

16 October 2024

Codere Announces the Successful Completion of the Recapitalisation

Codere Finance 2 (Luxembourg) S.A. (the “**Issuer**”), together with Codere New Topco S.A. (“**Codere New Topco**”), Codere Luxembourg 3 S.à r.l. (as the new issuer under the Super Senior Notes and the new co-issuer under the Senior Notes) and its subsidiaries, “**Codere**”), refers to its announcements on 13 June 2024 (the “**13 June Announcement**”), 26 June 2024, (the “**26 June Announcement**”) 23 July 2024 (the “**23 July Announcement**”), 16 August 2024 (the “**16 August Announcement**”) and 10 September 2024 (the “**10 September Announcement**”) (together, the “**Announcements**”). Unless given a different meaning in this announcement, terms defined in the Announcements shall have the same meaning when used herein.

Codere is pleased to announce the successful completion of the Recapitalisation transaction the terms of which were described in the New Lock-Up Agreement and the OCSM and summarised in the 13 June Announcement and the 16 August Announcement. The Recapitalisation became fully effective on 15 October 2024 (the “**Recapitalisation Effective Date**”).

Codere is also pleased to report that the Recapitalisation received overwhelming support from its existing creditors. The following percentages of holders of the Notes supported the Recapitalisation, in each case representing the majorities required to implement the Recapitalisation:

- (a) approximately 99.99% of the aggregate principal amount of the outstanding Interim First Priority Notes;
- (b) approximately 99.84% of the aggregate principal amount of the outstanding Super Senior Notes;
- (c) approximately 91.65% of the aggregate principal amount of the outstanding USD denominated Senior Notes;
- (d) approximately 87.46% of the aggregate principal amount of the outstanding EUR denominated Senior Notes; and
- (e) approximately 84.43% of the aggregate principal amount of the outstanding Subordinated PIK Notes.

The Recapitalisation has provided a holistic solution to Codere's capital structure issues, ensuring long-term stability and securing the viability and growth of the Group under its new Strategic Business Plan.

Redemption, Exchange and Cancellation of the Existing Notes and PIK Subordinated Notes

As part of the implementation of the Recapitalisation steps, and pursuant to the consents obtained in accordance with the OCSM, the Existing Notes have been delisted from Euronext Dublin, and (i) in the case of the Super Senior Notes and the Senior Secured Notes, their outstanding aggregate principal amount, plus accrued and unpaid interest and additional amounts, if any, marked down to nil and subsequently cancelled; and (ii) in the case of the Interim First Priority Notes (including the Bridge Notes), their outstanding aggregate principal amount plus accrued and unpaid interest, if any, either exchanged for the New FPNs (as defined and further described below) and

subsequently cancelled, or redeemed for the total amount of their respective outstanding aggregate principal amount, accrued and unpaid interest thereon, and applicable premium.

The Group also privately obtained consents from the requisite majority of the holders of Subordinated PIK Notes, and, as part of the implementation of the Recapitalisation steps, as of the Recapitalisation Effective Date, the PIK Subordinated Notes have been marked down for their outstanding aggregate principal amount, plus accrued and unpaid interest and additional amounts, if any, to nil, and subsequently cancelled.

Issue of New FPNs

In accordance with the terms of the OCSM the Issuer has issued 8.00% / 3.00% Senior Secured First Priority Notes due 2028 in an aggregate amount of €128,273,196 (being the principal amount of €124,425,000.00 plus an amount of €3,848,196.00 which was capitalised on issuance) (the “**New FPNs**”). The New FPNs were fully subscribed by the holders of Codere’s Super Senior Notes (or their nominees), further demonstrating their support and confidence in the proposed Recapitalisation.

The proceeds from the New FPNs have been applied towards (a) the redemption and refinancing of the outstanding portion of the Interim First Priority Notes that were not exchanged for New FPNs, (b) general corporate purposes and to meet the liquidity needs of the restructured group and (c) meeting the fees, costs and expenses in connection with the Recapitalisation and the wind-down and liquidation costs of certain existing Luxembourg holding companies of Codere which no longer form part of the restructured Codere group.

A Spanish restructuring plan was proposed by Codere to provide the Recapitalisation and the New FPNs with certain protections and privileges for the purposes of Spanish insolvency law and was homologated in first instance by the Commercial Court No. 6 of Madrid on 22 July 2024.

New shareholding structure

Following a share pledge enforcement which formed part of the Recapitalisation, the ownership of the Codere operating group (being Codere Luxembourg 3 S.à r.l. and its subsidiaries) has been transferred to a new Luxembourg-registered holding company, Codere Group Topco S.A, which is wholly owned by the holders of the former Super Senior Notes and the providers of the New FPNs.

Codere Group Topco S.A. has also issued out of the money warrants to certain holders of the Senior Notes who provided the consents sought under the OCSM and satisfied the other requirements described therein.

The way forward

Following the Recapitalisation, the total gross debt of Codere group has decreased to approximately €190 million which, net of cash, represents c. 0.5x times 2023 adjusted EBITDA pre-IFRS16. This reflects a significant improvement from the position prior to the Recapitalisation, where the total gross debt of the group stood at c. €1,400 million or, net of cash, c.10x times 2023 adjusted EBITDA. Moreover, the infusion of around €60 million of new liquidity via the New FPNs (following the payment of costs and expenses and refinancing of the Interim First Priority Notes) is instrumental in facilitating the implementation of the Strategic Business Plan and positioning Codere to deliver sustained growth and financial stability for the benefit of all its stakeholders.

The management team of Codere express their sincere gratitude to all the stakeholders, employees and advisers involved for their support and commitment in implementing this landmark transaction.

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