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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

ENJOY S.A.<sup>1</sup>

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 20-\_\_\_\_\_ (\_\_\_)

**DECLARATION OF RODRIGO C. LARRAIN IN SUPPORT OF VERIFIED CHAPTER  
15 PETITION**

Rodrigo C. Larrain, hereby declares as follows:

1. I submit this declaration in support of the Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding (the “*Verified Petition*”) filed contemporaneously herewith by me and Esteban Rigo-Righi, each in our capacity as duly authorized foreign representatives (each, a “*Foreign Representative*”) of Enjoy S.A., as a debtor in a foreign proceeding (the “*Foreign Debtor*”) in connection with its foreign proceeding (the “*Foreign Proceeding*”) pending in the 8° Civil Court of Santiago in Santiago, Chile (the “*Chilean Court*”).

2. Each of the facts set forth below is true to the best of my knowledge, information and/or belief based upon my personal knowledge from my assistance provided to the Foreign Debtors and/or communications with the Foreign Debtors and their advisors.

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<sup>1</sup> The Foreign Debtor’s Chilean tax identification number is 96.970.380-7. The location of the Foreign Debtor’s executive office is Av. Presidente Riesco 5711, 15th Floor, Borough of Las Condes, Santiago, Chile, Postal Code 7561114

**A. Foreign Representative Background and Qualifications**

3. I currently serve as the Chief Executive Officer for the Foreign Debtor. Prior to that, from October 2015 through December 2018, I was the Chief Financial Officer for Cencosud S.A., a multi-national retail company that is the largest retail company in Chile and the third largest retail company in Latin America. Prior to working at Cencosud, I held various roles at the Foreign Debtor, including Corporate Finance Manager in 2006, Chief Development Officer from 2007-2008 and Chief Financial Officer from 2008 until February 2013. I graduated from the Pontificia Universidad Catolica de Chile with a degree in Industrial Civil Engineering and also received an MBA from the University of Michigan Ross School of Business.

**B. Overview of the Foreign Debtor's Business**

4. The Foreign Debtor, together with its subsidiaries (collectively, "*Enjoy*") owns and/or operates hotels and casinos in South America, primarily in Chile. Enjoy commenced operations in 1975 with a single casino located in Viña del Mar, Chile, and has since grown primarily by acquiring new gaming concessions and licenses, and equity interests in existing casinos as well as through the development of gaming and hospitality properties throughout Chile, Argentina, and Uruguay. The Enjoy headquarters and principal executive office is located at Av. Presidente Riesco 5711, 15th Floor, Borough of Las Condes, Santiago, Chile, Postal Code 7561114.

5. The Foreign Debtor has three wholly-owned direct subsidiaries: (i) Enjoy Gestión Limitada, (ii) Inversiones Inmobiliarias Enjoy SpA, and (iii) Inversiones Enjoy SpA. Enjoy Gestión Limitada is the parent of certain subsidiaries which (a) own the licenses for and operate each of Enjoy's Chilean hotels and restaurants, (b) manage the Enjoy Club customer loyalty program, which rewards customers with points that are redeemable for hotel nights and other rewards in exchange for money spent at Enjoy properties, and (c) provide administrative services

to the rest of the Enjoy group. Inversiones Inmobiliarias Enjoy SpA is the parent of certain subsidiaries which own and develop all of the Enjoy real estate in Chile, including the real estate used for Enjoy's Chilean hotels and casino. Inversiones Enjoy SpA is the parent of certain subsidiaries that Enjoy uses to operate its businesses and hold the properties it owns outside of Chile. A chart showing the organizational structure of the Enjoy group is attached to the Verified Petition as **Exhibit A**.

6. As of the Petition Date, Enjoy operated 10 casinos, consisting of eight casinos throughout Chile, one casino in Punta del Este, Uruguay, and one casino in Mendoza, Argentina. Enjoy also operates 11 hotels, nine of which have a 5-star rating. Eight of these hotels are in Chile, six of which are adjacent to Enjoy's casinos, and the remaining two hotels in Chile are stand-alone hotels in Villarrica and Puerto Varas, Chile. The two hotels outside of Chile are adjacent to Enjoy's casinos in Uruguay and Argentina.

7. Approximately 77% of Enjoy's total revenue comes from its casino and gaming business, while the remaining 23% is from hotel services, food and beverage and other services. Approximately 75% of Enjoy's revenue is from four locations, Viña Del Mar, Santiago and Coquimbo in Chile and Punta Del Este in Uruguay. The "Enjoy" brand is widely recognized throughout Chile and increasingly throughout South America in the casino and hospitality industry, and every Enjoy casino uses the "Enjoy" brand and trademarks.

8. For the fiscal year ending December 31, 2019, Enjoy recorded revenue of \$264,086,008 and net income of negative \$27,707,115. The Foreign Debtor's shares are listed on the Santiago stock exchange, making it the only South American based gaming company with a stock exchange listing.

**C. Overview of the Foreign Debtor's Capital Structure**

9. . On May 16, 2017, the Foreign Debtor, as issuer, certain other Enjoy entities that are subsidiaries of the Foreign Debtor (the “*Subsidiary Guarantors*”),<sup>2</sup> Citibank, N.A., as trustee (the “*Indenture Trustee*”)<sup>3</sup> and Lord Securities Corporation, as collateral agent (the “*Collateral Agent*”) entered into that certain indenture (the “*Indenture*”) pursuant to which the Foreign Debtor issued 10.50% Senior Secured Notes Due 2022 (the “*Notes*” and the holders of the Notes, the “*Noteholders*”) in an aggregate principal amount of \$300 million. The Subsidiary Guarantors guarantee the obligations of the Foreign Debtor under the Indenture (the “*Indenture Guarantees*”). As of the Petition Date, the aggregate principal amount outstanding under the Indenture was approximately \$195 million. The Indenture is governed by New York law and has a New York forum selection clause.

10. The Notes are secured by a first priority security interest in (i) all of the common stock of Baluma S.A., Inmobiliaria Proyecto Integral Coquimbo SpA, Inmobiliaria Kuden SpA, and Enjoy Consultora S.A. (each a Subsidiary Guarantor), and (ii) all of the real estate owned by (a) Inmobiliaria Proyecto Integral Coquimbo SpA (a Subsidiary Guarantor), which is used to operate the Enjoy casino in Coquimbo, Chile and (b) Inmobiliaria Kuden SpA (a Subsidiary Guarantor), which is used to operate the Enjoy Casino in Pucón, Chile.

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<sup>2</sup> The Subsidiary Guarantors are: Baluma S.A., Enjoy Gestión Limitada, Inversiones Enjoy S.A., Inversiones Inmobiliarias Enjoy SpA, Enjoy Consultora S.A., Inversiones Andes Entretenimiento Limitada, Inmobiliaria Proyecto Integral Coquimbo SpA, Operaciones Integrales Coquimbo Limitada, Inmobiliaria Kuden SpA, Campos del Norte S.A., Enjoy Caribe S.A., Inmobiliaria Proyecto Integral Castro SpA, Slots S.A., Operaciones Turísticas S.A., Operaciones Integrales Isla Grande S.A., Rantrur S.A., Casino de Iquique S.A., Casino de la Bahía S.A., Casino del Mar S.A., Casino del Lago S.A., Casino de Puerto Varas S.A. and Yojne S.A.

<sup>3</sup> On June 8, 2020, the Foreign Debtor received notice of resignation by Citibank, N.A., and UMB Bank, National Association has been selected as the successor Indenture Trustee, subject to documentation (the “*Proposed Successor Trustee*”)

11. Interest on the Notes is paid semi-annually on May 16 and November 16 of each year and the Notes will mature on May 16, 2022 unless earlier redeemed in accordance with their terms.

12. The Foreign Debtor also has unsecured debt including (i) short term promissory notes issued under (a) that certain 4C Commercial Paper dated, April 13, 2018 due May 8, 2020 in the amount of approximately 20 billion Chilean pesos (“*CLP*”) and (b) that certain 21A Commercial Paper, dated October 14, 2019 due June 15, 2020 in the amount of approximately 2 billion CLP and (ii) two series of bonds governed by Chilean law: (a) one issued on November 21, 2018, due October 1, 2028 in the amount of approximately 86 billion CLP and (b) another issued on April 17, 2019, due April 17, 2028 in the amount of approximately 57 billion CLP.

**D. Overview of the Foreign Debtor’s Financial Position**

13. Chile has experienced widespread protests (the “*Protests*”) originating in Santiago in October 2019, in response to among other things, a fare increase implemented by the Santiago metro, increased costs of living and rising inequality. The Protests, which continued into 2020, involved over a million people throughout Chile and led to riots causing the Chilean government to announce a state of emergency and impose curfews.

14. In addition, on January 30, 2020, the Chilean government declared a public health emergency due to the Covid-19 pandemic. The combination of Covid-19 and the Protests have had disastrous effects on the industry as a whole and have significantly harmed Enjoy’s business, including its ability to operate its existing casinos and to proceed with the development and fulfillment of future projects for which it has already been awarded casino licenses.

15. Due to the effects of Covid-19, on March 19, 2020 the casino gaming authority in Chile (*Superintendencia de Casinos de Juego*) ordered the closure of all casinos throughout

Chile indefinitely. Further, as of March 2020, all of Enjoy's casinos, hotels and other businesses were closed and have remained closed, depriving Enjoy of any revenue.

16. As a result of its current financial condition, the Foreign Debtor did not make the interest payment under the Indenture that was due on May 16, 2020.

**E. The Foreign Debtor's Restructuring Efforts Prior to the Foreign Proceeding**

17. The unpredictable nature of the Covid-19 crisis has caused unprecedented challenges for the hotel and casino industries, making it impossible for Enjoy to predict when all of its hotels and casinos can reopen and restart operations safely. Accordingly, Enjoy decided to temporarily reduce the salaries for its top 20 managers by 50% and for its senior executives by 30%. On March 31, 2020, Enjoy was also forced to eliminate the positions of 1,200 employees, approximately 28% of its workforce.

18. Enjoy also entered into negotiations with its creditors to attempt to extend interest payments and maturity dates and to increase borrowing. Additionally, Enjoy attempted to access new sources of financing, but, due to the uncertainty caused by Covid-19 and the Protests, such efforts were unsuccessful. Finally, Enjoy attempted to negotiate with regulatory authorities in order to delay or reduce gambling taxes and extend the deadline to complete projects under existing licenses. While Enjoy has diligently pursued out of court restructuring options, none of these efforts were sufficient to offset the harm caused by the cessation of Enjoy's entire business, particularly given that it is impossible to predict when Enjoy will be able to legally resume operations in a manner that will protect the health of its customers and employees.

**E. The Foreign Proceeding**

19. On April 24, 2020, due to the unprecedented effects on Enjoy's business caused by the Protests and Covid-19, the Foreign Debtor filed an Application with the Chilean Court to commence the Foreign Proceeding and, on April 30, 2020, the Agency published a Certificate of

Nomination stating that Patricio Ricardo Jamarne Banduc had been selected as the Overseer for the Foreign Proceeding and Enrique Marco Antonio Ortiz D'amico had been selected as the alternate Overseer. The Overseer and the alternate Overseer were selected by the Foreign Debtor's three largest creditors, including the Indenture Trustee.

20. The Foreign Debtor plans to use the Foreign Proceeding to preserve and protect its assets for the benefit of all creditors and intends to propose a Plan that will maximize creditor recoveries. The Foreign Debtor is currently in the process of developing its Plan in consultation with the Overseer and the Foreign Debtor's creditors.

**F. Appointment as Foreign Representatives**

21. The Foreign Debtor's board of directors appointed each Foreign Representative as duly appointed foreign representatives of the Foreign Debtor and authorized and directed each Foreign Representative to commence the Chapter 15 Case at a board meeting on May 22, 2020. A copy of the Board minutes from the May 22, 2020 meeting is attached to the Foreign Debtor's Petition.

22. In an Overseer Certificate (the "*Overseer Foreign Representative Certificate*"), the Overseer acknowledged and approved the authority given to each Foreign Representative to commence the Chapter 15 Case and to act as the Foreign Debtor's Foreign Representative in the Chapter 15 Case. A copy of the Overseer Foreign Representative Certificate is attached to the Foreign Debtor's Petition.

**G. The Chapter 15 Case**

23. On the date hereof (the "*Petition Date*"), I and the other Foreign Representative caused an Official Form 410 (Chapter 15 Petition for Recognition of a Foreign Proceeding) to be filed on behalf of the Foreign Debtor.

**H. Other Relevant Facts Regarding the Foreign Debtor**

24. The Foreign Debtor has paid a retainer to Gibson, Dunn & Crutcher LLP (“*Gibson Dunn*”) in which it has an ownership interest. The retainer is held in a Citibank bank account located in this District. Additionally, the Foreign Debtor is party to the Indenture, which is governed by New York law.

25. The Foreign Debtor is incorporated under Chilean law and has its registered office in Chile. The Foreign Debtor’s headquarters are located in Chile, its senior executives all reside in Chile and a majority of the members of the board of directors of the Foreign Debtor reside in Chile

26. The Foreign Debtor is primarily a holding company, and substantially all of the assets of Enjoy are held by the Subsidiary Guarantors. If creditors are allowed to pursue the Indenture Guarantees against the Subsidiary Guarantors, the value of the Subsidiary Guarantors may be significantly diminished and Enjoy’s ability to successfully reorganize in the Foreign Proceeding will be severely jeopardized.

27. The Foreign Debtor is a Chilean publicly traded stock corporation (*sociedad anónima abierta*) organized and existing under the laws of the Republic of Chile.

[signature page follows]

Pursuant to 28 U.S.C, § 1746, I hereby declare under penalty of perjury under the laws of the United States of America that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Executed on June 12, 2020.  
Santiago, Chile



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Rodrigo C. Larrain  
Foreign Representative