

Codere S.A.
Announcement of Refinancing Transaction

Transaction

Codere S.A. (together with its subsidiaries, "**Codere**") is pleased to announce that it has reached agreement for the terms of a proposed refinancing transaction (the "**Transaction**") with an ad hoc group (the "**AHG**") of holders ("**Existing Noteholders**") of the USD 300m 7.625% Senior Secured Notes due 2021 (the "**USD Notes**"), and the EUR 500m 6.750% Senior Secured Notes due 2021 (the "**EUR Notes**") issued by Codere Finance (Luxembourg) S.A. (the "**Issuer**" and the "**Existing Notes**").

To support implementation of the Transaction, Codere has entered into a lock-up agreement (the "**Lock-Up Agreement**") with the AHG and certain other Existing Noteholders who, collectively, hold approximately 57.5% of the Existing Notes.

The Transaction terms include, among other things:

- The provision of EUR 250m of new financing, to be provided by way of new super senior notes due September 2023 issued by the Issuer in two tranches:
 - an interim tranche of EUR 85m (the "**Interim Notes**") to be provided by certain members of the AHG, which is intended to provide Codere with the liquidity that it requires to support operations pending closing of the Transaction; and
 - a further tranche of EUR 165m (the "**Further Notes**") to be offered to Existing Noteholders. The proceeds of the Further Notes will be used to refinance Codere's existing revolving credit facility ("**RCF**") exposure and provide further liquidity at closing of the Transaction;
- Amendments to the terms of the Existing Notes (the "**Amendments**"), including:
 - an extension of maturities to 1 November 2023; and
 - increased interest rates, comprising a mandatory 4.50% cash-pay component and, at the election of the Issuer, a further cash-pay (5.00% on the EUR Notes; 5.875% on the USD Notes) or PIK (6.25% on the EUR Notes; 7.125% on the USD Notes) component; and
- The payment of certain consent fees to consenting Existing Noteholders, as described further below.

Opportunity to participate in the Further Notes

Each Existing Noteholder will be offered the opportunity to subscribe for the Further Notes, *pro rata* to its holding of the Existing Notes, subject to eligibility under applicable securities laws. The members of the AHG that are providing the Interim Notes will also backstop the issuance of the Further Notes.

Amendments to the Existing Notes

Existing Noteholders who confirm their consent to the Amendments by acceding to the Lock-Up Agreement by the following dates will be eligible to receive the following consent fees, subject to completion of the Transaction:

- 20 July: an "**Early Bird Consent Fee**" equal to a pro rata share of 0.5% of the principal amount of the Existing Notes; and
- 27 July: a "**Consent Fee**" equal to a pro rata share of 0.5% of the principal amount of the Existing Notes.

For the avoidance of doubt, an Existing Noteholder may be eligible to receive both the Early Bird Consent Fee and the Consent Fee.

Codere anticipates implementing the Amendments either by way of consent solicitation or, if the requisite consents to implement the Amendments pursuant to a consent solicitation cannot be achieved, an English scheme of arrangement. To support its ability to implement the Amendments by an English scheme of arrangement, if required, Codere intends to join an English company as a co-issuer to its Existing Notes, and anticipates launching a consent solicitation process in connection with that accession shortly. Existing Noteholders who accede to the Lock-Up Agreement will be committing to vote in favour of the consent solicitation to join the co-issuer to the Existing Notes and, as applicable, the consent solicitation or the scheme of arrangement to implement the Amendments.

Further information for Existing Noteholders

A term sheet detailing the terms of the Transaction is scheduled to the Lock-Up Agreement, which is available here <https://glas.agency/2020/07/13/codere-s-a/> and from Codere's Information Agent (details below). Existing Noteholders who wish to accede to the Lock-Up Agreement should visit the Information Agent's website or contact the Information Agent using the details below. A trading update is also available on Codere's website <https://www.grupocodere.com/en/shareholders-investors/presentations/>.

Codere encourages all Existing Noteholders wishing to consent to the Amendments to accede to the Lock-Up Agreement as soon as possible.

Implementation

Implementation of the Transaction pursuant to the Lock-Up Agreement is subject to customary terms and conditions, as described therein. Codere anticipates that completion of the Transaction will occur ahead of the next scheduled interest payment date for the Existing Notes.

RCF Lenders

Codere has held constructive discussions with the lenders of its RCF regarding the support required from them to implement the Transaction.

Further information

For further information please contact Codere's Information Agent or the advisers to the AHG:

GLAS Specialist Services Limited, Information Agent for Codere
LM@glas.agency

PJT Partners, financial adviser to the Ad Hoc Group
David Riddell, Juan Sierra and Massimo Noceti at
ProjectCasino@pjtpartners.com

Milbank LLP, legal adviser to the Ad Hoc Group
Yushan Ng and Henry Ellis at
Casino_milbank@milbank.com