

**31 July 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 and 8 June 2023 (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**

Following recent inspections of the relevant premises, as of the date of this announcement, six (6) halls in Mexico, and five (5) halls in Argentina, are subject to temporary closure by public authorities in those jurisdictions due to alleged non-compliance with certain regulations. The first of such closures occurred in April 2023. Four (4) halls in Mexico and two (2) halls in Argentina were also recently subject to closure but have now fully reopened following prompt action by Codere to address the matters raised by the relevant authorities. In Mexico, there are forty-four (44) halls subject to trading restrictions by public authorities due to alleged non-compliance with certain regulations. Codere is working expeditiously to understand the authorities' actions and to facilitate a lifting of restrictions and re-opening of remaining closed halls as soon as possible.

As of week commencing 3 July 2023, the YTD impact of the above-mentioned closures and restrictions led to a c. 1.6% reduction of Gross Win and a c. 6.7% reduction of pre-IFRS-16 EBITDA compared to the Group's 2023 budget.

Prior to the beginning of restrictions, financial performance had been strong, with March Adj. Pre-IFRS 16 EBITDA YTD of €43m (being 13% ahead of budget).

Codere's operating performance has left it with sufficient liquidity to continue trading normally for the time being –liquidity as of the week ending 23 July 2023 stood at €52.1million. Codere's new management team, led by newly-appointed CEO Gonzaga Higuero and CFO Luis Villalba, is continuing to carefully monitor Codere's liquidity position and is working to consider the further short term and (if any) longer term impact of these trading restrictions and closures on its business.

**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 of its largest shareholders and noteholders (the "**Ad Hoc Committee**") remain supportive of the Transaction, as defined in and pursuant to the Lock-Up Agreement.

However, to provide further time for the parties and in particular the new management team to evaluate the impact of the restrictions and hall closures on the Group's business and whether any amendments to the Transaction may be appropriate, Codere has agreed with the Ad Hoc Committee and certain other holders with whom Codere and the Ad Hoc Committee and Codere have been in confidential discussions to:

- extend the Long-Stop Date (as defined in the Lock-Up Agreement) from 31 July 2023 to 27 October;

- 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 209 days (previously extended to 121 days); and
  - Senior Notes that fell due on 30 April 2023 from 30 days to 179 days (previously extended to 91 days), and
- withdraw the Company's request for homologation of the Spanish Restructuring Plan in respect of the Transaction, ahead of the Spanish Court's summer closure, with a view to re-submitting the request in due course to align with the revised Transaction Timetable.

The Ad Hoc Committee and the other holders referred to above represent sufficient majorities to consent (where applicable) to each of these amendments and actions.

In light of the above, the Company now anticipates that the Transaction will not be launched until the end of Q3 2023 at the earliest.

### **Further information**

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

### **Contact information**

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