



Codere Finance 2 (Luxembourg) S.A.  
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27<sup>th</sup> October 2023

Codere Finance 2 (Luxembourg) S.A. (together with Codere New Topco S.A. ("**Codere New Topco**") and its subsidiaries, "**Codere**"), hereby announces the following:

**Update regarding up to €101,782,000 of additional liquidity funding to support implementation of Codere's business plan supported by Codere's largest shareholders and noteholders**

Codere refers to the announcements dated 29 March 2023, 6 April 2023, 11 April 2023, 19 April 2023, 21 April 2023, 27 April 2023, 8 June 2023, 31 July 2023, 2 August 2023 and 20 September (the "**Announcements**") regarding the proposed transaction relating to the provision of €101,782,000 (including a 1.75% OID) or €100,000,000 of new liquidity financing and the amendment of certain terms of Codere's existing notes. Unless given a different meaning in this announcement, terms defined in the Announcements shall have the same meaning when used herein.

**Update on operations**

Since Codere's announcement on 20 September 2023, 1 hall in Mexico and 2 halls in Argentina have fully reopened following actions taken by Codere to address the matters raised by the relevant public authorities, and Codere expects that an additional hall in Mexico will reopen shortly following discussions with the relevant authorities. As at the date of this announcement, 4 halls in Mexico remain subject to temporary closure (including the hall which Codere anticipates will reopen imminently) and 48 halls in Mexico remain subject to trading restrictions. All 13 halls in Argentina are now all fully reopened and no longer subject to any trading restrictions.

Regarding operating performance, as of week commencing 16 October 2023, the Company estimates the year-to-date impact of the above-mentioned closures and restrictions led to a reduction of Mexico and Argentina Gross Win of c.€25m and c.€37m, respectively, representing 10.0% and 10.0% of full year FY2023 Budget, a reduction of Operating Revenues of c.€24m and €35m, respectively, representing c.9% and 10% of full year FY2023 Budget, and a reduction of pre-IFRS-16 Adj. EBITDA of c. €17m and €19m, respectively, representing c.49% and 26% of full year FY2023 Budget. Other jurisdictions not subject to any restrictions are performing broadly in line with Budget.

As of week commencing 23 October 2023, following the funding of the €50m Interim New Money, liquidity across the Group stood at c.€86m. As announced on 20 September 2023, the Interim New Money allows for the relaxation of some of the liquidity preservation measures referred to in the 20 September 2023 Announcement, including supplier and capex deferrals, to ensure that trading is not adversely affected by such measures. The Group now expects to have approximately €50-55m of liquidity by the end of Q4 2023.

**Update on Mexico tax claim**

As referenced in the cleansing materials circulated with the Announcement dated 29 March 2023 (the "**March Cleansing Materials**"), Codere has made a provision of €50m in its FY2022 accounts to cover a potential liability of Codere Mexico arising from a dispute with the Mexican tax authority regarding their assessment of the taxes required to be paid by Codere Mexico as a result of a merger of Complejos Turísticos de Huatulco, S.A. de C.V. and other subsidiaries of Codere México with Codere Mexico in 2008.

Codere has appealed the tax assessment, and the case is currently awaiting a decision of the Supreme Court of Justice in Mexico. The Supreme Court has not yet given an indication of when its decision will be made. However, as noted in the March Cleansing Materials, Codere considers that the most likely

outcomes are either (a) the appeal or other available legal options are successful, resulting in an extinguishment of the liability in its entirety, or (b) the tax liability will be significantly reduced.

## **Update on Transaction**

The Lock-Up Agreement remains in full force and effect and, for the avoidance of doubt, Codere and the Ad Hoc Committee remain supportive of the Transaction, as defined in the Lock-Up Agreement.

As the Company, led by the new management team, continues to evaluate the impact of the remaining restrictions and hall closures on the Group's business and whether any amendments to the terms of the comprehensive Transaction may be appropriate, Codere has agreed with the Ad Hoc Committee and certain other holders with whom Codere and the Ad Hoc Committee have been in confidential discussions to:

- extend the Long-Stop Date (as defined in the Lock-Up Agreement) from 27 October 2023 to 29 March 2024
- further extend the grace periods for payment of the interest on each of the:
  - Super Senior Notes that fell due on 31 March 2023 from 30 days to 364 days (previously extended to 211 days); and
  - Senior Notes that fell due on 30 April 2023 from 30 days to 334 days (previously extended to 181 days)
- extend the grace periods for payment of the interest on each of the:
  - Super Senior Notes that fell due on 30 September 2023 from 30 days to 181 days; and
  - Senior Notes that fell due on 31 October 2023 from 30 days to 150 days

The extension of the Long-Stop Date and grace periods will also allow time for the implementation of the various legal workstreams, including the re-filing of the request for homologation of the Spanish Restructuring Plan in respect of the Transaction with the Spanish courts after the withdrawal of the initial filing announced on 31 July 2023.

The Ad Hoc Committee and the other holders referred to above represent sufficient majorities to consent to each of the amendments set out in this announcement.

## **Further information**

Further information regarding the Transaction is available from the Information Agent, whose contact details are below.

### **Contact information**

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