

CIE Reports Second Quarter 2022 Results

Mexico City, D.F., July 28, 2022 - 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 2022, which were prepared according to International Financial Reporting Standards (IFRS).

On December 6, 2021, the Company announced the closing of its strategic partnership with Live Nation Entertainment, Inc. (NYSE: LYV) (“Live Nation”), with the objective to foster the live entertainment industry in Mexico. Because of this operation, and based on IAS 1 – Presentation of Financial Statements, CIE’s 49% stake in the net result of the Joint Venture has been recorded in the line “Participation in Joint Ventures”, forming part of the operating income in the earnings statement. The results for the same period of 2021 are presented on a consolidated basis.

Consolidated Key Figures

	2Q 2022	2Q 2021	% Var.	6M 2022	6M 2021	% Var.
Revenues	370	901	-59%	744	1,689	-56%
Participation in Joint Ventures	114	0	N.A.	307	0	N.A.
Adjusted EBITDA*	36	(48)	N.A.	111	(72)	N.A.
<i>Margin</i>	<i>10%</i>	<i>-5%</i>		<i>15%</i>	<i>-4%</i>	
Net Financial Revenues (Expenses)	53	(99)	N.A.	19	(138)	N.A.
Net Income	108	(189)	N.A.	174	(412)	N.A.
Cash				2,970	3,317	-10%
Bank and Securitized Debt				9	2,646	-100%

**EBITDA before Participation in Joint Ventures*

The numbers throughout this document for the second quarter of 2022 and 2021, are stated in millions of nominal Mexican pesos. Numbers may vary due to rounding. EBITDA means Operating Income before Finances, Taxes, Depreciation and Amortization. N.A. means Not Applicable.

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

During the second quarter of 2022, the Group’s consolidated revenues were Ps.370. In the same period of the prior year, revenues were Ps.901, which are presented on a consolidated basis. During the first half of 2022, revenues of Ps.744 were recorded, while during the same period of the prior year, revenues were Ps.1,689.

In the second quarter of 2022, Adjusted EBITDA (EBITDA before CIE’s Participation in Joint Venture) was Ps.36. In the same period of the previous year, a loss of Ps.48 was reported on consolidated basis. For the first six months of 2022, Adjusted EBITDA was Ps.111.

In the second quarter of 2022, the 49% stake in the net result of the Joint Venture was Ps.114. In the first half of the year, CIE’s stake was Ps.307.

SPECIAL EVENTS

Special Events revenues in the second quarter were Ps.319. During the period, healthcare services continued to be provided for the Temporary Medical Units, handling patients with COVID-19 in Morelos, Chihuahua, Ciudad Juárez, Lindavista, Naucalpan and Tlatelolco. The division also participated in selling spaces in the pavilions of Mexico in the tourism fairs of WTM Latin America held in Brazil and Panama, and the IMEX in Frankfurt, Germany. During the first six months of the year, revenues were Ps.650.

During the second quarter of 2022, EBITDA in the division was Ps.24. For the first six months of the year, EBITDA was Ps.89.

OTHER BUSINESS (El Salitre Park, Bogotá, Colombia)

Revenues at **El Salitre Park** were Ps.51 during the period, compared to Ps.27 during the same quarter of the prior year. In the second quarter of 2022, the park operated eight more days compared to the period of the prior year (50 vs. 42 days), when closures due to the pandemic occurred. Also, in the quarter there was an increase in the average expense per visitor to the park, compared to that observed in the same period of the previous year. For the first half of the year, revenues were Ps.94, compared to Ps.58 reported in the same period of the prior year.

During the second quarter, EBITDA for the park was Ps.12, compared to Ps.3 recorded during the same period in the prior year. This increase is a consequence of the higher revenues mentioned above. During the first six months of the year, EBITDA for the division was Ps.21, compared to Ps.12 in the same period of the prior year.

ENTERTAINMENT

During the period, CIE’s stake in the net income of the businesses that form part of the transaction with Live Nation, mentioned at the beginning of this report, was Ps.114. During the quarter, stood out the festivals Pa’l Norte, held in Monterrey, Tecate Emblema, in Mexico City, and the Corona Capital in Guadalajara. There were also notable international shows performed by Coldplay, Justin Bieber, The Killers, and The Strokes, among many others.

For the first six months, CIE’s stake was Ps.307.

NET FINANCIAL REVENUES (EXPENSES)

	2Q 2022	2Q 2021	% Var.	6M 2022	6M 2021	% Var.
Net interest earned (paid)	39	(29)	N.A.	51	(57)	N.A.
Interest on right-of-use assets	(4)	(44)	+91%	(8)	(88)	+91%
Exchange rate gain (loss), net	18	(29)	N.A.	(24)	11	N.A.
Gain (Loss) on financial instrument valuation	0	2	-100%	0	(5)	-100%
Net Financial Income (Expenses)	53	(99)	N.A.	19	(138)	N.A.

During the quarter, Net Financial income of Ps.53 was observed, compared to a Net Financial Expense of Ps.99, registered in the same quarter of the previous year. The change to income is mainly a consequence of: 1) during the period, net interest earned of Ps.39 was recorded, compared to net interest paid of Ps.29, observed in the same period of the previous year. The change to interest earned is a consequence of the decrease in the Group's interest paid in the period, due to the Ps.2,646 debt pre-payments that the Company has made since December 2021. As of June 30, 2022, the Group's debt is from Ps.9; 2) in the quarter, a foreign exchange gain of Ps.18 was recorded, compared to a loss of Ps.29 observed in the period of the previous year. The exchange gain is a consequence of the increase in the exchange rate of the Mexican peso in relation to the US dollar, which had an impact on the valuation of the asset monetary positions that the Company keeps in foreign currency; and, 3) due to the deconsolidation of the businesses that are part of the aforementioned transaction, the interest for right of use went from Ps.44, observed in the period of the previous year, to Ps.4 registered in the second quarter of 2022.

INCOME TAX

	2Q 2022	2Q 2021	% Var.	6M 2022	6M 2021	% Var.
Taxes Incurred	11	25	-58%	155	121	+28%
Deferred tax	52	(31)	N.A.	41	(124)	N.A.
Income tax	62	(6)	N.A.	196	(3)	N.A.

During the period, there was a tax incurred provision of Ps.11, in comparison with a provision of Ps.25 in the same quarter of the previous year; meanwhile the provision for the deferred liability tax in the period was Ps.52, in comparison with a deferred asset tax of Ps.31 seen in the same period of the prior year.

NET INCOME

In the quarter, a net income of Ps.108 was recorded, compared to a loss of Ps.189, observed in the same period of the previous year. For the first six months of 2022, net income was Ps.174, compared to a loss of Ps.412, recorded in the first half of the previous year.

TOTAL INTEREST-BEARING DEBT

On June 30, 2022, the Group's bank and securitized debt was Ps.9, which is denominated in Colombian pesos. The loan is paid monthly and expires in 2024.

ABOUT CIE

Created in 1990, Corporación Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE") (BMV: CIE) is a prominent player in the out-of-home entertainment industry in Latin America and has contributed to making Mexico a world-class entertainment destination. The Company promotes and markets the Formula 1 Mexico Grand Prix in Mexico City, produces events for the public sector, and operates the El Salitre Mágico amusement park in Colombia.

Through its strategic partnership with Live Nation Entertainment, Inc. (NYSE: LYV) in OCESA, it produces and promotes concerts, music festivals, Broadway-type theater productions, urban content, and sporting, family, and corporate events. It represents artistic talent, markets advertising and sponsorship rights, operates entertainment venues, the

Citibanamex exposition, congress and convention center, sells tickets through its Ticketmaster and Eticket platforms, and it offers digital marketing and advertising services.

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.

The use of registered trademarks or commercial trademarks in this document is exclusively for illustrative purposes and is not intended to violate copyrights and/or intellectual property 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 2022	2Q 2021	% Var.	6M 2022	6M 2021	% Var.
Revenues	370	901	-59%	744	1,689	-56%
Cost of sales	300	808	-63%	570	1,567	-64%
Gross Income	70	93	-25%	174	122	+43%
Operating expenses	44	247	-82%	86	409	-79%
Participation in Joint Ventures	114	0	N.A.	307	0	N.A.
Operating Income	140	(154)	N.A.	395	(287)	N.A.
Net Financial Revenues (Expenses)						
Net interest earned (paid)	39	(29)	N.A.	51	(57)	N.A.
Interest on right-of-use assets	(4)	(44)	+91%	(8)	(88)	+91%
Net exchange rate gain (loss)	18	(29)	N.A.	(24)	11	N.A.
Gain (loss) in financial instrument valuation	0	2	-100%	0	(5)	-100%
Net Financial Revenues (Expenses)	53	(99)	N.A.	19	(138)	N.A.
Stake in the results of associated companies	(23)	58	N.A.	(44)	10	N.A.
Earnings (Loss) before Taxes	170	(195)	N.A.	370	(415)	N.A.
Income Tax	62	(6)	N.A.	196	(3)	N.A.
Taxes Incurred	11	25	-58%	155	121	+28%
Deferred Tax	52	(31)	N.A.	41	(124)	N.A.
Net Income (Loss)	108	(189)	N.A.	174	(412)	N.A.
Non-parent company stake	(5)	(37)	+88%	(7)	(143)	+95%
Parent Company Stake	112	(152)	N.A.	181	(269)	N.A.
Depreciation and amortization	10	106	-90%	22	215	-90%
Adjusted EBITDA	36	(48)	N.A.	111	(72)	N.A.

BALANCE SHEET AS OF

	Jun. 30,	Dec. 31,	%
	2022	2021	Var.
Current Assets	4,188	3,613	+16%
Cash	2,970	2,550	+16%
Clients receivable, net	257	217	+19%
Other accounts receivable, net	367	384	-4%
Inventory	21	12	+76%
Other current assets	572	451	+27%
Non-Current Assets	8,981	8,734	+3%
Investments in associated companies and joint ventures	8,203	7,929	+3%
Property, plant and equipment, net	257	257	+0%
Right-of-use assets, net	144	159	-10%
Assets from deferred taxes	377	389	-3%
Total Assets	13,168	12,348	+7%
Current Liabilities	3,285	3,061	+7%
Suppliers	154	135	+14%
Short-term interest-bearing debt	5	853	-99%
Short-term leases	33	37	-11%
Other current liabilities	3,093	2,036	+52%
Non-Current Liabilities	3,204	2,798	+15%
Long-term interest-bearing debt	4	7	-41%
Long-term leases	141	152	-8%
Deferred tax liabilities	1,481	1,439	+3%
Other non-current liabilities	1,578	1,200	+32%
Total Liabilities	6,489	5,858	+11%
Shareholders' Equity	6,679	6,489	+3%
Non-Parent company stake	(304)	(305)	-0%
Parent company stake	6,983	6,795	+3%
Paid-in capital	1,086	1,086	+0%
Capital gains (losses)	5,898	5,709	+3%
Total Liabilities plus Shareholders' Equity	13,168	12,348	+7%