

CIE Reports Second Quarter 2020 Results

Mexico City, July 28, 2020 - Corporación Interamericana de Entretenimiento, S.A.B. de C.V. (“CIE,” the “Company” or the “Group”) (BMV: CIE) announced its financial results for the second quarter of 2020, prepared according to International Financial Reporting Standards (“IFRS”).

- **The COVID-19 pandemic has temporarily and materially impacted the Group’s operations, during the first and second quarters. It is currently difficult to predict the magnitude of the impact on the rest of the year.**
- **In compliance with the measures to contend with the COVID-19 coronavirus pandemic as defined by the Federal Government and local authorities in Mexico City and several states in the country, the Company suspended its live events, corporate and special events since March 15, 2020.**
- **The Government of Colombia took similar measures to fight COVID-19, therefore the park has remained closed since last March.**
- **On July 24th, CIE announced that, due force majeure, the 2020 edition of the Mexico City Formula 1 Grand Prix Presented by Heineken, will be postponed to be held in 2021.**
- **To date, the states of Mexico are either in a red (maximum risk) or orange (medium risk) phase, thus representing the traffic light color system related to the severity of the pandemic according to the health authorities criteria, therefore non-essential activities in the country remain suspended, which is the case of most of the Group's businesses. Based on these circumstances, the Company continues to be unable to hold both live, special and corporate events.**
- **As a result of the pandemic implications, the Company entered into a general process of reducing costs and expenses all across its divisions.**
- **During the second quarter, consolidated revenues were Ps.525, which is 77% lower than the number recorded in the same period of the prior year of Ps.2,307.**
- **Consolidated EBITDA during the period was a loss of Ps.713, compared to income of Ps.473 recorded in the same quarter of the prior year.**

Consolidated Key Figures

	2Q 2020	2Q 2019	% Var.	1H 2020	1H 2019	% Var.
Revenues	525	2,307	-77%	2,864	4,801	-40%
<i>CIE Entertainment</i>	183	1,879	-90%	2,327	4,146	-44%
<i>CIE Special Events</i>	341	387	-12%	508	578	-12%
<i>Other Businesses</i>	1	42	-97%	30	77	-62%
EBITDA	(713)	473	N.A.	(290)	987	N.A.
<i>CIE Entertainment</i>	(497)	364	N.A.	(81)	856	N.A.
<i>CIE Special Events</i>	(205)	109	N.A.	(196)	130	N.A.
<i>Other Businesses</i>	(11)	(0.4)	N.A.	(13)	1	N.A.
Net Financial Revenues	10	(135)	N.A.	187	(331)	N.A.
Net Income	(872)	122	N.A.	(529)	137	N.A.
Cash				3,875	3,584	+8%
Bank and Securitized Debt				2,608	2,186	+19%

ANALYSIS OF THE SECOND QUARTER (the “quarter” or the “period”)

CIE ENTERTAINMENT

Complying with the government recommendations and guidelines on COVID-19, CIE Entertainment and the artistic community announced the suspension of all national events beginning March 15, 2020.

Based on these determinations, CIE Entertainment has been in discussions with artists, representatives, agents, venues and sponsors. Together, they are looking for alternatives to postpone the events to a date to be defined once the ability to schedule these events is reactivated or, in extreme cases, mainly due to incompatibility of agendas, to proceed to their cancellation. OCESA has made known the specific situation of each event through its different communication channels. As of today, the Company maintains a close collaboration with federal, local and municipal authorities. Additionally, it has made the necessary measures to collaborate and support the efforts and official decisions with respect to the country's effort to fight the COVID-19 pandemic.

At **CIE Entertainment**, revenues were Ps.183, compared to Ps.1,879 recorded in the same quarter of the prior year. During the period, the Company innovated with streaming live events and festivals using various digital platforms. Among these events was the Citibanamex Conecta festival, and shows by Alejandro Fernández, DLD, Benny Ibarra, Edith Márquez, Morat, Danna Paola, Karla Vallín and Paty Cantú, among others. The Company will continue to innovate in this type of digital events and festivals, as well as in drive-in concerts.

CIE Entertainment recorded an EBITDA loss of Ps.497 in the period, compared to income of Ps.364 in the same quarter of the prior year. The minor gross gains obtained from the aforementioned events was significantly offset by the division's fixed costs and expenses incurred during the quarter, as well as various extraordinary expenses including severance payments to personnel and service charge refunds.

CIE SPECIAL EVENTS

At **CIE Special Events**, revenues were Ps.341, in comparison with Ps.387 in the same period of the prior year. The revenues in the quarter are derived from the temporary hospital facilities in both, the Citibanamex Center and the Hermanos Rodriguez racetrack, the latter for the Mexican Social Security Institute (IMSS), as well as the refurbishing of some Children's Rehabilitation Centers (CRIT). The division acts as a solution integrator in these projects, through which it focuses on and collaborates in the tasks related to the current health contingency.

During the period, EBITDA at CIE Special Events presented a loss of Ps.205, compared to income of Ps.109 recorded in the same quarter of the prior year. The minor gross gains obtained from the aforementioned events was significantly offset by the division's fixed costs and expenses incurred during the quarter, as well as various extraordinary expenses for personnel reductions.

OTHER BUSINESSES (El Salitre Park, Bogotá, Colombia)

Revenues at **El Salitre Park** in Colombia were Ps.1, compared to Ps.42 during the same period of the prior year. Just as in Mexico, the Government of Colombia took similar measures to fight COVID-19, therefore the park has remained closed since last March.

During the second quarter, EBITDA showed a Ps.11 loss, compared to a loss of Ps.0.4 recorded during the same quarter in the prior year. Because of the pandemic and the stop of activities, the park began a cost and expense-reduction process.

NET FINANCIAL REVENUES (EXPENSES)

	2Q 2020	2Q 2019	% Var.	1H 2020	1H 2019	% Var.
Net interest earned (paid)	(2)	(29)	+93%	(17)	(54)	+68%
Interest on right-of-use assets	(35)	(46)	+24%	(91)	(72)	-27%
Exchange rate gain (loss), net	49	(58)	N.A.	199	(199)	N.A.
Earnings (Loss) on Financial Inst. Valuation	(2)	(2)	+8%	97	(6)	N.A.
Net Financial Revenues (Expenses)	10	(135)	N.A.	187	(331)	N.A.

During the quarter, the Group recorded net financial revenues of Ps.10, in comparison with net financial expenses of Ps.135 recorded during the same quarter of the previous year. This variation was mainly due to the following: 1) an exchange rate gain of Ps.49, compared to an exchange rate loss of Ps.58 in the same quarter of the prior year; and 2) lower net interest paid, due to the decrease in the Interbank Equilibrium Internet Rate (TIIE) during the period, as well as a lower average amount of interest bearing debt observed in the period.

INCOME TAX

	2Q 2020	2Q 2019	% Var.	1H 2020	1H 2019	% Var.
Taxes Incurred	53	67	-20%	206	284	-28%
Deferred tax	(102)	30	N.A.	(173)	(13)	N.A.
Income tax	(49)	97	N.A.	32	271	-88%

During the period, the provision for taxes incurred was Ps.53, compared to Ps.67 recorded in the same period of the prior year; while the provision for the deferred tax asset in the period was Ps.102, compared to a deferred tax liability of Ps.30 registered in the same period of the prior year.

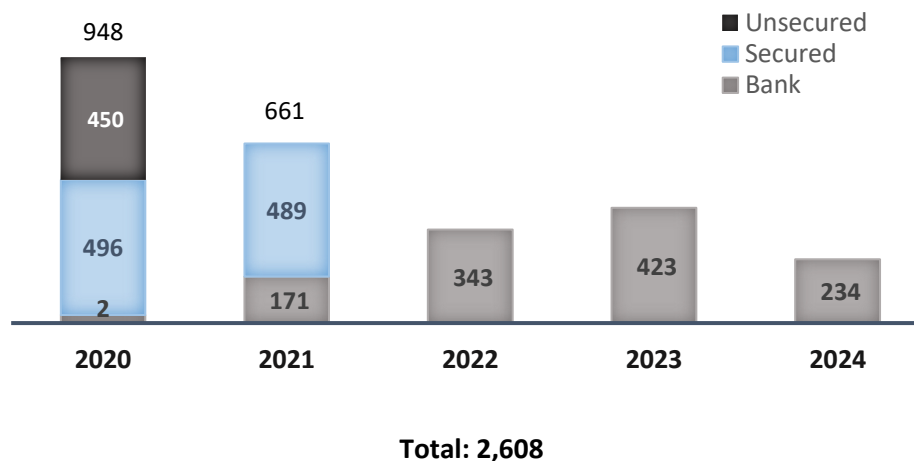
NET INCOME

During the quarter, there was a net loss of Ps.872, compared to net income of Ps.122 recorded in the same period of the prior year.

TOTAL INTEREST-BEARING DEBT

As at June 30, 2020, the Company's total bank and securitized debt was Ps. 2,608, compared to Ps. 2,179 recorded at the close of 2019. The Group's debt is denominated in Mexican

pesos, with the exception of a loan in Colombian pesos whose balance at the end of June 2020 was equal to Ps.2.



ABOUT CIE

Established in 1990, Corporación Interamericana de Entretenimiento (“CIE”) (BMV: CIE) is an outstanding participant in the out-of-home entertainment industry in Latin America. It promotes and produces concerts, music festivals, theater shows, and sporting, family and cultural events. CIE operates Centro Citibanamex, which is a venue for expositions and conventions in Mexico City, and the amusement park El Salitre Mágico in Colombia. The Company also produces corporate events and events for the public sector. CIE promotes and markets the Formula 1 Grand Prix in Mexico City.

Corporación Interamericana de Entretenimiento is a publicly traded company whose shares have been listed on the Mexican Stock Exchange since 1995 under the ticker symbol “CIE.”

LEGAL DISCLAIMER

As a precautionary note to the investing public, except for the historical information provided herein, certain matters discussed in this document constitute forward-looking statements. These statements assume there are risks and uncertainties, including the economic conditions in Mexico and other countries where CIE operates, as well as fluctuations in the value of the Mexican peso against the United States dollar.

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laws applicable in the countries where CIE, its subsidiaries, and those companies with which CIE maintains commercial or business relationships, operate.

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CONSOLIDATED INCOME STATEMENT:

	2Q 2020	2Q 2019	% Var.	1H 2020	1H 2019	% Var.
Sales	525	2,307	-77%	2,864	4,801	-40%
Cost of sales	1,061	1,761	-40%	2,905	3,599	-19%
Gross Income	(535)	546	N.A.	(40)	1,202	N.A.
Operating expenses	290	228	+27%	524	511	+3%
Operating Income	(826)	318	N.A.	(565)	691	N.A.
Net Financial Revenues (Expenses)						
Net interest earned (paid)	(2)	(29)	+93%	(17)	(54)	+68%
Interest on right-of-use assets	(35)	(46)	+24%	(91)	(72)	-27%
Net exchange rate gain (loss)	49	(58)	N.A.	199	(199)	N.A.
Gain (loss) in financial instrument valuation	(2)	(2)	+8%	97	(6)	N.A.
Net Financial Revenues (Expenses)	10	(135)	N.A.	187	(331)	N.A.
Stake in the results of associated companies	(105)	36	N.A.	(120)	47	N.A.
Earnings (Loss) before Taxes	(920)	219	N.A.	(497)	408	N.A.
Income tax	(49)	97	N.A.	32	271	-88%
Earnings after Taxes	(872)	122	N.A.	(529)	137	N.A.
Net Income (Loss)	(872)	122	N.A.	(529)	137	N.A.
Non-parent company stake	(255)	108	N.A.	30	248	-88%
Parent Company Stake	(617)	15	N.A.	(559)	(111)	N.A.
Depreciation and amortization	113	155	-27%	274	296	-7%
EBITDA	(713)	473	N.A.	(290)	987	N.A.

BALANCE SHEET AS OF:

	Jun. 30	Dec. 31	%
	2020	2019	Var.
Current Assets	7,878	6,640	+19%
Cash	3,875	3,052	+27%
Clients receivable, net	1,146	1,151	-0%
Other accounts receivable, net	156	164	-5%
Inventory	28	22	+27%
Other current assets	2,673	2,250	+19%
Non-Current Assets	4,968	5,009	-1%
Other accounts receivable, net	82	0	N.A.
Investments in associated companies and joint ventures	937	1,096	-15%
Property, plant and equipment, net	1,225	1,305	-6%
Right-of-use assets, net	1,680	1,681	-0%
Intangible assets	69	99	-30%
Assets from deferred taxes	932	763	+22%
Other non-current assets	42	65	-35%
Total Assets	12,846	11,649	+10%
Current Liabilities	6,993	5,004	+40%
Suppliers	1,178	786	+50%
Short-term interest-bearing debt	948	500	+89%
Short-term leases	497	370	+35%
Tax Payable	249	302	-18%
Other current liabilities	4,121	3,046	+35%
Non-Current Liabilities	3,427	3,560	-4%
Long-term interest-bearing debt	1,660	1,679	-1%
Long-term leases	1,345	1,425	-6%
Deferred tax liabilities	15	27	-42%
Other non-current liabilities	406	430	-5%
Total Liabilities	10,420	8,564	+22%
Shareholders' Equity	2,425	3,084	-21%
Non-Parent company stake	476	544	-13%
Parent company stake	1,949	2,540	-23%
Paid-in capital	3,489	3,489	+0%
Capital gains (losses)	(1,539)	(949)	+62%
Total Liabilities plus Shareholders' Equity	12,846	11,649	+10%