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Wynn Macau, Limited
永利澳門有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1128 and Debt Stock Codes: 5279, 5280, 40102, 40259, 40357)

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021 OF OUR CONTROLLING SHAREHOLDER, WYNN RESORTS, LIMITED

This announcement is issued pursuant to Rules 13.09 and 37.47B of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our controlling shareholder, Wynn Resorts, Limited has, on or about 10 May 2021 (1:16 p.m., Las Vegas time), released its unaudited results for the first quarter ended 31 March 2021.

This announcement is issued by Wynn Macau, Limited (“we” or our “**Company**”) pursuant to Rules 13.09 and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our Company’s controlling shareholder, Wynn Resorts, Limited, is a company listed on the National Association of Securities Dealers Automatic Quotation System (“**NASDAQ**”) Global Select Market in the United States. As at the date of this announcement, Wynn Resorts, Limited beneficially owns approximately 72% of the issued share capital of our Company.

Reference is made to our announcement on 10 May 2021 (the “**WRL Earnings Release Announcement**”) in respect of the release by our controlling shareholder, Wynn Resorts, Limited, of its unaudited financial results for the first quarter ended 31 March 2021. Unless otherwise defined in this announcement, terms defined in the WRL Earnings Release Announcement have the same meaning when used in this announcement.

* For identification purposes only.

Further to the WRL Earnings Release Announcement, Wynn Resorts, Limited has, on or about 10 May 2021, 1:16 p.m., Las Vegas time, released its quarterly report with unaudited financial results for the first quarter ended 31 March 2021 (“**WRL Quarterly Report**”). If you wish to review the WRL Quarterly Report prepared by Wynn Resorts, Limited and as filed with the U.S. Securities and Exchange Commission, please visit <https://www.sec.gov/ix?doc=/Archives/edgar/data/1174922/000117492221000057/wynn-20210331.htm>. The WRL Quarterly Report contains segment financial information about Wynn Resorts, Limited’s Macau operations, which are owned by our Company. The WRL Quarterly Report is also available in the public domain.

The financial results of Wynn Resorts, Limited, including those contained in the WRL Quarterly Report, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“**U.S. GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we use to prepare and present our financial information. As such, the financial information in the WRL Quarterly Report is not directly comparable to the financial results our Company discloses. Consequently, we offer no indication or assurance that the financial results of our Group for the first quarter ended 31 March 2021 will be the same as that presented in the WRL Quarterly Report. In the WRL Earnings Release Announcement, we announced our unaudited financial results for the first quarter ended 31 March 2021 prepared in accordance with IFRS.

To ensure that all shareholders and potential investors of our Company have equal and timely access to the information pertaining to our Company, set forth below are the key highlights of financial information and other information published by Wynn Resorts, Limited in the WRL Quarterly Report that relate to our Company and our operations in Macau (unless otherwise provided, all dollar amounts in the WRL Quarterly Report are denominated in United States dollars), some of which may constitute material inside information of the Company:

“QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

WYNN RESORTS, LIMITED AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Note 1 — Organization

Organization

In the Macau Special Administrative Region of the People’s Republic of China (“Macau”), the Company owns approximately 72% of Wynn Macau, Limited (“WML”), which includes the operations of the Wynn Palace and Wynn Macau resorts. The Company refers to Wynn Palace and Wynn Macau as its Macau Operations.

Recent Developments Related to COVID-19

Since the outbreak of COVID-19 in early 2020, steps have been taken by various countries, including those in which the Company operates, to advise citizens to avoid non-essential travel, to restrict inbound international travel, to implement closures of non-essential operations, and to implement quarantines and lockdowns to contain the spread of the virus. As part of the immediate response to the initial outbreak of COVID-19, each of the Company’s properties was subject to partial or full closure for varying lengths of time during 2020, and have all since reopened with certain COVID-19 specific protective measures, such as limiting the number of seats per table game, slot machine spacing, temperature checks, mask protection, and suspension of certain entertainment and nightlife offerings. Several vaccines have been granted authorization in numerous countries and are being rolled out to citizens based on availability and priority of need. There can be no assurance as to when a sufficient number of individuals will be vaccinated, permitting travel restrictions to be fully lifted.

Macau Operations

Visitation to Macau has fallen significantly since the outbreak of COVID-19, driven by the strong deterrent effect of the COVID-19 pandemic on travel and social activities, quarantine measures in Macau and elsewhere, travel and entry restrictions and conditions in Macau, the PRC, Hong Kong and Taiwan involving COVID-19 testing, among other things, and the suspension or reduced accessibility of transportation to and from Macau. Beginning in June 2020 certain restrictions and conditions have eased to allow for visitation to Macau as certain regions recover from the COVID-19 pandemic. Quarantine-free travel, subject to COVID-19 safeguards such as testing and the usual visa requirements, has been reintroduced between Macau and most areas and cities within the PRC, and in September 2020, PRC authorities fully resumed the IVS exit visa program, which permits individual PRC citizens from nearly 50 PRC cities to travel to Macau for tourism purposes.

Summary

The COVID-19 pandemic has had and will continue to have an adverse effect on the Company's results of operations. Notwithstanding the easing of certain COVID-19 protective measures by authorities throughout the world, certain travel restrictions, quarantine measures, testing requirements, and capacity limitations remain in effect, and the Company is currently unable to determine when protective measures and the suspension of certain offerings in effect at our Macau Operations, Las Vegas Operations, and Encore Boston Harbor will be lifted. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to the Company's future results of operations, cash flows, or financial condition.

As of March 31, 2021, the Company had total cash and cash equivalents, excluding restricted cash, of \$2.89 billion, and had access to \$833.9 million of available borrowing capacity from the WRF Revolving Facility and \$293.0 million of available borrowing capacity from the Wynn Macau Revolving Facility. The Company has suspended its dividend program. Given the Company's liquidity position at March 31, 2021, the Company believes it is able to support continuing operations and respond to the current COVID-19 pandemic challenges.

Note 3 — Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
<i>Restricted cash</i> ⁽³⁾	6,864	4,352

(3) Restricted cash consists of cash subject to certain contractual restrictions, cash collateral associated with obligations and cash held in a trust in accordance with WML's share award plan.

Note 7 — Long-Term Debt

Long-term debt consisted of the following (in thousands):

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Macau Related:		
<i>Wynn Macau Credit Facilities</i> ⁽¹⁾ :		
Wynn Macau Term Loan, due 2022 ⁽²⁾	\$ 828,460	\$ 1,268,106
Wynn Macau Revolver, due 2022 ⁽³⁾	457,005	407,443
WML 4 7/8% Senior Notes, due 2024	600,000	600,000
WML 5 1/2% Senior Notes, due 2026	1,000,000	1,000,000
WML 5 1/2% Senior Notes, due 2027	750,000	750,000
WML 5 5/8% Senior Notes, due 2028	1,350,000	1,350,000
WML 5 1/8% Senior Notes, due 2029	1,000,000	1,000,000

- (1) The borrowings under the Wynn Macau Credit Facilities bear interest at LIBOR or HIBOR plus a margin of 1.50% to 2.25% per annum based on Wynn Resorts Macau S.A.'s leverage ratio.
- (2) Approximately \$469.2 million and \$359.3 million of the Wynn Macau Term Loan bears interest at a rate of LIBOR plus 2.25% per year and HIBOR plus 2.25% per year, respectively. As of March 31, 2021, the weighted average interest rate was approximately 2.37%. In January 2021, the Company prepaid \$412.5 million of the Wynn Macau Term Loan.
- (3) Approximately \$260.2 million and \$196.8 million of the Wynn Macau Revolver bears interest at a rate of LIBOR plus 2.25% per year and HIBOR plus 2.25% per year, respectively. As of March 31, 2021, the weighted average interest rate was approximately 2.38%. As of March 31, 2021, the available borrowing capacity under the Wynn Macau Revolver was \$293.0 million.

Note 8 — Stockholders' Equity (Deficit)

Noncontrolling Interests

The WML board of directors concluded not to recommend the payment of a dividend with respect to either of the years ended December 31, 2020 or 2019 due to the financial impact of the COVID-19 pandemic. As such, WML paid no dividends during 2020 or the three months ended March 31, 2021.

Note 12 — Income Taxes

The Company recorded an income tax expense of \$0.5 million and \$75.8 million for the three months ended March 31, 2021 and 2020, respectively. The 2021 income tax expense primarily related to the Macau dividend tax agreement that provides for an annual payment of MOP 12.8 million (approximately \$1.6 million) as complementary tax otherwise due by stockholders of Wynn Macau SA.

In March 2021, the Company received an extension of its Macau dividend tax agreement, providing for a payment of MOP 12.8 million (approximately \$1.6 million) for 2021 and MOP 6.3 million (approximately \$0.8 million) for the period ending June 26, 2022, the expiration date of the gaming concession agreement.

In April 2020, Wynn Macau SA received an extension of the exemption from Macau's 12% Complementary Tax on casino gaming profits earned from January 1, 2021 to June 26, 2022, the expiration date of the gaming concession agreement.

For the three months ended March 31, 2021 and 2020, the Company did not have any casino gaming profits exempt from the Macau Complementary Tax. The Company's non-gaming profits remain subject to the Macau Complementary Tax and its casino winnings remain subject to the Macau special gaming tax and other levies in accordance with its concession agreement.

In March 2021, the Financial Services Bureau concluded its review of the 2017 and 2018 Macau income tax returns of Palo with no changes.

Note 17 — Segment Information

The Company reviews the results of operations for each of its operating segments, and identifies reportable segments based upon factors such as geography, regulatory environment, and the Company's organizational and management reporting structure. Wynn Macau and Encore, an expansion at Wynn Macau, are managed as a single integrated resort and have been aggregated as one reportable segment ("Wynn Macau"). Wynn Palace is presented as a separate reportable segment and is combined with Wynn Macau for geographical presentation. Other Macau primarily represents the assets for the Company's Macau holding company.

The following tables present the Company's segment information (in thousands):

	Three Months Ended March 31,	
	2021	2020
Operating revenues		
<i>Macau Operations:</i>		
<i>Wynn Palace</i>		
<i>Casino</i>	\$ 185,909	\$ 207,576
<i>Rooms</i>	17,012	19,710
<i>Food and beverage</i>	11,672	13,298
<i>Entertainment, retail and other ⁽¹⁾</i>	22,733	18,929
	237,326	259,513
 <i>Wynn Macau</i>		
<i>Casino</i>	138,927	190,128
<i>Rooms</i>	14,702	15,911
<i>Food and beverage</i>	7,433	9,531
<i>Entertainment, retail and other ⁽¹⁾</i>	18,589	13,919
	179,651	229,489
 Total Macau Operations	 416,977	 489,002
 Adjusted Property EBITDA ⁽²⁾		
<i>Macau Operations:</i>		
<i>Wynn Palace</i>	\$ 27,369	\$ 10,176
<i>Wynn Macau</i>	16,556	19,208
Total Macau Operations	43,925	29,384

(1) Includes lease revenue accounted for under lease accounting guidance.

(2) “Adjusted Property EBITDA” is net loss before interest, income taxes, depreciation and amortization, pre-opening expenses, property charges and other, management and license fees, corporate expenses and other (including intercompany golf course, meeting and convention, and water rights leases), stock-based compensation, change in derivatives fair value, loss on extinguishment of debt, and other non-operating income and expenses. Adjusted Property EBITDA is presented exclusively as a supplemental disclosure because management believes that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. Management uses Adjusted Property EBITDA as a measure of the operating performance of its segments and to compare the operating performance of its properties with those of its competitors, as well as a basis for determining certain incentive compensation. We also present Adjusted Property EBITDA because it is used by some investors to measure a company’s ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to GAAP. In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including us, have historically excluded from their EBITDA calculations preopening expenses, property charges, corporate expenses and stock-based compensation, that do not relate to the management of specific casino properties. However, Adjusted Property EBITDA should not be considered as an alternative to operating income as an indicator of our performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted Property EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. We have significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, income taxes and other non-recurring charges, which are not reflected in Adjusted Property EBITDA. Also, our calculation of Adjusted Property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Assets		
Macau Operations:		
Wynn Palace	\$ 3,310,394	\$ 3,393,790
Wynn Macau	1,054,456	1,202,709
Other Macau	<u>1,537,208</u>	<u>2,026,098</u>
Total Macau Operations	5,902,058	6,622,597

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a designer, developer, and operator of integrated resorts featuring luxury hotel rooms, high-end retail space, an array of dining and entertainment options, meeting and convention facilities, and gaming, all supported by an unparalleled focus on our guests, our people, and our community. Through our approximately 72% ownership of WML, we operate two integrated resorts in the Macau Special Administrative Region of the People’s Republic of China (“Macau”), Wynn Palace and Wynn Macau (collectively, our “Macau Operations”).

Macau Operations

Visitation to Macau has fallen significantly since the outbreak of COVID-19, driven by the strong deterrent effect of the COVID-19 pandemic on travel and social activities, quarantine measures in Macau and elsewhere, travel and entry restrictions and conditions in Macau, the PRC, Hong Kong and Taiwan involving COVID-19 testing, among other things, and the suspension or reduced accessibility of transportation to and from Macau. Beginning in June 2020 certain restrictions and conditions have eased to allow for visitation to Macau as certain regions recover from the COVID-19 pandemic. Quarantine-free travel, subject to COVID-19 safeguards such as testing and the usual visa requirements, has been reintroduced between Macau and most areas and cities within the PRC, and in September 2020, PRC authorities fully resumed the IVS exit visa program, which permits individual PRC citizens from nearly 50 PRC cities to travel to Macau for tourism purposes. Total visitation from PRC to Macau decreased by 31.7% in the quarter ended March 31, 2021, compared with the quarter ended March 31, 2020.

Given the evolving conditions created by and in response to the COVID-19 pandemic, measures that have been lifted may be reintroduced if there are adverse developments in the COVID-19 situation in Macau and other regions with access to Macau.

The COVID-19 pandemic has had and will continue to have an adverse effect on the Company's results of operations. Notwithstanding the easing of certain COVID-19 protective measures by authorities throughout the world, certain travel restrictions, quarantine measures, testing requirements, and capacity limitations remain in effect, and the Company is currently unable to determine when protective measures and the suspension of certain offerings in effect at our Macau Operations, Las Vegas Operations, and Encore Boston Harbor will be lifted. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to the Company's future results of operations, cash flows, or financial condition.

Key Operating Measures

Certain key operating measures specific to the gaming industry are included in our discussion of our operational performance for the periods for which the Condensed Consolidated Statements of Operations are presented. These key operating measures are presented as supplemental disclosures because management and/or certain investors use these measures to better understand period-over-period fluctuations in our casino and hotel operating revenues. These key operating measures are defined below:

- Table drop in mass market for our Macau Operations is the amount of cash that is deposited in a gaming table's drop box plus cash chips purchased at the casino cage.*
- Rolling chips are non-negotiable identifiable chips that are used to track turnover for purposes of calculating incentives within our Macau Operations' VIP program.*
- Turnover is the sum of all losing rolling chip wagers within our Macau Operations' VIP program.*
- Table games win is the amount of table drop or turnover that is retained and recorded as casino revenues. Table games win is before discounts, commissions and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis. Table games win does not include poker rake.*
- Slot machine win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenues. Slot machine win is after adjustment for progressive accruals and free play, but before discounts and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis.*
- Poker rake is the portion of cash wagered by patrons in our poker rooms that is retained by the casino as a service fee, after adjustment for progressive accruals, but before the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis. Poker tables are not included in our measure of average number of table games.*
- Average daily rate ("ADR") is calculated by dividing total room revenues, including complimentaries (less service charges, if any), by total rooms occupied.*
- Revenue per available room ("REVPAR") is calculated by dividing total room revenues, including complimentaries (less service charges, if any), by total rooms available.*
- Occupancy is calculated by dividing total occupied rooms, including complimentary rooms, by the total rooms available.*

Below is a discussion of the methodologies used to calculate win percentages at our resorts.

In our VIP operations in Macau, customers primarily purchase rolling chips from the casino cage and can only use them to make wagers. Winning wagers are paid in cash chips. The loss of the rolling chips in the VIP operations is recorded as turnover and provides a base for calculating VIP win percentage. It is customary in Macau to measure VIP play using this rolling chip method. We expect our win as a percentage of turnover from these operations to be within the range of 2.7% to 3.0%.

In our mass market operations in Macau, customers may purchase cash chips at either the gaming tables or at the casino cage. The measurements from our VIP and mass market operations are not comparable as the measurement method used in our mass market operations tracks the initial purchase of chips at the table and at the casino cage, while the measurement method from our VIP operations tracks the sum of all losing wagers. Accordingly, the base measurement from the VIP operations is much larger than the base measurement from the mass market operations. As a result, the expected win percentage with the same amount of gaming win is lower in the VIP operations when compared to the mass market operations.

Results of Operations

Summary of first quarter 2021 results

The decrease in operating revenues for the three months ended March 31, 2021 was primarily driven by decreases of \$22.2 million, \$49.8 million, \$145.1 million, and \$10.8 million from Wynn Palace, Wynn Macau, our Las Vegas Operations, and Encore Boston Harbor, respectively. These decreases were precipitated by the continued adverse effects of the COVID-19 pandemic, including travel restrictions and capacity limitations at our Macau Operations, our Las Vegas Operations, and Encore Boston Harbor.

The increase in Adjusted Property EBITDA for the three months ended March 31, 2021 was primarily driven by decreased operating expenses at our integrated resort properties. Adjusted Property EBITDA increased \$17.2 million, \$50.2 million, and \$43.0 million at Wynn Palace, our Las Vegas Operations, and Encore Boston Harbor, respectively, and decreased \$2.7 million at Wynn Macau and \$43.5 million at Corporate and other, respectively.

Financial results for the three months ended March 31, 2021 compared to the three months ended March 31, 2020.

Operating revenues

The following table presents our operating revenues (in thousands):

	<i>Three Months Ended March 31,</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>2021</i>	<i>2020</i>		
<i>Operating revenues</i>				
<i>Macau Operations:</i>				
<i>Wynn Palace</i>	\$ 237,326	\$ 259,513	\$ (22,187)	(8.5)
<i>Wynn Macau</i>	179,651	229,489	(49,838)	(21.7)
<i>Total Macau Operations</i>	416,977	489,002	(72,025)	(14.7)

Casino revenues

Casino revenues decreased primarily due to decreased VIP turnover and VIP table games win at our Macau Operations, partially offset by increased slot machine win at our Las Vegas Operations and Encore Boston Harbor. The table below sets forth our casino revenues and associated key operating measures (dollars in thousands, except for win per unit per day):

	Three Months Ended		Increase/ (Decrease)	Percent Change
	March 31,			
	2021	2020		
Macau Operations⁽¹⁾:				
<i>Wynn Palace:</i>				
Total casino revenues	\$ 185,909	\$ 207,576	\$ (21,667)	(10.4)
<i>VIP:</i>				
Average number of table games	103	89	14	15.7
VIP turnover	\$ 2,200,182	\$ 4,792,454	\$ (2,592,272)	(54.1)
VIP table games win	\$ 96,456	\$ 139,569	\$ (43,113)	(30.9)
VIP win as a % of turnover	4.38%	2.91%	1.47	
Table games win per unit per day	\$ 10,375	\$ 20,257	\$ (9,882)	(48.8)
<i>Mass market:</i>				
Average number of table games	222	179	43	24.0
Table drop	\$ 607,518	\$ 475,223	\$ 132,295	27.8
Table games win	\$ 131,649	\$ 130,714	\$ 935	0.7
Table games win %	21.7%	27.5%	(5.8)	
Table games win per unit per day	\$ 6,596	\$ 9,507	\$ (2,911)	(30.6)
Average number of slot machines	687	733	(46)	(6.3)
Slot machine handle	\$ 358,772	\$ 424,714	\$ (65,942)	(15.5)
Slot machine win	\$ 14,243	\$ 18,405	\$ (4,162)	(22.6)
Slot machine win per unit per day	\$ 230	\$ 326	\$ (96)	(29.4)

**Three Months Ended
March 31,**

	2021	2020	Increase/ (Decrease)	Percent Change
Wynn Macau:				
Total casino revenues	\$ 138,927	\$ 190,128	\$ (51,201)	(26.9)
VIP:				
Average number of table games	90	81	9	11.1
VIP turnover	\$ 1,804,382	\$ 2,964,146	\$ (1,159,764)	(39.1)
VIP table games win	\$ 58,635	\$ 122,625	\$ (63,990)	(52.2)
VIP win as a % of turnover	3.25%	4.14%	(0.89)	
Table games win per unit per day	\$ 7,239	\$ 19,702	\$ (12,463)	(63.3)
Mass market:				
Average number of table games	240	183	57	31.1
Table drop	\$ 590,890	\$ 578,235	\$ 12,655	2.2
Table games win	\$ 105,183	\$ 117,941	\$ (12,758)	(10.8)
Table games win %	17.8%	20.4%	(2.6)	
Table games win per unit per day	\$ 4,871	\$ 8,372	\$ (3,501)	(41.8)
Average number of slot machines	569	634	(65)	(10.3)
Slot machine handle	\$ 301,271	\$ 366,537	\$ (65,266)	(17.8)
Slot machine win	\$ 10,208	\$ 13,295	\$ (3,087)	(23.2)
Slot machine win per unit per day	\$ 199	\$ 272	\$ (73)	(26.8)
Poker rake	\$ —	\$ 2,083	\$ (2,083)	(100.0)

In response to the initial outbreak of COVID-19 in early 2020, each of our properties was subject to partial or full closure for varying lengths of time during 2020, and each has since reopened with certain COVID-19 specific protective measures in place.

(1) Our casino operations in Macau were closed for a 15-day period in February 2020 and resumed operations on a reduced basis on February 20, 2020.

Non-casino revenues

The table below sets forth our room revenues and associated key operating measures:

	Three Months Ended		Increase/ (Decrease)	Percent Change
	March 31,			
	2021	2020		
Macau Operations:				
Wynn Palace:				
Total room revenues				
(dollars in thousands)	\$ 17,012	\$ 19,710	\$ (2,698)	(13.7)
Occupancy	60.4%	41.6%	18.8	
ADR	\$ 178	\$ 294	\$ (116)	(39.5)
REVPAR	\$ 108	\$ 122	\$ (14)	(11.5)
Wynn Macau:				
Total room revenues				
(dollars in thousands)	\$ 14,702	\$ 15,911	\$ (1,209)	(7.6)
Occupancy	60.8%	49.2%	11.6	
ADR	\$ 242	\$ 321	\$ (79)	(24.6)
REVPAR	\$ 147	\$ 158	\$ (11)	(7.0)

Operating expenses

Casino expenses decreased \$20.0 million, \$29.9 million, \$24.7 million, and \$16.1 million at Wynn Palace, Wynn Macau, our Las Vegas Operations, and Encore Boston Harbor, respectively. These decreases were primarily due to reductions in gaming tax expense commensurate with the declines in casino revenues at Wynn Palace and Wynn Macau resulting from the effects of the COVID-19 pandemic as well as lower payroll and operating costs.

Food and beverage expenses decreased \$75.0 million, \$4.5 million, \$3.6 million, and \$18.8 million at our Las Vegas Operations, Wynn Palace, Wynn Macau, and Encore Boston Harbor, respectively. The decreases were primarily a result of lower operating costs related to the declines in food and beverage revenues at each property as well as lower nightlife entertainment costs at our Las Vegas Operations resulting from the effects of the COVID-19 pandemic.

General and administrative expenses decreased \$9.0 million, \$6.0 million, \$27.4 million, \$9.1 million, and \$3.1 million at Wynn Palace, Wynn Macau, our Las Vegas Operations, Encore Boston Harbor, and Corporate and other, respectively. These decreases were primarily attributable to decreased payroll, operating costs, and general and administrative expenses as a result of the COVID-19 pandemic.

Our property charges and other expenses for the quarter ended March 31, 2021 consisted primarily of asset abandonments of \$2.1 million and \$2.2 million at our Las Vegas Operations and Wynn Palace, respectively. Our property charges and other expenses for the quarter ended March 31, 2020 consisted primarily of asset abandonments and retirements of \$22.2 million and \$1.4 million at Wynn Palace and Wynn Macau, respectively.

Other non-operating income and expenses

We incurred a foreign currency remeasurement loss of \$11.1 million and a gain of \$10.3 million for the three months ended March 31, 2021 and 2020, respectively. The impact of the exchange rate fluctuation of the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities drove the variability between periods.

We recorded a \$1.3 million loss on extinguishment of debt for the three months ended March 31, 2021 related to the partial prepayment of the Wynn Macau Term Loan.

Net loss attributable to noncontrolling interests

Net loss attributable to noncontrolling interests was \$55.2 million and \$48.2 million for the three months ended March 31, 2021 and 2020, respectively. These amounts are primarily related to the noncontrolling interests' share of net loss from WML.

Adjusted Property EBITDA

We use Adjusted Property EBITDA to manage the operating results of our segments.

The following table summarizes Adjusted Property EBITDA (in thousands) for Wynn Palace, Wynn Macau, Las Vegas Operations, and Encore Boston Harbor as reviewed by management and summarized in Item 1 — “Notes to Condensed Consolidated Financial Statements,” Note 17, “Segment Information.”

	Three Months Ended			
	March 31,			
	2021	2020	Increase/ (Decrease)	Percent Change
<i>Wynn Palace</i>	\$ 27,369	\$ 10,176	\$ 17,193	169.0
<i>Wynn Macau</i>	16,556	19,208	(2,652)	(13.8)

Adjusted Property EBITDA at Wynn Palace increased \$17.2 million for the three months ended March 31, 2021 primarily due to a decrease in operating expenses.

Adjusted Property EBITDA at Wynn Macau decreased \$2.7 million for the three months ended March 31, 2021 primarily due to decreased VIP turnover and VIP table games win, which offset a decrease in operating expenses.

Liquidity and Capital Resources

Operating Activities

During the three months ended March 31, 2021, the increase in net cash used in operating activities was primarily due to changes in working capital accounts. During the three months ended March 31, 2020, the decrease in net cash provided by operations was primarily due to the adverse effects of the COVID-19 pandemic on the results of our operations for the three months ended March 31, 2020.

Investing Activities

During the three months ended March 31, 2021, we incurred capital expenditures of \$19.8 million at our Las Vegas Operations, \$6.3 million at Encore Boston Harbor, \$7.4 million at Wynn Palace, and \$4.8 million at Wynn Macau, primarily related to maintenance capital expenditures.

During the three months ended March 31, 2020, we incurred capital expenditures of \$43.6 million at Encore Boston Harbor primarily for the payment of construction retention and other payables related to its construction, \$37.0 million at our Las Vegas Operations for restaurant remodels and maintenance capital expenditures, \$12.2 million for the construction of the additional meeting and convention space at Wynn Las Vegas, and \$17.5 million and \$26.6 million at Wynn Palace and Wynn Macau, respectively, primarily related to maintenance capital expenditures.

Financing Activities

During the three months ended March 31, 2021, we received proceeds of \$841.9 million from our February 2021 equity offering and used \$716.0 million of the proceeds from the equity offering to repay the outstanding borrowings under the WRF Revolver. In addition, we borrowed \$50.1 million under the Wynn Macau Revolver, paid \$438.6 million of outstanding principal owed under the Wynn Macau Term Loan, and made a \$12.5 million quarterly amortization payment under the WRF Term Loan.

During the three months ended March 31, 2020, we borrowed \$325.8 million, net of amounts repaid, under the Wynn Macau Revolver, borrowed \$791.0 million under the WRF Revolver, prepaid \$150.2 million of outstanding principal owed under the Wynn Macau Term Loan, and made a \$12.5 million quarterly amortization payment under the WRF Term Loan. In addition, we used cash of \$107.4 million for the payment of dividends.

Capital Resources

The COVID-19 pandemic has impacted and will continue to impact, materially, our business, financial condition and results of operations. While we believe our strong liquidity position will enable us to fund our current obligations for the foreseeable future, COVID-19 has resulted in significant disruption, which has had and will continue to have a negative impact on our operating income and could have a negative impact on our ability to access capital in the future. We continue to monitor the rapidly evolving situation and guidance from international and domestic authorities.

The following table summarizes our unrestricted cash and cash equivalents and available revolver borrowing capacity under the Company as of March 31, 2021 (in thousands):

	Total Cash and Cash Equivalents	Revolver Borrowing Capacity
Wynn Resorts (Macau) S.A. and subsidiaries	\$ 273,124	\$ 293,031
Wynn Macau, Limited and subsidiaries ⁽¹⁾	1,529,751	—

(1) Excluding Wynn Resorts (Macau) S.A. and subsidiaries.

Wynn Resorts (Macau) S.A. and subsidiaries. Wynn Resorts (Macau) S.A. (“Wynn Macau SA”) generates cash from our Macau Operations and utilizes its revolver to fund short term working capital requirements as needed. We expect to use this cash to service our existing Wynn Macau Credit Facilities, make distributions to WML, and fund working capital and capital expenditure requirements at our Macau Operations.

The Wynn Macau Credit Facilities contain customary negative and financial covenants, including, but not limited to, leverage ratio and interest coverage ratio tests (as defined in the Wynn Macau Credit Facilities) that could restrict its ability to make distributions to WML and incur additional indebtedness. Wynn Macau SA is required to maintain a leverage ratio of not greater than 4.00 to 1 and an interest coverage ratio of not less than 2.00 to 1. Wynn Macau SA complied with these ratios for the three months ended March 31, 2021.

In January 2021, Wynn Macau SA prepaid approximately \$412.5 million of the term loan outstanding under the Wynn Macau Credit Facilities using proceeds from WML senior notes issuances.

The Company is currently designing the second phase of Wynn Palace. We do not expect to incur significant capital expenditures related to the construction of this project in 2021.

Wynn Macau, Limited and subsidiaries. Wynn Macau, Limited (“WML”) primarily generates cash through distributions from Wynn Macau SA. We expect to use WML’s cash to service our existing WML Notes, pay dividends to shareholders of WML (of which we own approximately 72%), and fund working capital requirements at WML.

WML paid no dividends during 2020 or the first quarter of 2021. The WML board of directors will be continuously monitoring the situation and market conditions in Macau and Greater China and may consider a special dividend in the future when such conditions have stabilized.

If our portion of our cash and cash equivalents were repatriated to the U.S. on March 31, 2021, it would be subject to minimal U.S. taxes in the year of repatriation.

Other Factors Affecting Liquidity

We may refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of the indebtedness on acceptable terms or at all.

Legal proceedings in which we are involved also may impact our liquidity. No assurance can be provided as to the outcome of such proceedings.

New business developments or other unforeseen events may occur, resulting in the need to raise additional funds. We continue to explore opportunities to develop additional gaming or related businesses in domestic and international markets. There can be no assurances regarding the business prospects with respect to any other opportunity. Any new development may require us to obtain additional financing. We may decide to conduct any such development through Wynn Resorts, Limited or through subsidiaries separate from the Las Vegas, Boston or Macau-related entities.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risks

We expect most of the revenues and expenses for any casino that we operate in Macau will be denominated in Hong Kong dollars or Macau patacas; however, a significant portion of our Wynn Macau, Limited debt is denominated in U.S. dollars. Fluctuations in the exchange rates resulting in weakening of the Macau pataca or the Hong Kong dollar in relation to the U.S. dollar could have materially adverse effects on our results, financial condition and ability to service debt. Based on our balances as of March 31, 2021, an assumed 1% change in the U.S. dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of \$38.9 million.”

This announcement contains forward-looking statements. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by us. The risks and uncertainties include, but are not limited to, competition in the casino/hotel and resorts industries, our Company’s dependence on existing management, levels of travel, disruptions or reductions in travel, as well as in our operations, due to natural or manmade disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases, leisure and casino spending, general economic conditions, and changes in gaming laws or regulations. Additional information concerning potential factors that could affect our Company’s financial results are included in our published interim and annual reports. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

Our shareholders and potential investors are advised not to place undue reliance on the WRL Quarterly Report and to exercise caution in dealing in securities in our Company.

By order of the Board
Wynn Macau, Limited
Dr. Allan Zeman
Chairman

Hong Kong, 11 May 2021

As at the date of this announcement, the Board comprises Matthew O. Maddox and Ian Michael Coughlan (as Executive Directors); Linda Chen (as Executive Director and Vice Chairman); Craig S. Billings (as Non-Executive Director); Allan Zeman (as Independent Non-Executive Director and Chairman); and Lam Kin Fung Jeffrey, Bruce Rockowitz, Nicholas Sallnow-Smith and Leah Dawn Xiaowei Ye (as Independent Non-Executive Directors).