of authentication evidencing the holder of said shares and that they represent a percentage higher than required 3% of the share capital of the Company.
2. Alternative proposal for a resolution and report assessing it, meeting the legal requirements, for it to be made available to the shareholders of the Company.

Yours sincerely

MASAMPE, S.L.

(Represented by José Antonio Martínez Sampedro. Sole Director)

ALTERNATIVE PROPOSAL FOR A RESOLUTION ON ITEMS ON THE AGENDA SUBMITTED TO THE 2019 ANNUAL SHAREHOLDERS' MEETING OF CODERE, S.A.

Exercising the right conferred by article 519 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders' Meeting Regulation of CODERE, S.A. (“Codere” or the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, has submitted an alternative proposal for a resolution on items already included on the agenda of the Annual Shareholders' Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively.

For the appropriate purposes, this document contains: (i) an alternative proposal for a resolution relating to items on the agenda contemplated in the notice of call for the next Shareholders' Meeting of the Company, for it to be adequately submitted to the shareholders for ballot separately from the proposal submitted by the Board of Directors; and (ii) the relevant grounds for the submitted alternative proposal.

1. PROPOSAL FOR A RESOLUTION

The shareholder promoting this alternative proposal for a resolution proposes the following text to be adopted in respect of item 1.1 on the agenda, for it to be adequately submitted to ballot, separately from the proposal for a resolution made by the Board of Directors:

“ONE. Annual financial statements and corporate management

1.1. Review and approval of the annual financial statements (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements) and of the management report of CODERE, S.A. and of the annual financial statements (balance sheet, income statement, consolidated statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements) and of the management report of its Consolidated Group of companies, for the financial year ended December 31, 2018.

Not to approve the Annual Financial Statements (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements) or the Management Report of CODERE, S.A. or the Annual Financial Statements (balance sheet, income statement, consolidated statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements) or the consolidated Management Report of its group of companies, for the financial year ended December 31, 2018, prepared by the Board of Directors of the company at the meeting it held on February 26, 2019.

To approve the requirement for the Board of Directors to prepare new annual financial statements and the management report for them to show the true picture of the equity and financial situation of the Company.”

2. GROUNDS

The new management of CODERE, S.A., appointed on January 12, 2018, by the nominee directors of Silver Point Capital with the support of the independent directors, and the Board of Directors of Codere, submit annual financial statements (individual and consolidated) and the management reports both of the Company and consolidated, in 2018, which do not reflect the destruction of value for the shareholders, as a drop in the market price of their shares, in an amount of approximately 700 million Euros, which could mean that the annual financial statements of financial year 2018 do not show the current value of the Company.

In addition, the management reports submitted to the shareholders of the Company are focused mainly on explaining the growth of the “adjusted EBITDA” and not on the unstoppable drop of the price of the share of Codere.

Grounds

The statement of responsibility signed by the directors, appearing at the end of the consolidated annual financial statements of 2018 states verbatim to the extent of the knowledge of the directors *“the consolidated annual financial statements show the true picture of the equity, of the financial situation, of the results of the issuer and of the companies included in the consolidation taken as a whole and the consolidated management report includes a true analysis of the evolution and the results of the business and of the position of the issuer and the companies included in the consolidation taken as a whole, together with the description of the main risks and uncertainties that it faces”*. In other words, an analysis is provided of the competitive capacity of the group and its evolution from a point of view of risks and uncertainties. We disagree with the content and conclusions of such analysis as regards the following issues:

1. Evolution of the business of Codere

The fact that is considered most relevant as regards the fall of income is the devaluation in Argentina, without mentioning other relevant factors, such as the cost centricity strategy assumed by the group in 2018, which reduced the income-generating capacity in respect of inflation in practically all markets. This meant that, although the Company had historically had growth capacities in local currency above the rate of inflation, in 2018, the growth in local currency did not manage even to equal inflation. This is particularly relevant speaking in terms of organic growth (“like for like”). In 2017, in practically all relevant markets, the organic business was able to overcome the inflation and, in 2018, due to the implementation of the cost centricity priority, the situation was reverted. In Argentina, in addition, the growth capacity of Codere in respect of the inflation was lower than that of the rest of the market, giving rise to a deterioration of the market shares of the Company.

For example, the annual financial statements for 2018 set the comprehensive drop of income at EUR 203 million, of which EUR 41 million are attributed to hyperinflation in Argentina, EUR 31.9 million are attributed to the devaluation of the Argentinian Peso and the balance, approximately EUR 130 million, is lacking any explanation.

In addition, the cost centricity strategy rendered it necessary to incur high expenses, purportedly non-recurrent, which in view of the fall in sales will very probably be more recurrent than expected. 909 persons were also dismissed in 2018, considering that this would not have adverse effects on the income-generating capacity. However, the data are not in line with this expectation in general terms referring to the markets overall considered rather than to Argentina only.

In addition, the remuneration received by the General Manager in financial year 2018, added to the amounts paid by the Codere group in the same period to Jusvil, S.A., a company directly related to the General Manager, of which he is the majority shareholder, reach practically EUR 2 million, implying a considerable increase of the remuneration of the top executive of the group, which is not even mentioned in the management report.

Lastly, the restructuring of the activity in Brazil appears to have included the cancellation of online betting projects, which with the new regulation would have meant a significant earning.

2. Events relevant for the group occurred after the year end

The very close cash forecast combined with the drop of income as a result of the cost centricity strategy, is a warning signal which should imply a limitation in investments of growth.

In addition, the events occurred after the 2018 year end contain no explanation of the sale of the “Gonzalitos” hall in the State of Nuevo León (Mexico) to the Caliente Group, which was entered on the accounts of the first quarter of 2019 as an extraordinary income of EUR 2.8 million. This price, a priori, does not appear to be in line with the historical importance of a hall the sale of which, in addition, coincides in time with the lifting of the sealing off of the hall immediately before it was sold.

3. Business model

The description of the business model does not conform to the actual situation. A statement is made that is apparently in line with the past, referring to the focus on “customer centricity”, the position of the trademark, the values and vision of Codere for the coming years, although in fact the current management is referred to the short term and is absolutely focused on cost reduction.

The only strategy and priority of the group has been and is the maximization of the adjusted EBITDA, although this was disqualified by the market when it reduced the multiples of valuation and destroyed approximately 700 million Euros of value for the shareholders in 2018.

4. Future perspectives

In respect of new technologies, when it is stated that online gaming in particular affords great opportunities and challenges in the nearest future, it is surprising that it should be outsourced to the maximum extent with the waiver that this implies of the capacity to control and develop this strategic area.

Although reference is made to responsible gaming advocating for a greater regulation of online gaming, the fact is that the Company failed to adopt a position against the advertising excesses of online gaming, which is giving rise to a serious risk of deterioration of the social perception of the activity while it has deprived the Foundation of the Company from the role that it held in the sector.

In addition, although it speaks of consumers and of customer satisfaction as a priority objective of the transformation carried out by the Company in relation to it, what the known data indicate is an ongoing loss of customers and visits to our onsite gaming halls, in all our main markets.

As regards reputational risk, page 147 of the Consolidated Annual Financial Statements refers to the clear interconnection between regulatory risks and reputational risks, but no mention is made of the fact that the main problem of the sector from this perspective is the correct evaluation, analysis and prevention of the social impact of the activity. The decision of Codere to delegate to Consejo Empresarial del Juego (CEJUEGO) all actions relating to these matters is but one more example of the lack of criterion of the new leader on what used to be the historical line of the Company in this field and the lack of capacity that these institutions historically have to contribute what Codere, through the Foundation and its activities as a listed company, had achieved to date.

In respect of Human Resources, the report is full of general statements that are hardly consistent with the current practice, particularly the loss of talent, which is much greater than that which is being attracted.

CODERE, S.A.

For the attention of Mr. Norman Sorensen Valdez
(Chairman of the Board of Directors)
For the attention of Mr. Luis Argüello Álvarez
(Secretary of the Board of Directors)
Avenida de Bruselas, 26
(28108) Alcobendas – Madrid

With a copy to: all the members of the Board of Directors of Codere, S.A.

At Madrid, May 29, 2019

Dear Sirs,

Pursuant to article 519.3 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders’ Meeting Regulation of CODERE, S.A. (the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, hereby submits the following alternative proposal for a resolution on items already included on the agenda of the Annual Shareholders’ Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively.

The founded proposal for a resolution refers to the following item on the agenda contemplated in the notice of call for the Annual Shareholders’ Meeting of the Company.

ONE. Annual financial statements and corporate management

1.2 Review and approval, if fitting, of non-financial information statement of the financial year ended December 31, 2018.

It is likewise requested that, pursuant to the LSC, the submitted alternative proposal, and the relevant supporting report, be made available to the shareholders, through the procedures and channels that may have been used for the purpose for the adequate access by the shareholders to the documentation attached to the notice of call for the Shareholders’ Meeting.

For the appropriate purposes, the following documentation is attached hereto:

1. Copy of the certificate of authentication evidencing the holder of said shares and that they represent a percentage higher than required 3% of the share capital of the Company.
2. Alternative proposal for a resolution, meeting the legal requirements, for it to be made available to the shareholders of the Company.

Yours sincerely

MASAMPE, S.L.

(Represented by José Antonio Martínez Sampedro. Sole Director)

ALTERNATIVE PROPOSAL FOR A RESOLUTION ON ITEMS ON THE AGENDA SUBMITTED TO THE 2019 ANNUAL SHAREHOLDERS' MEETING OF CODERE, S.A.

Exercising the right conferred by article 519 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders' Meeting Regulation of CODERE, S.A. (“Codere” or the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, has submitted an alternative proposal for a resolution on items already included on the agenda of the Annual Shareholders' Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively.

For the appropriate purposes, this document contains: (i) an alternative proposal for a resolution relating to items on the agenda contemplated in the notice of call for the next Shareholders' Meeting of the Company, for it to be adequately submitted to the shareholders for ballot separately from the proposal submitted by the Board of Directors; and (ii) the relevant grounds for the submitted alternative proposal.

1. PROPOSAL FOR A RESOLUTION

The shareholder promoting this alternative proposal for a resolution proposes the following text to be adopted in respect of item 1.2 on the agenda, for it to be adequately submitted to ballot, separately from the proposal for a resolution made by the Board of Directors:

“ONE. Annual financial statements and corporate management

1.2. Review and approval, if fitting, of the non-financial information statement of the financial year ended December 31, 2018.

Not to approve the non-financial information statement for the financial year ended December 31, 2018, included in the management report of CODERE, S.A. and prepared by the Board of Directors at the meeting it held on February 26, 2019.

To approve the requirement for the Board of Directors to prepare a new non-financial information statement for the financial year ended December 31, 2018, observing the parameters of applicable Spanish law and international good practices.”

2. GROUNDS

The alternative proposal for a resolution in respect of the approval of non-financial information statement included in the management report of Codere and the requirement for a new non-financial information statement to be prepared, is founded on the fact that the report submitted by the Board of Directors does not show the true picture of the situation in the financial year ended December 31, 2018, in respect of the non-financial affairs of Codere.

The materiality matrix that appears in the non-financial information statement contained in the Consolidated Annual Financial Statements, page 139, shows the relevance of certain matters from an internal and an external point of view. Matters such as responsible gaming, regulatory pressure, money laundering prevention and policies against organized crime, political risk, customer relations management, corporate governance, trademark management and, finally, operational efficiency are considered to be very relevant. This is the only point on which, in fact, the management of the company has focused in financial year 2018.

CODERE, S.A.

For the attention of Mr. Norman Sorensen Valdez
(Chairman of the Board of Directors)
For the attention of Mr. Luis Argüello Álvarez
(Secretary of the Board of Directors)
Avenida de Bruselas, 26
(28108) Alcobendas – Madrid

With a copy to: all the members of the Board of Directors of Codere, S.A.

At Madrid, May 29, 2019

Dear Sirs,

Pursuant to article 519.3 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders’ Meeting Regulation of CODERE, S.A. (the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, hereby submits the following alternative proposal for a resolution on items already included on the agenda of the Annual Shareholders’ Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively.

The founded proposal for a resolution refers to the following item on the agenda contemplated in the notice of call for the Annual Shareholders’ Meeting of the Company.

ONE. Annual financial statements and corporate management

1.3 Review and approval, if fitting, of the management of the Company by the Board of Directors in the financial year ended December 31, 2018.

It is likewise requested that, pursuant to the LSC, the submitted alternative proposal, and the relevant supporting report, be made available to the shareholders, through the procedures and channels that may have been used for the purpose for the adequate access by the shareholders to the documentation attached to the notice of call for the Shareholders’ Meeting.

For the appropriate purposes, the following documentation is attached hereto:

1. Copy of the certificate of authentication evidencing the holder of said shares and that they represent a percentage higher than required 3% of the share capital of the Company.
2. Alternative proposal for a resolution, meeting the legal requirements, for it to be published and made available to the shareholders of the Company.

Yours sincerely

MASAMPE, S.L.

(Represented by José Antonio Martínez Sampedro. Sole Director)

ALTERNATIVE PROPOSAL FOR A RESOLUTION ON ITEMS ON THE AGENDA SUBMITTED TO THE 2019 ANNUAL SHAREHOLDERS' MEETING OF CODERE, S.A.

Exercising the right conferred by article 519 of Legislative Royal Decree 1/2010, of July 2, passing the restated Corporate Enterprises Law (*Ley de Sociedades de Capital* – “LSC”), article 16 of the Corporate Bylaws and article 9.5 of the Shareholders' Meeting Regulation of CODERE, S.A. (“Codere” or the “Company”), the shareholder MASAMPE, S.L., effective beneficial holder of 14,670,072 shares of the Company representing 12.38% of the share capital, has submitted an alternative proposal for a resolution on items already included on the agenda of the Annual Shareholders' Meeting of the Company, called to be held on June 26 and 27, 2019, at first and second call, respectively.

For the appropriate purposes, this document contains: (i) an alternative proposal for a resolution relating to items on the agenda contemplated in the notice of call for the next Shareholders' Meeting of the Company, for it to be adequately submitted to the shareholders for ballot separately from the proposal submitted by the Board of Directors; and (ii) the relevant grounds for the submitted alternative proposal.

1. PROPOSAL FOR A RESOLUTION

The shareholder promoting this alternative proposal for a resolution proposes the following text to be adopted in respect of item 1.3 on the agenda, for it to be adequately submitted to ballot, separately from the proposal for a resolution made by the Board of Directors:

“ONE. Annual financial statements and corporate management

1.3 Review and approval, if fitting, of the management of the Company by the Board of Directors in the financial year ended December 31, 2018.

Not to approve the management of the Company by the Board of Directors of Codere, S.A. for the financial year ended December 31, 2018.”

2. GROUNDS

The alternative proposal for a resolution in respect of the approval of the management of the Company by the Board of Directors of Codere in the year ended December 31, 2018, shows that it has not been approved, since the management of the Company by the Board of Directors that year led only to the destruction of value for the Company and the shareholders, as a drop in the market price of the shares of Codere, in an amount of approximately 700 million euros.

The data of income in local currency in terms of stability of the installed capacity, i.e., “like for like”, grew above the inflation until 2017 in the main markets: Argentina, Mexico and Spain. In 2018, the new management priorities managed to invert that trend, notwithstanding the fact that the “adjusted EBITDA” increased in the light of the information contained in the annual financial statements submitted to the Shareholders' Meeting.

The market, however, has drawn the conclusion that the discount at current value of the future flows of the group decreased, because the data that it sees as regards the evolution of its sales in respect of the inflation, so demonstrate. Accordingly, the market has gradually reduced the multiple with which it values the “adjusted EBITDA” of the group, from 7 times when published

at the 2017 year end (first half of March 2018) to 4.2 times in the first half of March 2019. This is the value currently given to the company.

Neither has it been reported whether the Board of Directors discussed matters so strategic as the purported digital transformation, the definition of values or the vision of the future of Codere in the coming years. The same occurred with the purported strategy of social responsibility of the Codere group and its four main pillars, with responsible gaming, with the development of human capital, etc.

In particular, in respect of online gaming, although the Company attributes growing importance to it from a strategic perspective and with a view to the future, as an activity that historically had its internal development as a priority, it has now been outsourced, meaning that the value-generating capacity and control of its future development is now in the hands of third parties despite the fact that the market has negatively valued similar strategies of competitors.

Also, the information provided to the shareholders points out the great importance of new technologies (blockchain, big data, artificial intelligence and open software) for the future of the gaming industry although it is recognized that the group made no investment at all in R+D in 2018.

Lastly, the 2018/2021 strategic plan failed to be implemented already in 2018 and not only in Argentina, with the external justification of the currency devaluation. Although “customer centricity” is declared, no compliance controls or objectives are established for this matter. In this regard, with the exception of online gaming, the evolution of the quantity of customer visits and of the customer portfolio is clearly negative and degrowing without any objectives having been defined in this respect. Neither is there a known plan for omnichannel and digitalization.

Finally, the management is focused only on efficiency, absolutely obviating sustainability, since its focus is eminently on the short term, all of which clearly demonstrates the breach in the duties of due diligence and loyalty applicable, pursuant to articles 225 and 227 et seq. of the Spanish Corporate Enterprises Law, to the Board of Directors of the Company.