



Announcement: Moody's appends limited default (/LD) designation to Codere's Ca-PD PDR

01 May 2023

Paris, May 01, 2023 -- Moody's Investors Service (Moody's) has today appended the limited default ("/LD") designation to Codere Luxembourg 2 S.a.r.l.'s ("Codere" or "the company") Ca-PD probability of default rating ("PDR"), changing it to Ca-PD/LD from Ca-PD, to reflect a limited default resulting from the extension of the grace period on Codere Finance 2 (Luxembourg) S.A.'s ("Codere Finance 2") EUR495 million (original nominal value of EUR482 million) backed super senior secured notes due 2026 ("Super senior notes"). The grace period on Codere Finance 2's EUR231 million euro equivalent (split in EUR and USD) (original nominal value of EUR196 million euro equivalent) backed senior secured notes due 2027 ("Senior notes") has also been extended. Moody's will likely remove the /LD designation upon completion of the company's restructuring transaction.

On 29 March 2023, Codere announced that it will defer its interest payments due 31 March 2023 and 30 April 2023 in respect of the Super senior notes and Senior notes, respectively, until the completion of the restructuring transaction. The company has secured the extension of the grace periods until the end of June 2023. The initial grace periods on the Super senior notes and Senior notes ended on 30 April 2023 and 30 May 2023 respectively.

The /LD designation indicates that the company is in default on a limited set of its obligations. Moody's considers the extension of the grace periods to be a default because of a non-payment event within the initial grace period.

The deferral of the interest payments on the Super senior notes and Senior notes with the extension of the grace periods are part of a wider proposed restructuring transaction announced by Codere on 29 March 2023. The key terms of the proposed restructuring transaction involve the issuance of EUR100 million new first-priority notes (ranking senior to the Super senior notes, and all other debt instruments) and amendments to the Super senior notes and Senior notes interest rates to include a lower cash component and a larger payment-in-kind (PIK) component.

Headquartered in Madrid, Spain, Codere is an international gaming operator. The company is present in seven countries where it has market-leading positions: Spain and Italy in Europe; and Mexico, Argentina, Uruguay, Panama and Colombia in Latin America. In 2021, the company reported operating revenue of €790.7 million and company-adjusted EBITDA of €99.4 million.

Please see <https://ratings.moodys.com> for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

This publication does not announce a credit rating action.

For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

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