

REPORT PREPARED BY THE BOARD OF DIRECTORS OF CODERE, S.A. REGARDING THE PROPOSAL OF APPOINTMENT OF MR. ALBERTO MANZANARES SECADES AND MR. FERNANDO SEMPERE RODRÍGUEZ AS DOMINICAL DIRECTORS THAT IS SUBMITTED TO THE ORDINARY GENERAL SHAREHOLDERS MEETING

1. INTRODUCTION

The Board of Directors of Codere, S.A. issues this report with the purpose of justifying the proposal of appointment of the dominical directors Mr. Alberto Manzanares Secades and Mr. Fernando Sempere Rodríguez, which is submitted to the general shareholders meeting in accordance with article 529. decies of the Spanish Companies Act, which reads as follows:

"1. The members of the board of directors of a listed company will be appointed by the general shareholders meeting or, in case of early vacant spot, by the board of directors by cooptation.

2. The cooptation in listed companies will be regulated in accordance with this law, with the following exceptions:

- a) The director appointed by the board does not necessarily need to be a shareholder of the company.*
- b) In the event a vacant spot arises once the general shareholders meeting has been conveyed and before its holding, the board of directors may appoint a director until the holding of the next general shareholders meeting.*

3. In listed companies the appointment of substitute directors is not allowed.

4. The proposal for the appointment or re-election of members of the board of directors is attributed to the appointments and remunerations committee, if dealing with independent directors, and to the board itself, in the remaining cases.

5. The proposal shall be made attaching in any case a justification report from the board of directors which must value the competence, experience and merits of the proposed candidate, which shall be annexed to the minutes of the general shareholders meeting of the board itself.

6. The proposal of appointment or re-election of any non-independent director shall be preceded, in addition, with a report from the appointments and remunerations committee.

7. The content of this article shall be likewise applicable to the individuals who are appointed as representatives of a board member who is a legal entity. The proposal of the individual representative shall be submitted to the report from the appointments and remuneration committee."

In conclusion, the Spanish Companies Act required that the Board of Directors which proposes the appointment or re-election of members of the Board of Directors prepares, in any case, a justifying report, which shall value the competence, experience and merits of the proposed candidate, which shall be annexed in this case to the minutes of the Board itself. In accordance with article 518 of the Spanish Companies Act, this report will be published in the corporate web page of Codere, S.A., continuously, since the publication of the calling of the general meeting.

As a result, by means of this report, the Board of Directors evaluates the competence, experience and merits of the proposed candidates to be appointed as dominical directors.

2. EVALUATION OF MR. ALBERTO MANZANARES SECADES

a) Professional profile.

Mr. Manzanares holds a Law degree from the Universidad Autónoma de Madrid and a Doctorate in Civil Law from the same university.

He is currently Counsel with the Corporate and Financial practice area of the law firm Ontier.

Previously he was a partner for many years and, subsequently, Of Counsel until 2018, of the law firm Clifford Chance, specializing in the Banking and Finance sector, particularly in corporate finance transactions such as syndicated loans, and acquisition and asset financings, as well as other types of refinancing and restructuring procedures.

He is also currently Professor at the Instituto de Empresa and has been for many years Associate Professor at the Universidad Autónoma, as well as Honorary Professor of the same university, and Collaborating Professor in the Master's Degree in Access to Law.

b) Suitability and merits.

The Board of Directors has studied and evaluated the experience, studies and professional profile of Mr. Alberto Manzanares Secades, his merits and competence for the holding of the office of director, his experience and knowledge in areas which are relevant for the Company and its group.

In light of the above, the Board of Directors has concluded favorably on the suitability of Mr. Alberto Manzanares Secades for his appointment as director.

c) Availability.

It has been verified that the candidate has effective availability to have the necessary dedication for the performance of his duties as director of the Company, with the classification of dominical.

d) Absence of incompatibilities and conflicts.

It has likewise been verified that the candidate is not under any incompatibility, prohibition

or permanent conflict of interest situation that prevents him from duly performing the duties of his position.

e) Director's category.

Mr. Alberto Manzanares Secades has been proposed at the proposal of the so-called Key Executive Parties, as such term is defined under the shareholders agreement entered into on 6 April 2016, being significant shareholders, and thus he shall be classified as a dominical director.

f) Report from the Appointments, Remunerations and Corporate Governance Committee.

Attached to this report, as annex, is the favorable report by the Appointments, Remunerations and Corporate Governance Committee on the proposal of appointment of Mr. Alberto Manzanares Secades.

g) Proposal of Appointment.

For all the above, the Board of Directors considers that Mr. Alberto Manzanares Secades complies with the requirements of honor, suitability, solvency, competence, coalification, studies, availability and commitment to his duties for performing the duties of his position, not being under any incompatibility and/or conflict cause.

As a result, and having the previous favorable report from the Appointments, Remunerations and Corporate Governance Committee, the appointment of Mr. Alberto Manzanares Secades for the statutory term of two years, as dominical director is proposed to the general shareholders meeting.

2. EVALUATION OF MR. FERNANDO SEMPERE RODRÍGUEZ

a) Professional profile.

Mr. Sempere holds a Law degree from the Universidad Autónoma de Madrid and a Diploma from Centro de Estudios Tributarios y Económicos.

He currently practises as an active lawyer in the firm of Velázquez Abogados, of which he is a founding partner, having previously practised law at other firms, and being especially active in the field of gambling law, as evidenced by his publications.

He participates on the boards of directors of various publishing companies, and has experience in the management of companies dedicated to the gambling sector, as will be afterwards detailed.

b) Suitability and merits.

The Board of Directors has studied and evaluated the experience, studies and professional profile of Mr. Fernando Sempere Rodríguez, his merits and competence for the holding of the

office of director, his experience and knowledge in areas which are relevant for the Company and its group, especially in the gambling sector.

In light of the above, the Board of Directors has concluded favorably on the suitability of Mr. Fernando Sempere Rodríguez for his appointment as director.

c) Availability.

It has been verified that the candidate has effective availability to have the necessary dedication for the performance of his duties as director of the Company, with the classification of dominical.

d) Absence of incompatibilities and conflicts.

Regarding Mr. Sempere, and according to its own declaration, the following circumstances have been identified:

1. Regarding the companies of the Comar Group, he: (i) is a minority shareholder, not member of the Board of Directors, of the company Casino del Atlántico, S.A.; (ii) is a director non-shareholder of the company Casino Marítimo, S.A.; and (iii) renders professional advice to various companies of the group regarding luck, betting and gambling games; and
2. Regarding companies related to the controlling shareholder of the Comar group (Heirmarmene, S.L.U.), he is director in several companies in the publisher sector, which have no relation with the activity sector of the Codere group.

In this sense, it has been verified that the Codere group has a historic collaboration relation since 2012 with the Comar Group in Spain (as of this date, there are commercialization and exploitation contracts of sports bets and authorized premises in various Autonomous regions in place) and, on the other side, the Comar group is shareholder of 49% of the share capital of Codere Apuestas Galicia, S.L.

Notwithstanding the above, the Company considers that the commercial relation with the Comar group is not especially significant in its activities as a whole. The revenues of the Codere group deriving from its commercial relations with the Comar group are below 3% of its total revenues in Spain in 2018.

On its part, it is estimated that the Comar Group's revenues derived from its commercial relations with the Codere group represent as well less than 3% of its total revenues in Spain in 2018.

To the above, it is worth adding that the activity performed by Mr. Sempere in the Comar group is limited and does not affect in any way the commercial or corporate strategy related to the commercial interests of Codere.

Finally, Mr. Sempere has stated that, in the event of being appointed as director of Codere, S.A., he will refrain from participating in the deliberations and voting of any decision in which there might be a direct or indirect conflict of interest with the Codere group.

For all the above, it is concluded that the known and described circumstances do not prevent Mr. Sempere from duly performing the duties of his position, without appreciating an invalidating conflict of interest.

e) Director's category.

Mr. Fernando Sempere Rodríguez has been proposed at the proposal of the so-called Key Executive Parties, as such term is defined under the shareholders agreement entered into on 6 April 2016, being significant shareholders, and thus he shall be classified as a dominical director.

f) Report from the Appointments, Remunerations and Corporate Governance Committee.

Attached to this report, as annex, is the favorable report by the Appointments, Remunerations and Corporate Governance Committee on the proposal of appointment of Mr. Fernando Sempere Rodríguez.

g) Proposal of Appointment.

For all the above, the Board of Directors considers that Mr. Fernando Sempere Rodríguez complies with the requirements of honor, suitability, solvency, competence, coalification, studies, availability and commitment to his duties for performing the duties of his position, not being under any incompatibility and/or conflict cause except for the situation detailed in section (d) above, which is not deemed as conflict of such importance so as to prevent his appointment.

As a result, and having the previous favorable report from the Appointments, Remunerations and Corporate Governance Committee, the appointment of Mr. Fernando Sempere Rodríguez for the statutory term of two years, as dominical director is proposed to the general shareholders meeting.

May 2019