2019/2020 Annual Results
Impact of the health crisis on operational performance

- **Turnover: € 343.5 M (-20.8 %)**
- **EBITDA: € 51.2 M**
- **Strong impact of the casinos' closure on the COR (- € 8.3 M)**
- **Net Income: - € 5.2 M**
- **Adaptation of the investment program on the existing slots fleet**
- **Solid Financial Situation (gearing of 0.2x & leverage of 2.3x)**

Paris, 27th January 2021, 06:00 p.m.

During its meeting held on the 26th January 2021 and after having reviewed the management report of Groupe Partouche Executive Board, the Supervisory Board examined the annual accounts at 31st October 2020, that are being audited.

Good performance of casinos (excluding the closure period) and success of the online games

The Group's activity after a start to the year marked by a very good momentum, was suddenly brought to a halt mid-March by the first lockdown and then between mid-March and the beginning of June by the ban on the opening of casinos before resuming its activity quite satisfactorily in June. This last observation is a determining factor, despite the necessary health measures put in place, in the confidence that the Group has in its ability to restart its activity in an optimal manner.

The measures aimed at limiting the spread of Covid-19 marked once again the end of the financial year, involving the gradual closure of all French casinos in October 2020. The latter still remaining closed at this date.

Consequently, the Gross Gaming Revenue (GGR) was down by – 21.8 %, i.e. € 525.7 M over the financial year. This decrease is attributable to the decline in France in the slots GGR (- 26.7%) and the traditional games GGR (-17.8%). Only the table games GGR abroad increased (+ 24.6%) driven by the jump in online games and sports betting in Belgium (+ 51.1%) which took advantage of the context of confinement and closure.

The Net Gaming Revenue (NGR) fell overall to € 282.9 M.

Simultaneously, Turnover excluding NGR fell by € 36.1 M to € 62.7 M.

Consolidated turnover 2020 down by -20.8% reaching €343.5M.

Operating performance impacted by the health crisis, solid financial situation

EBITDA[1] 2020 reached € 51.2 M compared with € 75.7 M in 2019, thus representing 14.9 % of Turnover. This decrease is however mitigated by the positive impact of the first application of IFRS 16 on the fiscal year (bonus of + € 13.3 M). Excluding IFRS 16, EBITDA would therefore have been € 37.9 M, halved

[1] Warning: the accounts incorporate the first application of IFRS 16, "leases", the impacts of which are presented in the annex to this press release and detailed in the appendix to the annual consolidated accounts (note 2.1.2).

compared to 2019.

Current operating income (COI) is a loss of – € 8.3 M. The contraction of € 41.7 M compared to 2019 is the direct consequence of the casino closings on the turnover.

Purchases & external expenses fell by € 21.4 M (- 13.7 %):

- Raw material purchases and advertising/marketing expenses decreased by € 9.9 M (- 23.9%) and € 4.6 M (- 23.2%) respectively with the closure of the establishments;
- Rental charges and leasing fees fell by € 13.9 M, including € 13.2 M resulting from the application of IFRS 16).
- Conversely, outsourcing expenses increased overall by + € 11.0 M, of which + € 13.3 M related to Belgium online licenses expenses (online casino and sports betting), the activity of which has strongly increased this year while the closure of establishments generated certain savings (guarding, cleaning).

Tax & duties decreased (€ -2.2 M) totalling € 14,0 M.

Employee expenses reached € 136.6 M down by € 40.2 M.

Employee expenses amounted to € 136.6 M down by € 40.2 M (- 22.7%). They take into account the indemnities received under the partial activity scheme from which the Group benefits, the savings in employer contributions generated and the exemptions and aid obtained within the framework of the business support measures put in place by the Government in response to the health crisis. In addition, the Group did not renew the "Macron bonus" (impact + € 0.4 M) and the net impact of the elimination of the Competitiveness and Employment Tax Credit (CICE) amounts to -0.9 M €.

Depreciation and impairment of fixed assets (to € 58.7 M) increased by € 14.5 M, mainly impacted by the application of IFRS 16 over the year (+ € 13.6 M). In addition, the Group's investment policy slowed down this year, hampered and constrained by the health crisis.

Other current operating income and expenses represent a net charge of € 7.4 M, up by € 0.9 M, in connection with an unfavourable change in provisions variation.

This year, current operating income (COI) takes into account the Group's efforts to develop its on-line business:

- Pasino Bet : + €1.1 M€ of costs, mainly advertising expenses, following the online launching in September 2019 ;
- « Casino online » in Switzerland: expenses prior to its launch in November 2020 (+ € 1.0 M in advertising costs and + € 1.0 M in employee expenses).

Non-current operating income (NCOI) represent an expense of € 3.7 M (compared to - € 1.5 M in 2019). It was impacted by the decrease of € 1.6 M in the goodwill impairment, but benefited from the significant drop in other non-current operating income and expenses (+ € 2.3 M).

As a result, **operating income is a loss of € 12.1 M**, compared to a profit of € 31.9 M in 2019.

The financial income stands at - € 1.9 M (compared to + € 0.1 M in 2019 linked to an exceptional financial income). The application of IFRS 16 accounts for € 1.2 M of this charge, while the decrease in net financial expenses excluding IFRS 16 continues despite an increase in gross debt. These benefit from the reduction in the cost of financial debt (€ 0.7 M compared to N-1) thanks to the Group's refinancing in October 2019.

The tax expense amounts to € 1.2 M (including a normative CVAE of € 3.7 M) compared to € 6.7 M in 2019. Income tax is a product of € 1.6 M (against a charge of € 3.0 M in 2019). It includes the change in deferred taxes and the expense for current taxes, which have declined markedly due to the closure of the Group's activity in spring 2020.

Overall, after taking into account the share of income in La Pensée Sauvage Lifestyle and its subsidiaries (loss of € 0.1 M, compared to - € 0.3 M in 2019), **net income is a loss of - € 15.2 M against a profit of € 25.0 M in 2019,** of which Group share amounts to - € 17.4 M. In addition, the application of IFRS 16 puts a burden on consolidated net income by € 1.5 M.

A solid financial structure

The € 67.6 M increase in consolidated balance sheet assets is mainly due to:

- the impact of the first application of IFRS 16 (+ € 54.4 M) to which must be added the movements in the net fixed assets restated according to the new standard (including € 33.4 M of investments excluding IFRS 16);
- the acquisition of a stake in companies accounted for by the equity method of the La Pensée Sauvage division (+ € 2.3 M);
- and the increase in cash (+ € 19.3 M) linked to the subscription of a State Guaranteed Loan (Prêt Garanti par l'État, or "PGE") of € 19.5 M.

On the liabilities side, the Group's equity including minority interests are reduced by € 20,0 M totalling € 371.9 M.

Financial debt increased by € 85.4 M, to € 247.1 M as of 31st October 2020, under the combined effect of the following elements:

- the recording of rental debts in respect of the rental payment obligation, provided for in IFRS 16 (€ 74.3 M of IFRS 16 debt at closing, including among others € 54.3 M of impact of 1st application of the standard, the implementation of a new real estate leasing of € 11.2 M for the premises of the Group's head office treated as financial debts according to this standard, and the real estate leasing of Pornic, already positioned in financial debts under the former IAS 17 standard);
- the subscription of a State Guaranteed Loan of € 19.5 M and new loans for € 12.6 M, knowing moreover that a new State Guaranteed Loan has been requested from the Group's banks given the situation caused by the closure of the Group establishments since the end of October;
- the quarterly maturity of the syndicated loan settled on 31st January 2020 in the amount of - € 2.7 M (the other maturities due during the year having been postponed to 2026 (€ 8.1 M), as well as the repayment of other bank loans for - € 4.4 M;
- the postponement of maturities (in capital and in interest for the most part) of 12 months of the Group's bank debts and of 6 months of mortgage leases.

Financial debt amounted to € 91.5 M (+ € 18.7 M).

The Group's financial structure remains healthy, with leverage (Net debt / EBITDA) and gearing (Net debt / Equity) ratios of 2.3x and 0.2x respectively (compared to 1.0x and 0.2x for the previous year). Groupe Partouche respects its leverage ratio under the terms of its syndicated loan and its EuroPP.

Outlook

Adaptation of the investment program on the existing slot machines

Continuously striving for excellency in the customer experience in its establishments, the Group continues to enrich its offer and renovate its casinos base to improve its performance, as well:

- the renovation of Royat was completed on 8th December after 2 years of work, it aimed at refocusing the activity on games and significantly improving the user experience. Giant screens have been installed in the rotunda welcoming the clientele, guaranteeing total immersion in universes of very varied contents;
- the Aquabella Hotel & Spa downtown Aix-en-Provence and near the Pasino is about to complete the restructuring of its common areas, after the renovation of all of its rooms in 2019 and of its restaurant with its bio-climatic terrace, its kitchens and the creation of four suites in its belvedere in financial year 2020;
- the Bandol casino is finalizing the expansion works on its gaming room and the renovation of its restaurant and kitchen for a delivery scheduled for April 2021;
- the Hyères casino will be partially renovated by 2024, as planned in its Concession Agreement;
- finally, other redevelopments are planned for the casinos in Tour-de-Salvagny (2021) near Lyon and in Annemasse near Geneva (2022).

Ostend

The Belgian State Council has finally validated the choice of Ostend City Hall to entrust the management of its casino to the competing candidate. The curent concession expires on 31st July 2021.

Groupe Partouche has initiated various proceedings aimed at asserting its rights on the lease of the premises, which was granted until 2029. Proceedings were also initiated in dispute of the 2002 Royal Decree which retroactively aligned long delegations, such as Ostend, on the maximum duration of new delegations (20 years), thus reducing by 8 years the concession held by the Group.

These procedures could give rise to the right to compensation.

It should also be noted that the Group has signed with the municipality of Middelkerke the casino concession which has been won and which will begin on 1st July 2022.

Integrated Resort at Nagasaki

The consortium formed mainly by Groupe Partouche and Pixel Companyz Inc in August 2020 has positioned itself to respond to the call for tenders launched by the Nagasaki Prefecture, southwestern Japan, for the construction of an Integrated Resort on 31 hectares. This provides for the development of a convention center, leisure facilities, hotels, restaurants, shops and a casino, which Groupe Partouche would manage.

Upcoming events:

- Turnover 1st quarter (Nov.2020-Jan.2021): Wednesday 10th March 2020 (after stock market)

- General Meeting: Wednesday 14th April 2021

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 42 casinos and employs nearly 4,100 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

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FINANCIAL INFORMATION

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Annex

1- First application of IFRS 16

IFRS 16 "Leases" is applicable for the Group from the fiscal year beginning on 1st November 2019. It replaces IAS 17 and the associated interpretations. This standard removes the distinction between operating leases and finance leases. All leases, with the exception of contracts not exceeding 12 months and contracts relating to low-value assets, must now be accounted for in the tenant's balance sheet by recognizing a right to use the leased asset, in return for a debt representing the rents payable over the expected term of the lease.

The Group has adopted the "simplified retrospective" method in its transition, which allows the recognition of a liability, at the date of transition, equal to only the discounted residual rents, in return for a right of use adjusted by the amount of rents prepaid or accrued liabilities.

- Impact on the balance sheet

(In €K) **Net Assets**	31 October 2020 *	1er November 2019
Rights of use relating to lease terms	73 802	55 331
Other non-current assets	-	(880)
TOTAL NON-CURRENT ASSETS	**73 802**	**54 451**
Other current assets	(630)	(73)
TOTAL CURRENT ASSETS	**(630)**	**(73)**
TOTAL NET ASSETS	**73 171**	**54 378**

(In €K) **NET LIABILITIES**	31 October 2020 *	1er November 2019
Consolidated reserve	426	123
Net income, Group' share	(1 492)	-
GROUP' EQUITY	**(1 066)**	**123**
MINORITY INTERESTS	**(44)**	**2**
TOTAL EQUITY	**(1 110)**	**125**
Non-current financial debts	60 703	43 226
TOTAL NON-CURRENT LIABILITIES	**60 703**	**43 226**
Current financial debts	13 636	11 118
Trade and other payables	(57)	(91)
TOTAL CURRENT LIABILITIES	**13 578**	**11 027**
TOTAL LIABILITIES	**73 171**	**54 378**

* The impacts as of 31st October 2020 include the Pornic property leasing formerly restated in accordance with IAS 17.

- Impact on the income statement

(In €K) **INCOME STATEMENT**	31 October 2020
Purchases and external expenses	13 227
Depreciation, amortization & impairment of fixed assets	(13 619)
Other current operating income & expenses	21
CURRENT OPERATING INCOME	**(371)**
OPERATING INCOME	**(371)**
FINANCIAL INCOME	**(1 166)**
TOTAL NET INCOME	**(1 538)**
O/W GROUP SHARE	***(1 492)***

2- Consolidated income statement

(In €M) au 31 October	2020	2019	ECART	Var.
Turnover	**343.5**	**433.5**	**(90.0)**	**(20.8%)**
Purchases and external expenses	(135.0)	(156.4)	21.4	(13.7%)
Tax & duties	(14.0)	(16.2)	2.2	(13.9%)
Employee expenses	(136.6)	(176.8)	40.2	(22.7%)
Depreciation, amortisation & impairment of fixed assets	(58.7)	(44.2)	(14.5)	32.9%
Other current income & operating expenses	(7.4)	(6.5)	(0.9)	14.5%
Current operating income	**(8.3)**	**33.4**	**-41.7**	**na**
Other non-current income & operating expenses	0.1	(2.3)	2.3	-
Gain (loss) on the sale of consolidated investments	-	3.1	(3.1)	-
Impairment of non-current assets	(3.8)	(2.2)	(1.6)	-
Non-current operating income	**(3.7)**	**(1.5)**	**(2.3)**	-
Operating income	**(12.1)**	**31.9**	**(44.0)**	**na**
Financial income	**(1.9)**	**0.1**	**(2.0)**	-
Income before tax	**(13.9)**	**32.0**	**(45.9)**	-
Corporate income tax & CVAE tax	(1.2)	(6.7)	5.5	-
Income after tax	**(15.1)**	**25.3**	**(40.5)**	-
Share in earnings of equity-accounted associates	(0.1)	(0.3)	0.2	
Total net income	**(15.2)**	**25.0**	**(40.2)**	**na**
o/w Group share	*(17.4)*	*18.6*	*(36.0)*	-

EBITDA	**51.2**	**75.7**	**(24.4)**	**(32.3%)**
Margin EBITDA / Turnover	***14.9%***	***17.5%***		***-260 bps***

3- Analysis of recurring operating income by division

It should be remembered that in order to have a better readability of its divisions' performance, Groupe Partouche has been presenting the division contribution before intragroup elimination (ELIM.), since financial year 2015.

In €M at 31 October	TOTAL GROUP		CASINOS		HOTELS		OTHER		ELIM.	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Turnover	343.5	433.5	310.1	394.9	5.3	9.3	54.7	56.3	(26.6)	(27.0)
Purchases & external expenses	(135.0)	(156.4)	(109.3)	(129.4)	(4.0)	(5.1)	(38.6)	(38.8)	16.9	16.9
Tax & duties	(14.0)	(16.2)	(21.8)	(24.6)	(0.5)	(0.6)	(1.5)	(1.3)	9.8	10.3
Personnel expenses	(136.6)	(176.8)	(118.7)	(155.0)	(2.6)	(3.9)	(15.2)	(17.7)	(0.1)	(0.2)
Depreciation, amortisation of fixed assets	(58.7)	(44.2)	(49.2)	(38.3)	(1.1)	(1.0)	(8.4)	(4.8)	0.0	0.0
Other current income & operating expenses	(7.4)	(6.5)	(9.6)	(9.2)	0.0	0.0	2.1	2.6	0.0	0.0
Current operating income	**(8.3)**	**33.4**	**1.4**	**38.4**	**(2.8)**	**(1.3)**	**(7.0)**	**(3.7)**	**0.0**	**0.0**

The COI for the casino division remained positive and reached € 1.4 m, down € 36.9 m, impacted by the various episodes of closure of the Group's casinos. The activity of this sector is declining with a variation in turnover of - € 84.8 M (- 21.5%), suffering from the full impact of closures and penalized by the exit from the consolidation scope of the Boulogne casino over the full year. Operating expenses decreased by € 47.9 M and include in particular:

• a significant drop in personnel costs (- € 36.3 M) due to the partial unemployment of most of the Group's employees during the shutdowns of operations;

• a significant drop in external charges (- € 20.1 M);

• an increase in amortization and depreciation on fixed assets (+ € 10.9 M), reduced to € 1.2 M after neutralizing the impact of the application of the new IFRS 16 standard, in connection with the renovation program of the current casino fleet, including in particular the Aix-en-Provence site.

The COI of the hotel sector is also suffering from the effects of the pandemic and is deteriorating to - € 2.8 M.

Lastly, the current operating income for the "Other" sector, - € 7.0 M, decreased by € 3.2 M. This is linked on the one hand to the advertising campaign accompanying the launch of Pasino Bet (a sports betting site in line that started in September 2019) for € 1.1 M and on the other hand to the presence, over the previous year, of a non-recurring income of € 1.5 M (reversals of unconsumed provisions).

4- Summary of net debt

(In €M) au 31st October	2020	2019
Equity	371.9	391.9
Consolidated EBITDA (*)	39.8	75.7
Gross debt (**)	194.7	159.3
Cash less gaming levies	103.1	86.6
Net debt	**91.5**	**72.8**
Ratio Net debt / Equity (« gearing »)	0.2x	0.2x
Ratio Net debt / EBITDA (« leverage »)	2.3x	1.0x

(*) The EBITDA used to determine the "leverage" is calculated over a rolling 12-month period, according to the old IAS 17 standard (i.e. before application of IFRS 16)

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

5- 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. The "levies" (i.e. tax to the State, the city halls, CSG, CRDS) are debited from this amount.

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

Turnover excluding net gaming revenue (NGR) represents the sum of the non gaming activity i.e. restaurants, hotels, shows, 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.

Non-current operating profit (NCOP) comprises all non-current events that are not usually part of the operating cycle: it therefore comprises impairments of fixed assets, the gain or loss from the sale of consolidated investments, the gain or loss on the sale of assets, and other non-current operating income and expenses that are not related to the normal 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 the Group' business activity included in the current operating income but excluded from Ebitda due to their non-recurring nature.