Annual income 2020/2021
Recovery of the activity on the 2nd part of the fiscal year, after more than 6.5 months of closure due to the health crisis

- **Turnover: € 255.7 M**
- **EBITDA: € 13.0 M** *(+ € 55.0 M for 2nd half year)*
- **COR: - € 46.4 M** *(+ € 26.8 M for 2nd half year)*
- **Net Income: - € 55.9 M** *(+ € 32.2 M for 2nd half year)*
- **Preserved financial situation (Gearing 0.3x)**
- **Outlook for 2022: Resumption of the investment program on the existing slots**

Paris, 26th January 2022, 06:00 p.m.

During its meeting held on the 25th January 2022 and after having reviewed the management report of Groupe Partouche Executive Board, the Supervisory Board examined the annual accounts at 31st October 2021, that are being audited.

Disruption in the activity due to the health crisis and success of online games

The 2020-2021 fiscal year was very strongly impacted by the health crisis linked to the Covid-19 epidemic, which forced the Group to stop most of its activities over a period slightly longer than the first half of the fiscal year, under the general measures taken by the Government to deal with the epidemic. This represented, with some exceptions, approximately 6.5 months of closure for all the Group's casinos in the 2020/2021 financial year, compared to a cumulative period of closure of the establishments of around 3 months during the previous financial year. In addition, and in both cases, the opening periods and the operating methods of the activities were greatly disrupted by the continuation of the health crisis and the resulting constraints.

As a result, Gross Gaming Revenue (GGR) fell -33.4% over the year to €350.2M. This decrease is attributable to the decline in the slots GGR (-41.8%) and the table games GGR (-10.2%). Only the table games GGR abroad increased (+39.9%) driven by the jump in online gaming and sports betting in Belgium (despite the cessation of activity at the end of July 2021) and new online gaming in Switzerland (+ 54.8%) which took advantage of the context of confinement and closure.

Net Gaming Revenue (NGR) was down overall at €215.9M.

At the same time, turnover excluding NGR fell by €21.6M to €41.1M.

The Group' consolidated turnover 2021 fell by -25.6% to €255.7M, 82% of which was generated in the second half-year (€208.5M in HY2 2021, compared to €159.9M in HY2 2020).

A solid financial performance in the 2nd half-year, but a contrasting year

The very good operational performance of the 2nd half-YEAR generated an EBITDA of €55.0M over the period and €13.0M annually (compared to €51.2M in 2020).

The current operating income (COI) is a loss of -€46.4M. The contraction of €38.1M compared to 2020 is the direct consequence on turnover of the closures of the casinos.

Purchases and external expenses fell by €3.9M (- 2.9 %) are impacted by:

- purchases of materials, advertising/marketing costs and upkeep and maintenance expenses are down by €10.7M (-34.1%), €6.0M (-39.4%) and €1.1M (-13.1%) respectively directly linked to the closure of establishments and the drop in the turnover from ancillary activities;
- in the opposite direction, the upward trend in subcontracting expenses (+€14.2M), mainly linked to the increase in expenses related to online licenses in Belgium, i.e. +€16.6M in expenses correlatively to the €19.6M increase in turnover generated by this activity (online casino and sports betting); nevertheless, in the opposite direction, we note in the other establishments that savings from subcontracting (security, cleaning) have been made, taking into account the closure of the establishments (-€2.2M);
- the increase in fees relating to the deployment of online games in Switzerland (+€2.1M) and online gaming commissions in Belgium (+€1.1M).

Taxes & duties decreased (-€ 3,1 M) to € 10,9 M.

Employee expenses amounted to €104.2M, down €32.5M (-23.8%) mainly due to the business support measures implemented by the government in the course of the health crisis, in particular the use of partial unemployment.

The change in amortization and depreciation of fixed assets, down -4.4% to €56.1M, reflects the slowdown in the sustained investment policy of recent years, hampered by the health crisis.

Other current operating income and expenses represent net income of €0.2M, compared to a net expense of -€7.4M over the previous financial year, mainly under the influence of "fixed cost aid" schemes obtained up to €10.0M to combat the consequences of the health crisis.

Non-current operating income (NCOI) is an income of +€0.9M compared to an expense of -€3.7M in 2020. It takes into account the following changes:

- a significant increase in other non-current operating income and expenses (+€19.4M against +€0.1M in N-1) which is explained on the one hand by the resolution of disputes with the ONSS (disputes between CKO Betting, Ostend and Groupe Partouche International and Belgian social security for increases in social security contributions wrongly imposed on casinos during previous financial years) generating a non-recurring profit of €11.8M and on the other hand, by compensation of €9.5M for the cessation of activity obtained from BWIN; these favourable impacts being mitigated by accelerated depreciation applied in the context of renovations initiated or planned, in particular within the Vichy Grand Café and Lyon Vert casinos in the amount of €1.1M;
- a significant impairment of goodwill of €18.5M, compared to €3.8M in 2020, following the continuation of the health crisis.

Consequently, **the operating income is a loss of €45.5M in 2021 (-€81.8M first half-year)** compared to a loss of €12.1M in 2020.

In the end, **the net result shows a loss of -€55.9M compared to -€15.2M in 2020** (including -€51.9M Group' share), after taking into account the following elements:

- a financial result of -€3.8M (compared to -€1.9M in 2020). Due to the closure of casinos on both sides of the French-Swiss border until 19th May 2021 in France and 19th April 2021 in Switzerland, and the relative stability of parities, the foreign exchange gain was reduced by €0.9M compared to the previous year. In addition, financial expenses started to rise again (+€0.5M) in line with the increase in the Group's gross debt, while the average annual interest rate continues to decline;
- a tax expense (CVAE included) significantly increased (-€6.6M compared to €1.2M in 2020).

A preserved financial structure

The €8.7M increase in assets on the consolidated balance sheet is mainly fuelled by:

- the increase in cash (+€40.4M) linked to the subscription of a second State Guaranteed Loan (PGE) in the amount of €59.5M;
- the increase in the "customers and other debtors" item is due to residual receivables relating to the Belgian online service and the cessation of this activity and to a receivable related to the compensation to be received from the Town Hall of Saint Amand following the restitution of the property of the casino to the City Hall within the framework of the renewal of the DSP. And conversely, a decrease in receivables from La Grande Motte casino under the property development contract, following the delivery of most of the lots;
- conversely, the decrease in net property, plant and equipment under the effect of the contraction in investments;
- the decrease in goodwill linked to the depreciation recorded over the financial year in the amount of €18.5M, and to the reclassification carried out according to IFRS 5 under the item "assets held for sale", goodwill acquisition of the Crans-Montana casino in Switzerland for €6.4M.

On the liabilities side, the Group' equity, including minority interests, fell by €56.5M to €315.4M.

Financial debt increased by €40.3M to €287.4M as of 31st October 2021, under the combined effect of the following elements:

- subscription to a second state guaranteed loan (PGE) of €59.5M and new bank credits for €4.5M;
- three quarterly maturities of the syndicated loan for -€8.1M, the January 2021 maturity having been postponed to 2026, as well as the repayment of other bank loans for -€8.0M and the reclassification made according to IFRS 5 under the item "liabilities held for sale" of the balance of bank loans from the Crans-Montana casino for €1.8M;
- postponement by 12 months of the maturities (in capital and, for the most part, in interests) of the Group's bank debt obtained during the previous financial year, the resumption of repayments having taken place mainly in April 2021.

Net financial debt amounted to €87.0M (-€4.5M).

The Group's financial structure remains sound, with a gearing ratio (Net debt / Equity) at 0.3x.

As a reminder, given the consequences of the health crisis on the Group's activity and the results for the financial year, the calculation of the leverage ratio as of 31st October 2021, as well as that of 30th April 2021, is not possible due to a negative EBITDA (calculated in accordance with the terms of the syndicated loan agreement, according to the old IAS 17 standard, excluding IFRS 16). However, the Group's financial partners have renewed their confidence in it. Thus, on 9th June 2021, the Syndicated Loan Agent, on behalf of the Lenders, signed a waiver in which the Lenders waive each of the calculations of the leverage ratio provided for on the two closing dates of 30th April 2021 and as of 31st October 2021; and the delivery of each of the certificates corresponding to the calculations of the leverage ratio on the dates above. Similarly, on 15th June 2021, the institutional investor carrying the EuroPP waived the same ratio calculations and the delivery of the certificates.

Outlook

Resumption of investments in the existing slots fleet.

After two years of the pandemic and the cessation of investments, the Group is relaunching its program in order to enrich its offer and renovate its casino network thus improving its performance:

- Hyères casino will be partially renovated, as planned in its public concession (DSP) by 2024;
- Redevelopments are planned for the casinos of Saint Amand-les-Eaux, Forges-les-Eaux, La Tour-de-Salvagny, Annemasse, Palavas and La Grande Motte.

Co-option of an Executive Board member and shifting of the responsibilities within the management team

Benjamin Abou is co-opted as a member of the Executive Board and appointed as casinos' Chief Operating Officer. He started on the 25th of January 2021 and reports to the President of the Executive Board. In his new position, Benjamin Abou will aim at being involved and close to the establishments' management. His mission is to carry on the upgrading of the gaming experience within the Group's establishments.

This change to the organisation takes place in a crucial moment for the operations facing the sanitary crisis and follows the brutal death of Jean-François Largillière, non-gaming activities Chief Operating Officer, whose responsibilities have been reorganised within the team he had built and trained.

Benjamin Abou, 40 years old, started his career in catering in Montpellier, then London.

He joined the Group in 2003 as deputy catering director at the Aix-en-Provence Pasino before joining the Saint-Amand-les-Eaux Pasino as non-gaming activities Chief Operating Officer until 2008, when he took part of the team in charge of launching the Partouche Poker Tour.

Then, he became manager of the Palm Beach in Cannes, before joining The Grande Motte Pasino as President in 2013, while remaining President of the Cannes casino until 2019 after being in charge of transferring it to the Hotel 3.14.

Further to the relocation and reconfiguration of The Grande Motte casino into a Pasino in 2012, he has successfully developed its activity and launched the Drive concept in 2021.

Benjamin Abou stands out by his vision and his proximity to the field, the staff and the customers. His curiosity and his appetite for innovation prompt him to listen to what is done in the world of entertainment.

Fabrice PAIRE says: « *Benjamin Abou, strong from 20 years spent in the casinos, stands by me to listen to our establishments' management in order to support them in their expansion. In the light of our already long relationship, I am sure we will continue to make the group move forward in the coming years* ».

Upcoming events:

- Turnover 1st quarter (Nov. 2021-Jan. 2022): Tuesday 8th March 2022 (after stock market)

- General Meeting: Thursday 7th April 2022

Groupe Partouche was established in 1973 and has grown to become one of the market leaders in Europe in its business sector. Listed on the stock exchange, it operates casinos, a gaming club, hotels, restaurants, spas and golf courses. The Group operates 41 casinos and employs nearly 3,900 people. It is well known for innovating and testing the games of tomorrow, which allows it to be confident about its future, while aiming to strengthen its leading position and continue to enhance its profitability.

Groupe Partouche was floated on the stock exchange in 1995, and is listed on Euronext Paris, Compartment . ISIN : FR0012612646 - Reuters PARP.PA - Bloomberg : PARP:FP Reuters : PARP.PA - Bloomberg : PARP:FP

FINANCIAL INFORMATION

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Annex

1- Consolidated income

(In €M) at 31st October	2021	2020	DIFFERENCE	Var.
Turnover	**255.7**	**343.5**	**(87.8)**	**(25.6%)**
Purchases & external expenses	(131.1)	(135.0)	3.9	(2.9%)
Taxes & duties	(10.9)	(14.0)	3.1	(22.0%)
Employees expenses	(104.2)	(136.6)	32.5	(23.8%)
Depreciation, amortisation & impairment of fixed assets	(56.1)	(58.7)	2.6	(4.4%)
Other current income & current operating expenses	0.2	(7.4)	7.7	(103.1%)
Current operating expenses	**(46.4)**	**(8.3)**	**(38.1)**	**n/a**
Other non-current income & operating expenses	19.4	0.1	19.4	-
Gain (loss) on the sale of consolidated investments	-	-	-	-
Impairment of non-current assets	(18.5)	(3.8)	(14.7)	-
Non-current operating income	**0.9**	**(3.7)**	**4.6**	-
Operating income	**(45.5)**	**(12.1)**	**(33.4)**	**n/a**
Financial income	**(3.8)**	**(1.9)**	**(1.9)**	-
Income before tax	**(49.3)**	**(13.9)**	**(35.3)**	-
Corporate income & CVAE tax	(6.6)	(1.2)	(5.4)	-
Income after tax	**(55.8)**	**(15.1)**	**(40.7)**	-
Share in earnings of equity-accounted associates	(0.0)	(0.1)	0.0	
Total net income	**(55.9)**	**(15.2)**	**(40.7)**	**n/a**
o/w Group's share	*(51.9)*	*(17.4)*	*(34.5)*	-

EBITDA	**13.0**	**51.2**	**(38.3)**	**(74.7%)**
Margin EBITDA / Turnover	***5.1%***	***14.9%***		***-980 bps***

2- Analysis of current operating income by segment

Let it be reminded that in order to have a better readability of its division performance, Groupe Partouche has presented since the 2015 financial year the division contribution before intra-group elimination (ELIM.).

In €M at 31st October	TOTAL GROUPE		CASINOS		HOTELS		OTHER		ELIM.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Turnover	255.7	343.5	207.8	310.1	6.8	5.3	69.8	54.7	(28.7)	(26.6)
Purchases & external expenses	(131.1)	(135.0)	(97.9)	(109.3)	(4.1)	(4.0)	(48.1)	(38.6)	19.1	16.9
Taxes & duties	(10.9)	(14.0)	(17.2)	(21.8)	(0.7)	(0.5)	(2.2)	(1.5)	9.1	9.8
Employees expenses	(104.2)	(136.6)	(84.7)	(118.7)	(2.9)	(2.6)	(16.5)	(15.2)	(0.1)	(0.1)
Amort. Depr. on fixed assets	(56.1)	(58.7)	(45.7)	(49.2)	(1.5)	(1.1)	(8.9)	(8.4)	0.0	0.0
Other current income & expenses	0.2	(7.4)	(0.9)	(9.6)	0.1	0.0	0.3	2.1	0.7	0.0
Current operating income	**(46.4)**	**(8.3)**	**(38.5)**	**1.4**	**(2.2)**	**(2.8)**	**(5.6)**	**(7.0)**	**0.0**	**0.0**

The COI of the casinos division is negative and reached -€38.5M, down by €40.0M, impacted by the closures of the Group's casinos. Activity in this sector is down with a change in turnover of €102.3M (-33.0%), bearing the full brunt of the effect of the closure of the Group' casinos, although the decrease is mitigated by the general reduction in expenses, in particular employees' costs (-€34.0M).

The hotel division COI still suffered from the effects of the pandemic but benefited from a favourable base effect and thus rose from €0.6m reaching -€2.2M.

Lastly, the deficit in the "Other" division COI improved to -€5.6M over the financial year, compared with -€7.0M in N-1, mainly due to the increase in the COI of sports betting in Belgium (+€0.7M) and that of Partouche Studio (+€0.6M).

3- Summary of net debt

(In €M) at 31st October	2021	2020
Equity	315.4	371.9
Gross debt (*)	239.1	194.7
Cash less gaming levies	152.1	103.1
Net debt	**87.0**	**91.5**
Ratio Net debt / Equity (« gearing »)	0.3x	0.2x
Ratio Net debt / EBITDA (« leverage »)	N/A (**)	2,3x (***)

(*) The gross deb includes bank borrowings, bond loans and restated leases, accrued interest, miscellaneous loans and financial debts, bank loans and financial instruments.

(**) The bond and banking partners have waived the calculation of the "leverage ratio" expected at the closing date of 31st October due to a negative EBITDA over the period.

(***) The consolidated EBITDA used to determine the "leverage" is calculated over a rolling 12-months period, according to the old IAS 17 standard (that is to say before application of IFRS 16), at namely € 39.8 M at 31/10/2020

4- Glossary

The "Gross Gaming Revenue" corresponds to the sum of the various operated games, after deduction of the payment of the winnings to the players. This amount is debited of the "levies" (i.e. tax to the State, the city halls, CSG, CRDS).

The «Gross Gaming Revenue» after deduction of the levies, becomes the "Net Gaming Revenue ", a component of the turnover.

Turnover excluding NGR, includes all non-gaming activities i.e. catering, hotels, shows ticketing, spas, etc.

"Current Operating Income" COI includes all the expenses and income directly related to the Group's activities to the extent that these elements are recurrent, usual in the operating cycle or that they result from specific events or decisions pertaining to the Group's activities.

The "Non-Current Operating Income" (NCOI) includes all non-current and unusual events of the operating cycle: it therefore includes the depreciation of fixed assets (Impairments), the result from the sale of consolidated investments, the result from the sale of asset, other miscellaneous non-current operating income and expenses not related to the usual operating cycle.

Consolidated EBITDA is made up of the balance of income and expenses of the current operating income, excluding depreciation (allocations and reversals) and provisions (allocations and reversals) linked to the Group' business activity included in the current operating income but excluded from Ebitda due to their non-recurring nature.