

Fourth Quarter 2021 Earnings Release

Mexico City, February 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 fourth quarter of 2021, prepared according to International Financial Reporting Standards (“IFRS”).

RECENT EVENTS

On December 6, 2021, the Company announced the closing of its strategic partnership with Live Nation Entertainment, Inc. (NYSE: LYV) (“Live Nation”), to foster the live entertainment industry in Mexico.

After having fulfilled all precedent conditions, including obtaining full authorization from the Federal Economic Competition Commission (COFECE) and the Federal Telecommunications Institute (IFT) with no conditions placed on the transaction, Live Nation acquired 51% of the shares of CIE’s live entertainment business (OCESA), acquiring Televisa’s stake of 40%, and 11% from CIE. Live Nation also acquired 51% of the shares of CIE’s other businesses dedicated to operating and organizing special events for the private sector.

The final amount from the transaction for CIE was Ps.3,664 million pesos, of which CIE received Ps.3,410 million, while Ps.254 million was withheld as a “holdback amount” to fund working capital needs for a certain period of time.

With the funds received from the transaction, the Company prepaid a portion of its bank and securitized debt in the amount of Ps. 1.795 million.

The net income of those businesses, for the period January 1 to December 5 of 2021, was recorded in the Discontinued Operations line in the Income Statement. Based on IAS 1 – Presentation of Financial Statements, the minority stake in the net income for the irregular period (from December 6 to December 31) is presented in the line Other Revenues – Participation in net income from strategic partners, before Operating Income.

For 2020, the numbers for all CIE businesses are presented on a consolidated basis.

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

In the fourth quarter of 2021, the Group’s consolidated revenues were Ps.2,584. For the same period of 2020, revenues were Ps.870. For the 12 months of 2021, revenues were Ps.4,528, while in the previous year were Ps.4,128.

During the period, EBITDA was Ps.701; in the same period of the prior year, a loss of Ps.401 had been recorded. In 2021, EBITDA was Ps. 545. For 2020, a loss of Ps.1,244 was recorded.

Consolidated Key Figures

	4Q 2021	4Q 2020	% Var.	12M 2021	12M 2020	% Var.
Revenues	2,584	870	+197%	4,528	4,128	+10%
<i>Special Events</i>	2,481	431	+476%	4,317	1,110	+289%
<i>Other Business</i>	103	32	+227%	211	61	+243%
<i>Entertainment</i>	0	408	N.A.	0	2,956	N.A.
EBITDA	701	(401)	N.A.	545	(1,244)	N.A.
<i>Special Events</i>	608	(132)	N.A.	429	(539)	N.A.
<i>Other Business</i>	41	(2)	N.A.	65	(27)	N.A.
<i>Entertainment *</i>	52	(268)	N.A.	52	(679)	N.A.
Net Financial Revenues	(28)	(224)	+87%	(110)	(117)	+6%
Net Income	6,387	(797)	N.A.	5,764	(2,008)	N.A.
Cash				2,550	3,333	-23%
Bank and Securitized Debt				860	2,633	-67%

*CIE's 49% net income from December 6 to December 31.

The numbers presented throughout this document for the fourth quarter of 2021 and 2020, are stated in millions of nominal Mexican pesos. Numbers may vary due to rounding. EBITDA is Operating Income before plus Depreciation and Amortization.
N.A. means Not Applicable.

SPECIAL EVENTS

At **Special Events**, revenues were Ps.2,481. During the period, the Formula 1 Mexico City Gran Prix was held, which event did not take place in 2020. Also, during the quarter, the Company continued providing services to the Temporary Medical Units in Morelos, Tlatelolco and Lindavista in Mexico City, and to units in the cities of Chihuahua and Ciudad Juárez, for the Mexican Social Security Institute (IMSS). Finally, Tianguis Turístico was held in Mérida, Yucatán.

In the same period of the prior year, revenues were Ps.431, derived primarily from the Temporary Medical Units at the Hermanos Rodríguez Racetrack, in Juárez and in Chihuahua, and from conversion of certain Teletón Child Rehabilitation Centers (Centros de Rehabilitación Infantil Teletón – CRIT) to aid in fighting the pandemic.

Full-year revenues in 2021 were Ps.4,317. In 2020, revenues were Ps.1,110.

In the fourth quarter of 2021, EBITDA was Ps.608. In the same period of the prior year, a loss of Ps.132 was recorded.

During 2021, EBTIDA in the Division was Ps.429. A loss of Ps.539 was recorded the previous year.

OTHER BUSINESS (El Salitre Park, Bogotá, Colombia)

Revenues at **El Salitre Park** were Ps.103 during the fourth quarter, compared to Ps.32 during the same period of the prior year. This increase is a consequence of holding the Festival of Terror event in 2021, which had not been held in 2020 because of pandemic-related restrictions. For the year, revenues were Ps.211, compared to Ps.61 in the same period of the prior year.

During the period, the park's EBITDA was Ps.41, compared to a loss of Ps.2 recorded in the same quarter of the previous year. The change is due to the increased revenues mentioned above. For the year, EBITDA was Ps.65, compared to a loss of Ps.27 the previous year.

ENTERTAINMENT

The net result from the Entertainment Division for the period from January 1 to December 5, 2021, was recorded in the line Discontinued Operations. The minority net income stake for the irregular period (December 6 to December 31) was recorded as part of Operating Income, and was Ps.52.

During the fourth quarter, some of the notable events that were held included the Corona Capital, Pa'l Norte, and Coca-Cola Flow Fest festivals, shows by Panteón Rococó in the Foro Sol in Mexico City, and Alejandro Fernandez in the Auditorio Nacional in Mexico City and in several other cities throughout Mexico. In November the theater production "Aladdin" debuted in the Telcel Theater in Mexico City.

NET FINANCIAL REVENUES (EXPENSES)

	4Q 2021	4Q 2020	% Var.	12M 2021	12M 2020	% Var.
Net interest earned (paid)	(34)	(76)	+55%	(137)	(115)	-19%
Interest on right-of-use assets	(4)	(13)	+72%	(19)	(163)	+88%
Net exchange rate gain (loss)	10	(106)	N.A.	46	99	-76%
Gain (loss) in financial institutions	0	(29)	N.A.	0	62	N.A.
Net Financial Revenues (Expenses)	(28)	(224)	+87%	(110)	(117)	+6%

During the quarter, net financial expenses were Ps.28, in comparison with Ps.224 recorded during the same quarter of the previous year. This lower financial expense is mainly a consequence of the following: 1) an exchange rate gain of Ps.10 recorded during the period in 2021, in comparison with an exchange rate loss of Ps.106 in the same quarter of the prior year; 2) lower net interest paid in the period, due to early payment of a portion of the Company's debt; and 3) lower interest from right-of-use assets during the period, due to the reclassification to Discontinued Operations.

INCOME TAX

	4Q 2021	4Q 2020	% Var.	12M 2021	12M 2020	% Var.
Taxes incurred	12	(94)	N.A.	271	187	+45%
Deferred tax	339	(232)	N.A.	168	(663)	N.A.
Income Tax	351	(325)	N.A.	439	(475)	N.A.

During the period, the income tax provision was Ps.12, compared to an income tax provision asset of Ps.94 in the same quarter of the previous year. The change to tax liability is a consequence of the operating income recorded in the period of Ps.599, compared to an operating loss recorded in the period of the previous year of Ps.821.

Meanwhile the provision for the deferred liability tax in the period was Ps.339, in comparison with a deferred asset tax of Ps.232 recorded in the same period of the prior year. During the year 2020, the registration of the deferred asset tax corresponded to the operating loss observed in the period, which for the year 2021 showed a change to profit.

NET INCOME

Net income reported during the quarter was Ps.6,387, compared to a net loss of Ps.797 recorded in the same period of the prior year. The change to net income is mainly a consequence of the following: 1) recording the Fair Value of 49% of CIE’s stake in the strategic partnership, together with the net income recorded from the sale of shares to Live Nation, both registered in the line of Discontinued Operations, for a total of Ps.6,174; and 2) income after taxes, due to the results from the operations of Special Events and Other Business, mentioned above.

For the year, net income was Ps.5,764, compared to net income of Ps.2,008 recorded the previous year.

TOTAL INTEREST-BEARING DEBT

On December 31, 2021, the Group’s loans and securitized debt totaled Ps.860, which is denominated in Mexican pesos, with the exception of a loan in Colombian pesos, whose balance at the end of the fourth quarter is equal to Ps. 10. During the quarter, a part of the debt was prepaid in the amount of Ps.1,795. The following graph shows the maturity schedule by year of the Group’s total nominal debt, of Ps.860:



ABOUT CIE

Established in 1990, Corporación Interamericana de Entretenimiento (“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 destination in this area. The company promotes and markets the Formula 1 Mexico Grand Prix and produces special events for the public sector. Also, CIE operates the amusement park El Salitre Mágico in Bogotá, Colombia.

Through its strategic partnership with Live Nation, OCESA produces and promotes concerts, music festivals, Broadway-type theatrical productions, sporting, family and corporate events. Represents artistic talent, markets advertising and sponsorships rights, operates entertainment venues, operates Centro Citibanamex, an exhibition, congress and convention center. Sells tickets through its Ticketmaster and Eticket platforms and 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

	4T 2021	4T 2020	% Var.	12M 2021	12M 2020	% Var.
Revenues	2,584	870	+197%	4,528	4,128	+10%
Cost of sales	1,487	1,268	+17%	3,235	4,977	-35%
Gross Income	1,098	(398)	N.A.	1,293	(849)	N.A.
Operating expenses	551	423	+30%	1,022	1,264	-19%
Other expenses (Income)	(52)	(0)	N.A.	(52)	0	N.A.
Operating Income	599	(821)	N.A.	322	(2,114)	N.A.
Net Financial Revenues (Expenses)						
Net interest earned (paid)	(34)	(76)	+55%	(137)	(115)	-19%
Interest on right-of-use assets	(4)	(13)	+72%	(19)	(163)	+88%
Net exchange rate gain (loss)	10	(106)	N.A.	46	99	-53%
Gain (loss) in financial instrument valuation	0	(29)	N.A.	0	62	N.A.
Net Financial Revenues (Expenses)	(28)	(224)	+87%	(110)	(117)	+6%
Stake in the results of associated companies	(7)	(76)	+91%	(19)	(252)	+92%
Earnings (Loss) before Taxes	564	(1,122)	N.A.	193	(2,483)	N.A.
Income Tax	351	(325)	N.A.	439	(475)	N.A.
Taxes Incurred	12	(94)	N.A.	271	187	+45%
Deferred Tax	339	(232)	N.A.	168	(663)	N.A.
Income from Continuing Operations	213	(797)	N.A.	(246)	(2,008)	+88%
Income from Discontinued Operations	6,174	0	N.A.	6,010	0	N.A.
Net Income (Loss)	6,387	(797)	N.A.	5,764	(2,008)	N.A.
Non-parent company stake	99	(192)	N.A.	(6)	(448)	+99%
Parent Company Stake	6,287	(604)	N.A.	5,770	(1,560)	N.A.
Depreciation and amortization	102	518	-80%	223	968	-77%
EBITDA	701	(401)	N.A.	545	(1,244)	N.A.

BALANCE SHEET AS OF

	31 Dec.	31 Dec.	%
	2021	2020	Var.
Current Assets	3,613	6,170	-41%
Cash	2,550	3,333	-23%
Clients receivable, net	217	372	-42%
Other accounts receivable, net	385	229	+68%
Inventory	12	28	-58%
Other current assets	450	2,209	-80%
Non-Current Assets	8,884	5,112	+74%
Other accounts receivable, net	0	125	-100%
Investments in associated companies and joint ventures	7,929	807	+882%
Property, plant and equipment, net	257	978	-74%
Right-of-use assets, net	159	1,558	-90%
Intangible assets	(0)	124	-100%
Assets from deferred taxes	539	1,441	-63%
Other non-current assets	0	80	-100%
Total Assets	12,498	11,283	+11%
Current Liabilities	3,061	6,748	-55%
Suppliers	135	896	-85%
Short-term interest-bearing debt	853	1,128	-24%
Short-term leases	37	288	-87%
Other current liabilities	2,036	4,436	-54%
Non-Current Liabilities	2,948	3,446	-14%
Long-term interest-bearing debt	7	1,505	-100%
Long-term leases	152	1,479	-90%
Deferred tax liabilities	1,589	18	N.A.
Other non-current liabilities	1,200	444	+170%
Total Liabilities	6,008	10,195	-41%
Shareholders' Equity	6,489	1,088	+496%
Non-Parent company stake	(305)	115	N.A.
Parent company stake	6,795	973	+598%
Paid-in capital	1,086	3,489	-69%
Capital gains (losses)	5,709	(2,515)	N.A.
Total Liabilities plus Shareholders' Equity	12,498	11,283	+11%