

## Fourth Quarter 2020 Earnings Release

**Mexico City, March 1, 2021. Corporación Interamericana de Entretenimiento, S.A.B. de C.V.** (“CIE,” the “Company” or the “Group”) (BMV: CIE) announced its financial results for the fourth quarter of 2020, prepared according to International Financial Reporting Standards (“IFRS”). **The numbers included in this report are unaudited.**

The COVID-19 pandemic had a material impact on the Group’s operations in 2020. In compliance with the measures defined by the authorities to fight the pandemic, live events, as well as special and corporate events were suspended on March 16 of last year.

Currently in Mexico, ten states are at level orange, (high risk), twenty states are at level yellow (moderate risk), and two states are at level green (low risk). For the first time since the start of the pandemic, no state is at level red (maximum risk). The health authorities have defined these levels for restarting activities, therefore many businesses remain suspended, which is the case of the majority of the Group’s businesses.

Due to these circumstances, the Company is still unable to perform live, special, and corporate events. As of the date of this report, however, a significant number of cities and countries worldwide have begun communicating a gradual return to these types of activities, beginning in the second quarter of this year, with a return to pre-pandemic operating levels in the third and fourth quarters of 2021.

During 2020 the Group’s consolidated sales decreased 65% to Ps.4,132, compared to Ps.11,709 in 2019. For the fourth quarter, sales were Ps.875, compared to Ps.4,728 reported in the same period of the prior year.

In 2020, a loss of Ps.1,240 was recorded before financing, taxes, depreciation and amortization, compared to income of Ps.2,336 in the prior year. During the quarter the loss was Ps.398, compared to income of Ps.835 in the same period of the prior year. See the discussion on NET RESULT below.

**MEASURES TAKEN TO FIGHT THE COVID-19 PANDEMIC**

Due to the measures defined by the authorities to face the pandemic, the Company has focused its efforts on mitigating the pandemic's impacts on its operations. Among the operating and financial actions taken by the Group, the following stand out:

- Conversations were held with artists, seeking alternatives to postpone events that had been scheduled prior to the pandemic, to a date to be defined, or in some cases cancellation. When activities were suspended in March 2020, the Group was selling tickets to 283 events, of which 235 have been rescheduled to a new date in 2021, and 48 were cancelled. At the same time, from October 2020 to now, new live events went on sale, including the Electric Daisy Carnival Festival, which is so far currently scheduled to take place in September 2021 at the Hermanos Rodríguez Racetrack in Mexico City, and the Pa'l Norte Festival, scheduled for the month of November at Parque Fundidora in Monterrey, Nuevo León. Note that at the end of the period, 93% of the public had kept their purchased tickets, with the expectation of attending the events in the future.
- On the fixed costs and expenses front, the Group reduced its operating structure by a significant 48%, which meant that the number of personnel working for the Group dropped from 2,160 people at the start of 2020, including executives and key personnel, to 1,130 people at the end of 2020. Additionally, and for the remaining structure that today forms part of the Group, a bilateral program was put into place to adjust the annual payments of each employee by 28%, on average. The foregoing measures meant savings in wages and salaries equivalent to 48%.
- In other fixed expenses, such as rents, venue leases and maintenance, negotiations were held, resulting in savings of 37% in those services.

In summary, the actions taken, as well as the rapid response to adapt operations in the current environment, have allowed the Group to achieve annualized savings of Ps.1,385. At the same time, the Company has been able to maintain a strong cash position to continue with its operations, closing 2020 with consolidated cash of Ps.3,333. This position, together with the other current assets, total Ps.6,199, which amount is sufficient for the Company to meet its payment commitments and operating costs during the year.

The Company believes that its liquidity level, added to the future income that the revenues from the various activities that are currently being developed will generate, will be sufficient to fund operations until live concerts and events start their gradual return during the second half of the year.

Although the disruption caused by the pandemic has had a significant impact on operations, the Company has managed to adapt to the challenges, and it believes that the actions it has taken have formed the basis for a gradual return to operations as usual.

**Consolidated Key Figures (unaudited)**

	<b>4Q</b>	<b>4Q</b>	<b>%</b>	<b>12M</b>	<b>12M</b>	<b>%</b>
	<b>2020</b>	<b>2019</b>	<b>Var.</b>	<b>2020</b>	<b>2019</b>	<b>Var.</b>
<b>Revenues</b>	875	4,728	-82%	4,132	11,709	-65%
<i>CIE Entertainment</i>	408	3,335	-88%	2,956	9,211	-68%
<i>CIE Special Events</i>	435	1,302	-67%	1,115	2,288	-51%
<i>Other Business</i>	32	90	-65%	61	210	-71%
<b>EBITDA</b>	(398)	835	N.A.	(1,240)	2,336	N.A.
<i>CIE Entertainment</i>	(269)	516	N.A.	(680)	1,773	N.A.
<i>CIE Special Events</i>	(127)	289	N.A.	(534)	527	N.A.
<i>Other Business</i>	(2)	30	N.A.	(27)	36	N.A.
<b>Net Financial Income (Loss)</b>	(223)	(119)	N.A.	(116)	(491)	N.A.
<b>Net Income (Loss)</b>	(810)	(118)	N.A.	(2,022)	201	N.A.

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

**CIE ENTERTAINMENT**

Due the authorities’ decision to suspend concerts and live events because of the pandemic, CIE Entertainment (OCESA) has been in conversations with artists, representatives, agents, venues and sponsors, looking for alternatives to postpone events to future dates, once it becomes possible to reschedule these events, or in extreme cases, mainly due to incompatible schedules, to cancel certain events. OCESA has been updating the specific status of each event through its different communication channels. Today the Company is still working closely with the federal, state, and municipal authorities, and it has been collaborating with and backing the efforts and the institutional decisions of those authorities, within the framework of the national effort to fight the Coronavirus (COVID-19).

At **CIE Entertainment**, revenues were Ps.408, compared to Ps.3,335 recorded in the same quarter of the prior year. During the period, the Company continued innovating by streaming

live events on several digital platforms, launching the “Ocesa Irrepetible” (Ocesa Unforgettable) series and some drive-in concerts. During the quarter this type of events included shows by Alejandro Fernández, Emmanuel y Mijares end of year concert, Alejandro Sanz, Fobia, 31 Minutos, Caligaris, Homegrown, Love of Lesbian, and Camilo Séptimo, among many others.

The aforementioned revenues at CIE Entertainment and their marginal contribution were lower in proportion to fixed costs and expenses during the quarter, resulting in a loss before financing, taxes, depreciation and amortization of Ps.269, compared with income of Ps.516 recorded in the same period of the prior year.

### **CIE SPECIAL EVENTS**

At **CIE Special Events**, revenues were Ps.435, in comparison with Ps.1,302 recorded in the same period of the prior year. Revenues during the quarter came from the Temporary Medical Units that were set up for the Mexican Social Security Institute (IMSS) at the Hermanos Rodríguez Racetrack, the cities of Juárez and Chihuahua, among others, as well as some adaptations in some Teletón Child Rehabilitation Centers (CRIT), for healthcare and collaboration in light of the pandemic, where CIE Special Events works as a turnkey project integrator. Likewise, during the quarter the Company participated in several corporate events held on digital platforms for clients such as HSBC, Metlife, Uber, and General Motors, among others.

During the period, a loss of Ps.127 was recorded before financing, taxes, depreciation and amortization, compared to income of Ps.289 in the same quarter of the prior year. The aforementioned revenues and their marginal contribution were smaller in proportion to fixed costs and expenses, as well as extraordinary costs due to release of personnel.

**OTHER BUSINESS (El Salitre Park, Bogotá, Colombia)**

Just as in Mexico, the government of Colombia took similar measures to fight COVID-19, therefore the El Salitre Park was closed from March until its reopening on October 3.

Sales during the quarter were Ps.32, compared to Ps.90 in the same quarter of the prior year. During the month of October, the Park normally holds the Festival of Terror; in 2020 the festival did not take place due to the pandemic, impacting sales in the period.

During the period, a loss of Ps.2 was recorded before financing, taxes, depreciation and amortization, compared to income of Ps.30 in the same quarter of the prior year.

**NET FINANCIAL REVENUES (EXPENSES) (unaudited)**

	4Q 2020	4Q 2019	% Var.	12M 2020	12M 2019	% Var.
Net interest earned (paid)	(40)	(10)	N.A.	(79)	(97)	+19%
Interest on assets for right of use	(48)	(59)	+20%	(198)	(186)	-6%
Net exchange rate gain (loss)	(106)	(31)	N.A.	99	(179)	N.A.
Income (Loss) in Financial Instr. Valuation	(29)	(19)	N.A.	62	(29)	N.A.
<b>Net Financial Revenues (Expenses)</b>	<b>(223)</b>	<b>(119)</b>	<b>-87%</b>	<b>(116)</b>	<b>(491)</b>	<b>+76%</b>

During the quarter, net financial expenses were Ps.223, in comparison with net financial expenses of Ps.119 recorded during the same quarter of the previous year. This increase in financial expenses is mainly a consequence of the following: 1) a net exchange loss of Ps.106, compared to a loss of Ps.36 in the same quarter of the prior year, due to appreciation of the Mexican peso in relation to the United States dollar, which went from Ps.22.14 pesos per dollar on September 30, 2020, to Ps.19.91 at the close of 2020; 2) an increase in interest paid due to a higher level of average debt during 2020; and 3) a decrease in interest earned as a consequence of the decrease in the TIIE reference rate, which during the period averaged 4.50%, in comparison with the 7.86% seen in the same quarter of the previous year.

**INCOME TAX (unaudited)**

	4Q 2020	4Q 2019	% Var.	12M 2020	12M 2019	% Var.
Taxes Incurred	(96)	182	N.A.	186	541	-66%
Deferred tax	(225)	171	N.A.	(656)	227	N.A.
<b>Income tax</b>	<b>(321)</b>	<b>353</b>	<b>N.A.</b>	<b>(471)</b>	<b>768</b>	<b>N.A.</b>

During the period, there was an asset tax provision of Ps.96, in comparison with a liability tax provision of Ps.182 seen in the same quarter of the previous year; meanwhile the provision in the deferred asset tax provision in the period was Ps.225, in comparison with a deferred liability tax of Ps.171 seen in the same period of the prior year. The asset tax seen in the quarter is a consequence of the operating loss recorded during the quarter.

**NET INCOME**

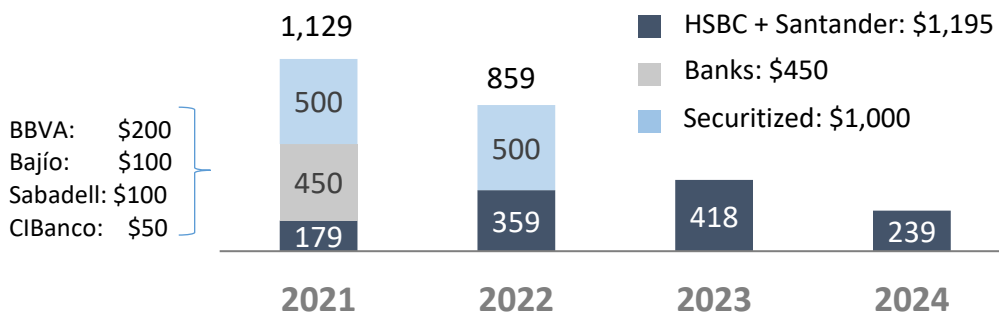
In 2020, the Company had a Net Loss of Ps.2,022, mainly as a consequence of the following: 1) an operating loss of Ps.2,138, due to the impact of the pandemic on the Group's operations; 2) stake in the loss of associated businesses and joint ventures in the amount of Ps.239, including the 15.2% stake in the gaming business, as well as live entertainment in South America through T4F Entretenimiento (T4F); 3) net financial expenses of Ps.116; 4) a tax provision of Ps.186; and 5) partially offsetting the foregoing impacts, a deferred asset tax of P.656 was recorded due to the natural movement of temporary items.

Due to the foregoing, at the end of 2020, the Company had lost more than two-thirds of its capital stock, thus it is considering calling an Extraordinary Shareholders' Meeting in order to discuss absorption of the accumulated losses against the capital stock.

During the period there was a net loss of Ps.810, compared to a net loss of Ps.118 recorded in the same period of the prior year.

**LIQUIDITY AND CAPITAL RESOURCES**

As of December 31, 2020, the Group’s loans and securitized debt totaled Ps.2,596, expressed as an amortized cost, which is denominated in Mexican pesos, with the exception of a loan in Colombian pesos, whose closing balance in December 2020 was equivalent to Ps.0.8. The following graph shows the maturity schedule by year of the Group’s nominal debt, of \$2,645:



In September 2020, the Group reached an agreement with its lenders HSBC and Banco Santander, as well as the Securitized Note Holders of CIE 17 and CIE 17-2, regarding an exception with respect to the covenants and financial obligations related to the maximum level of indebtedness, the minimum level of interest coverage, and the minimum level of shareholders’ equity, as well as granting a grace period until the second quarter of 2021 to begin calculating those obligations again.

In October 2020, a portion of the bank debt totaling Ps.450 matured, with the same creditors shown in the preceding graph. Through negotiations with those lenders, an agreement was reached to extend the maturity dates of that debt, through payment and a new provision, which is as follows: 1) Banco Sabadell: the debt for Ps.100 was originally extended to February 2021; at maturity, the debt was paid and the loan was subsequently renewed, with expiration in June of 2021; 2) BBVA and Banco del Bajío: the debt with those banks for Ps.200 and Ps.100, respectively, was paid in October 2020, and renewed, expiring in April 2021; and 3) the debt with CIBanco for Ps.50 in October 2020, was paid and again renewed for a period of 360 days.

Also, in October 2020 the Company issued securitized notes in the domestic market for Ps.500, expiring on October 7, 2022. The funds from that issuance were used to pay the CIE 17 issuance for the same amount, on October 15, 2020. Note that in all cases, debt interest was paid in full, in accordance with the terms of each contract, and we will continue to meet our obligations in 2021.

As in 2020, we are currently in discussions with the financial groups with which we have a relationship, in order to reprofile the debt maturity dates during the year, in an effort to have

a maturity schedule that will allow us to administer our resources in 2021, and to adapt the aforementioned covenants to the operating reality of the business.

## **SUMMARY**

The Group believes that the actions that have been taken to handle the effects of the pandemic have been adequate to preserve the jobs of our employees, and to be able to continue offering digital entertainment options, which is necessary in a confined reality.

With the initiation of vaccination campaigns and the strengthening of a culture of prevention and care globally, the live entertainment industry is predicting a restart of activities in the second half of 2021, and Mexico is part of the international circuit of the countries that are included in artists' tours.

The favorable outcome of the actions that we will continue implementing will allow us to continue operating, and will allow us to establish the basis for the gradual return of our operations to a "new normal," in which the public can attend live events.

The process of re-profiling debt and the corresponding covenants lead us to believe that the liquidity we will have will be sufficient to maintain our operations, and to meet all of our commitments.

## **ABOUT CIE**

Established in 1990, Corporación Interamericana de Entretenimiento ("CIE") (BMV:CIE) is an important player in the out-of-home entertainment industry in Latin America. It promotes and produces concerts, music festivals, theater productions, 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.

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:  
(unaudited)**

	<b>4Q 2020</b>	<b>4Q 2019</b>	<b>% Var.</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>% Var.</b>
Revenues	875	4,728	-81%	4,132	11,709	-65%
Cost of sales	1,297	3,833	-66%	5,006	9,035	-45%
<b>Gross Income</b>	<b>(423)</b>	<b>894</b>	<b>N.A.</b>	<b>(874)</b>	<b>2,674</b>	<b>N.A.</b>
Operating expenses	423	490	-14%	1,264	1,214	+4%
Other Income (expense)	0	(27)	N.A.	0	(27)	N.A.
<b>Operating Income</b>	<b>(845)</b>	<b>377</b>	<b>N.A.</b>	<b>(2,138)</b>	<b>1,433</b>	<b>N.A.</b>
<b>Net Financial Revenues (Expenses)</b>						
Net interest earned (paid)	(40)	(10)	N.A.	(79)	(97)	+19%
Interest on right-of-use assets	(48)	(59)	+20%	(198)	(186)	-6%
Net exchange rate gain (loss)	(106)	(31)	N.A.	99	(179)	N.A.
Gain (loss) in financial instrument valuation	(29)	(19)	N.A.	62	(29)	N.A.
<b>Net Financial Revenues (Expenses)</b>	<b>(223)</b>	<b>(119)</b>	<b>-87%</b>	<b>(116)</b>	<b>(491)</b>	<b>+76%</b>
Stake in the results of associated companies	(63)	(24)	N.A.	(239)	27	N.A.
<b>Earnings (Loss) before Taxes</b>	<b>(1,131)</b>	<b>235</b>	<b>N.A.</b>	<b>(2,492)</b>	<b>969</b>	<b>N.A.</b>
<b>Income Tax</b>	<b>(321)</b>	<b>353</b>	<b>N.A.</b>	<b>(471)</b>	<b>768</b>	<b>N.A.</b>
Taxes Incurred	(96)	182	N.A.	186	541	-66%
Deferred Tax	(225)	171	N.A.	(656)	227	N.A.
<b>Net Income (Loss)</b>	<b>(810)</b>	<b>(118)</b>	<b>N.A.</b>	<b>(2,022)</b>	<b>201</b>	<b>N.A.</b>
Non-parent company stake	(185)	112	N.A.	(440)	461	N.A.
<b>Parent Company Stake</b>	<b>(626)</b>	<b>(230)</b>	<b>N.A.</b>	<b>(1,582)</b>	<b>(259)</b>	<b>N.A.</b>
Depreciation and amortization	448	458	-2%	898	904	-1%
<b>EBITDA</b>	<b>(398)</b>	<b>835</b>	<b>N.A.</b>	<b>(1,240)</b>	<b>2,336</b>	<b>N.A.</b>

**BALANCE SHEET AS OF:  
(unaudited)**

	Dec. 31	Dec. 31	%
	2020	2019	Var.
<b>Current Assets</b>	<b>6,172</b>	<b>6,640</b>	<b>-7%</b>
Cash	3,333	3,052	+9%
Clients receivable, net	372	1,151	-68%
Other accounts receivable, net	242	164	+48%
Inventory	28	22	+23%
Other current assets	2,197	2,250	-2%
<b>Non-Current Assets</b>	<b>5,117</b>	<b>5,009</b>	<b>+2%</b>
Other accounts receivable, net	125	0	N.A.
Investments in associated companies and joint ventures	756	1,096	-31%
Property, plant and equipment, net	978	1,305	-25%
Right-of-use assets, net	1,622	1,681	-4%
Intangible assets	124	99	+25%
Assets from deferred taxes	1,432	763	+88%
Other non-current assets	80	65	+23%
<b>Total Assets</b>	<b>11,289</b>	<b>11,649</b>	<b>-3%</b>
<b>Current Liabilities</b>	<b>7,090</b>	<b>5,004</b>	<b>+42%</b>
Suppliers	893	786	+14%
Short-term interest-bearing debt	1,133	500	+126%
Short-term leases	625	370	+69%
Tax Payable	264	302	-13%
Other current liabilities	4,175	3,046	+37%
<b>Non-Current Liabilities</b>	<b>3,124</b>	<b>3,560</b>	<b>-12%</b>
Long-term interest-bearing debt	1,463	1,679	-13%
Long-term leases	1,265	1,425	-11%
Deferred tax liabilities	17	27	-37%
Other non-current liabilities	379	430	-12%
<b>Total Liabilities</b>	<b>10,213</b>	<b>8,564</b>	<b>+19%</b>
<b>Shareholders' Equity</b>	<b>1,075</b>	<b>3,084</b>	<b>-65%</b>
Non-Parent company stake	123	544	-77%
<b>Parent company stake</b>	<b>952</b>	<b>2,540</b>	<b>-63%</b>
Paid-in capital	3,489	3,489	-0%
Capital gains (losses)	(2,536)	(949)	-167%
<b>Total Liabilities plus Shareholders' Equity</b>	<b>11,289</b>	<b>11,649</b>	<b>-3%</b>