



TOTAL PLAY ANNOUNCES 15% GROWTH IN EBITDA, TO Ps.18,361 MILLION IN 2023

**—11% increase in revenue and 9% growth in costs and expenses in 2023,
boost EBITDA margin to 45%, highest annual level since the company issues public debt—**

**—Subscriber base growth moderation strategy and strict financial discipline
significantly strengthen Total Play's profitability, cash flow and liquidity—**

**—Firm increase in the company's cash and restricted cash balance;
it grows 48%, to Ps.5,754 million at the end of the year—**

Mexico City, February 20, 2024— Total Play Telecomunicaciones, S.A.P.I. de C.V. ("Total Play"), a leading telecommunications company in Mexico that offers internet access, pay television and telephony services, through one of the largest 100% fiber optic networks in the country, today announced financial results for the fourth quarter 2023 and 2023.

"The strategy to moderate the growth of our subscriber base and initiatives that further drive operational efficiency, launched in 2023, together with the company's strict financial discipline, notably strengthened the profitability and cash generation of Total Play during the year. Rigorous budget planning, process optimization and structures rationalization translated into lower annual growth in costs and expenses compared to revenue and in a firm 15% increase in EBITDA in 2023," commented Eduardo Kuri, CEO of Total Play. "Capex figures, consistent with our solid strategy, allowed a significant positive balance of EBITDA less Capex – a fundamental indicator of cash flow generation – of Ps.2,735 million in 2023, notably higher than the negative figure of Ps.6,493 million a year ago."

"Likewise, the company's balance sheet was additionally strengthened, with a 48% growth in the cash and restricted cash balance, to Ps.5,754 million at the end of 2023, while the appropriate planning of the maturity profile allowed us to reduce debt with cost of short-term loans by 34%," added Mr. Kuri. "Our firm strategy has translated into increasing financial strength this year and we are determined to further drive the liquidity and robustness of Total Play's capital structure going forward."

Fourth quarter results

Revenue for the quarter totaled Ps.10,674 million, 10% above Ps.9,736 million in the same period of the previous year. Total costs and expenses were Ps.5,938 million, compared to Ps.5,356 million the previous year.

As a result, Total Play's EBITDA grew 8%, to Ps.4,736 million, from Ps.4,380 million a year ago; the EBITDA margin for the quarter was 44%. The company recorded operating income of Ps.605 million, compared to Ps.747 million a year ago.

Total Play reported a net loss of Ps.1,024 million, from a loss of Ps.438 million in the same quarter of 2022.

	Q4 2022	Q4 2023	Change	
			Ps.	%
Revenue from services	\$9,736	\$10,674	\$938	10%
EBITDA	\$4,380	\$4,736	\$356	8%
Operating income	\$747	\$605	\$(142)	(19)%
Net result	\$(438)	\$(1,024)	\$(586)	(134)%

Amounts in millions of pesos.

EBITDA: Earnings before interest, depreciation, and amortization.

Service revenue

The company's revenue grew 10%, as a result of a 7% increase in sales in the residential segment, and a 29% increase in revenue from the corporate business.

Totalplay Residencial's revenue growth, to Ps.8,945 million, compared to Ps.8,398 million the previous year, is related to a 10% increase in the number of subscribers of the company's services in the year, to reach 4,779,480 — a figure that includes 69,554 small and medium-sized businesses — at the end of 2023. Compared to the previous quarter, the number of net additions grew by 85,774 users, in line with Total Play's subscriber base growth moderation strategy.

The quarter's average revenue per subscriber (ARPU) was Ps.616, from Ps.617 a year ago.

As previously announced, in the first quarter of the year the company's investment program in geographic expansion concluded, given that the territory in which its target market is located throughout the country was reached. According to this, the number of homes passed in Mexico at the end of this period was 17,556,755, a figure with minor variations during 2023. Compared to the same quarter of 2022 — in which the number of homes passed was 17,332,265 — the growth was 1%.

Penetration — proportion of homes passed by Total Play that have the company's telecommunications services — was 27.2% at the end of the quarter, up from 25.2% a year ago.

Revenue from the business segment was Ps.1,729 million, from Ps.1,338 million the previous year, due to the implementation of various projects by business organizations this quarter.

Costs and expenses

Total costs and expenses grew 11%, as a result of a 19% increase in service costs and a 7% growth in general expenses.

The increase in expenses, to Ps.3,874 million, from Ps.3,627 million, reflects higher maintenance and fee expenses — in the context of growing operations in the company — partially offset by reduction in personnel and advertising expenses, derived from strategies that generate strong operational efficiencies.

The increase in costs, to Ps.2,064 million, from Ps.1,729 million the previous year results mainly from increased costs of content and business projects, partially offset by lower costs of licenses and interconnection links.

EBITDA and net result

Total Play's EBITDA was Ps.4,736 million, 8% higher compared to Ps.4,380 million the previous year.

Relevant variations below EBITDA were the following:

Increase of Ps.498 million in depreciation and amortization, mainly as a result of subscriber acquisition costs — telecommunication equipment, labor and installation expenses.

Growth of Ps.172 million in interest expense, consistent with the increase in the balance of financial debt.

Decrease of Ps.636 million in foreign exchange gains, as a consequence of net liability monetary position in foreign currency, together with lower appreciation of the peso against the basket of currencies in which the company's monetary liabilities are denominated this quarter, compared to the previous year.

Total Play reported a net loss of Ps.1,024 million, from a loss of Ps.438 million in the same period of 2022.

Balance sheet

As of December 31, 2023, the company's debt with cost was Ps.52,199 million, compared to Ps.49,533 million the previous year. The growth of the debt balance is related to credits with financial institutions during the period.

Consistent with the strategy to expand the company's maturity profile, the balance of debt with cost for short-term loans was reduced 34%, to Ps.4,573 million, from Ps.6,973 million a year ago.

The lease liability was Ps.5,665 million, 20% lower compared to Ps.7,073 million the previous year.

The balance of cash and cash equivalents, as well as restricted cash in trusts totaled Ps.5,754 million, 48% higher compared to Ps.3,878 million a year ago. As a result, the company's net debt was Ps.52,110 million, 1% lower than Ps.52,728 million the previous year.

Total Play's fixed assets — which include the accumulated investment in fiber optics, telecommunications equipment, and the cost of acquiring subscribers, among other assets — were Ps.61,946 million, 7% above Ps.58,165 million a year ago.

Twelve-month results

Revenue for 2023 was Ps.40,503 million, 11% above Ps.36,352 million from the previous year, within the framework of growth of 13% in residential income, to Ps.34,586 million, and 2% in business income, to Ps.5,917 million.

Total costs and expenses grew 9%, to Ps.22,142 million, from Ps.20,384 million, as a result of a 12% increase in general expenses and a 3% increase in service costs. Total costs and expenses grow at a lower rate than income as a result of strict compliance with budgets and strategies that generate operational efficiencies throughout the company.

Total Play reported EBITDA of Ps.18,361 million, 15% above the Ps.15,968 million of the previous year; The EBITDA margin was 45%, one percentage point above the previous year. Operating income was Ps.2,316 million, from a profit of Ps.3,097 million in 2022.

The company recorded a net loss of Ps.3,147 million, compared to a loss of Ps.2,251 million a year ago.

	2022	2023	Change	
			Ps.	%
Revenue from services	\$36,352	\$40,503	\$4,151	11%
EBITDA	\$15,968	\$18,361	\$2,393	15%
Operating income	\$3,097	\$2,316	\$(781)	(25%)
Net result	\$(2,251)	\$(3,147)	\$(896)	(40%)

Amounts in millions of pesos.

EBITDA: Earnings before interest, depreciation, and amortization.

About Total Play

Total Play is a leading Triple Play provider in Mexico that, thanks to the widest direct-to-home fiber optic network in the country, offers entertainment and technologically advanced services with the highest quality and speed in the market. For the latest news and updates about Total Play, visit: www.totalplay.com.mx.

Total Play is a Grupo Salinas company (www.gruposalinas.com), a group of dynamic, fast-growing, and technologically advanced companies focused on creating economic value through market innovation and goods and services that improve standards of living; social value to improve community well-being; and environmental value by reducing the negative impact of its business activities. Created by Mexican entrepreneur Ricardo B. Salinas (www.ricardosalinas.com), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. Each of the Grupo Salinas companies operates independently, with its own management, board of directors, and shareholders. Grupo Salinas has no equity holdings. The group of companies shares a common vision, values, and strategies for achieving rapid growth, superior results, and world-class performance.

Except for historical information, the matters discussed in this press release are concepts about the future that involve risks and uncertainty that may cause actual results to differ materially from those projected. Other risks that may affect Total Play and its subsidiaries are presented in documents sent to the securities authorities.

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TOTAL PLAY TELECOMUNICACIONES, S.A.P.I. DE C.V. AND SUBSIDIARIES
CONSOLIDATED QUARTERLY INCOME STATEMENTS
(Millions of Mexican pesos)

	4Q22		4Q23		Change	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Revenue from services	9,736	100%	10,674	100%	938	10%
Cost of services	(1,729)	(18%)	(2,064)	(19%)	(335)	(19%)
Gross profit	8,007	82%	8,610	81%	603	8%
General expenses	(3,627)	(37%)	(3,874)	(36%)	(247)	(7%)
EBITDA	4,380	45%	4,736	44%	356	8%
Depreciation and amortization	(3,633)	(37%)	(4,131)	(39%)	(498)	(14%)
Operating profit	747	8%	605	6%	(142)	(19%)
Financial cost:						
Interest revenue	38	0%	53	0%	15	39%
Change in fair value of financial instruments	(216)	(2%)	(113)	(1%)	103	48%
Accrued interest expense	(1,289)	(13%)	(1,461)	(14%)	(172)	(13%)
Other financial expenses	(99)	(1%)	(54)	(1%)	45	45%
Foreign exchange gain - Net	1,248	13%	612	6%	(636)	(51%)
	(318)	(3%)	(963)	(9%)	(645)	n.m.
Equity interest in net results of non-controlling entities	(1)	(0%)	-	0%	1	100%
Profit (Loss) before income tax provisions	428	4%	(358)	(3%)	(786)	(184%)
Income tax provision	(885)	(9%)	(666)	(6%)	219	25%
Net loss before non-controlling interest	(457)	(5%)	(1,024)	(10%)	(567)	(124%)
Non-controlling interest	19	0%	-	0%	(19)	(100%)
Net Loss for the period	(438)	(4%)	(1,024)	(10%)	(586)	(134%)

TOTAL PLAY TELECOMUNICACIONES, S.A.P.I. DE C.V. AND SUBSIDIARIES
CONSOLIDATED ACCUMULATED INCOME STATEMENTS
(Millions of Mexican pesos)

	Accumulated		Accumulated		Change	
	12M22		12M23			
	\$	%	\$	%	\$	%
Revenue from services	36,352	100%	40,503	100%	4,151	11%
Cost of services	(7,588)	(21%)	(7,801)	(19%)	(213)	(3%)
Gross profit	28,764	79%	32,702	81%	3,938	14%
General expenses	(12,796)	(35%)	(14,341)	(35%)	(1,545)	(12%)
EBITDA	15,968	44%	18,361	45%	2,393	15%
Depreciation and amortization	(12,871)	(35%)	(16,045)	(40%)	(3,174)	(25%)
Operating profit	3,097	9%	2,316	6%	(781)	(25%)
Financial cost:						
Interest revenue	98	0%	191	0%	93	95%
Change in fair value of financial instruments	(358)	(1%)	(576)	(1%)	(218)	(61%)
Accrued interest expense	(4,228)	(12%)	(5,528)	(14%)	(1,300)	(31%)
Other financial expenses	(254)	(1%)	(393)	(1%)	(139)	(55%)
Foreign exchange gain - Net	1,337	4%	3,384	8%	2,047	153%
	(3,405)	(9%)	(2,922)	(7%)	483	14%
Equity interest in net results of non-controlling entities	(1)	(0%)	(19)	(0%)	18	n.m.
Profit (Loss) before income tax provisions	(309)	(1%)	(625)	(2%)	(316)	(102%)
Income tax provision	(1,969)	(5%)	(2,522)	(6%)	553	28%
Net loss before non-controlling interest	(2,278)	(6%)	(3,147)	(8%)	(869)	(38%)
Non-controlling interest	27	0%	-	0%	27	100%
Net Loss for the period	(2,251)	(6%)	(3,147)	(8%)	(896)	(40%)

TOTAL PLAY TELECOMUNICACIONES, S.A.P.I. DE C.V. Y SUBSIDIARIAS
BALANCES GENERALES CONSOLIDADOS
(Cifras expresadas en millones de pesos)

	Al 31 de Diciembre de					
	2022		2023		Cambio	
	\$	%	\$	%	\$	%
<u>Activo</u>						
ACTIVO CIRCULANTE						
Efectivo y equivalentes de efectivo	1,890	2%	2,377	3%	487	26%
Efectivo Restringido en Fideicomisos	1,988	2%	3,377	4%	1,389	70%
Clientes - Neto	5,506	7%	4,426	5%	(1,080)	(20%)
Otras cuentas por cobrar	236	0%	183	0%	(53)	(22%)
Impuestos por recuperar	3,810	5%	4,141	5%	331	9%
Partes relacionadas	310	0%	367	0%	57	18%
Inventarios	2,342	3%	2,926	3%	584	25%
Pagos anticipados	908	1%	514	1%	(394)	(43%)
Total activo circulante	16,990	20%	18,311	21%	1,321	8%
ACTIVO NO CIRCULANTE						
Partes relacionadas	154	0%	237	0%	83	54%
Propiedad, planta y equipo - Neto	58,165	70%	61,946	71%	3,781	7%
Derechos de uso por arrendamiento	6,703	8%	4,780	5%	(1,923)	(29%)
Marcas y otros activos	1,368	2%	2,171	2%	803	59%
Total de activo no circulante	66,390	80%	69,134	79%	2,744	4%
Total de activo	83,380	100%	87,445	100%	4,065	5%
<u>Pasivo y Capital Contable</u>						
PASIVO A CORTO PLAZO						
Deuda financiera	6,973	8%	4,573	5%	(2,400)	(34%)
Pasivo por arrendamiento	2,108	3%	2,338	3%	230	11%
Proveedores	10,751	13%	13,373	15%	2,622	24%
Factoraje a proveedores	2,691	3%	2,234	3%	(457)	(17%)
Otras cuentas e impuestos por pagar	2,446	3%	1,473	2%	(973)	(40%)
Partes relacionadas	365	0%	1,012	1%	647	177%
Pasivos por contratos con clientes	986	1%	994	1%	8	1%
Intereses por pagar	385	0%	316	0%	(69)	(18%)
Instrumentos financieros derivados	126	0%	175	0%	49	39%
Total de pasivo a corto plazo	26,831	32%	26,488	30%	(343)	(1%)
PASIVO A LARGO PLAZO						
Deuda financiera	42,560	51%	47,626	54%	5,066	12%
Pasivo por arrendamiento	4,965	6%	3,327	4%	(1,638)	(33%)
Instrumentos financieros derivados	764	1%	1,442	2%	678	89%
Beneficios a los empleados	49	0%	74	0%	25	51%
Impuesto sobre la renta diferido	2,355	3%	5,253	6%	2,898	123%
Total de pasivo a largo plazo	50,693	61%	57,722	66%	7,029	14%
Total de pasivo	77,524	93%	84,210	96%	6,686	9%
CAPITAL CONTABLE						
	5,856	7%	3,235	4%	(2,621)	(45%)
Total pasivo y capital contable	83,380	100%	87,445	100%	4,065	5%

TOTAL PLAY TELECOMUNICACIONES, S.A.P.I. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of Mexican pesos)

	12th months period ended December 31,	
	<u>2022</u>	<u>2023</u>
<u>Operating activities:</u>		
Loss before income tax provision	(309)	(625)
Items not requiring the use of resources:		
Depreciation and amortization	12,871	16,045
Employee benefits	27	16
Items related to investing or financing activities:		
Accrued interest income	(98)	(191)
Accrued interest expense and other financial transactions	4,840	6,497
Unrealized foreign exchange gain	(1,299)	(3,420)
Derivative financial instruments valuation	45	-
Non-Controlling Participation	27	19
	<u>16,104</u>	<u>18,341</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(1,134)	1,087
Other receivables	(91)	53
Related parties, net	(91)	388
Taxes to be recovered	244	(330)
Inventories	(462)	(584)
Advance payments	(442)	394
Trade payables	3,253	2,401
Other payables	440	(952)
	<u>17,821</u>	<u>20,798</u>
Cash flows generated by operating activities		
	<u>17,821</u>	<u>20,798</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(22,461)	(15,626)
Other assets	82	(53)
Collected interest	98	191
	<u>98</u>	<u>191</u>
Cash flows (used in) investing activities		
	<u>(22,281)</u>	<u>(15,488)</u>
<u>Financing activities:</u>		
Capital contributions	122	-
Loans received	8,726	6,034
Leasing cash flows	(3,075)	(2,650)
Restricted Cash in Trusts	(1,101)	(1,389)
Reverse factoring	1,422	(457)
Derivative financial instruments	-	(1,012)
Interest payment	(3,910)	(5,349)
	<u>(3,910)</u>	<u>(5,349)</u>
Cash flows generated by (used in) financing activities		
	<u>2,184</u>	<u>(4,823)</u>
Net (decrease) increase in cash and cash equivalents	(2,276)	487
Cash and cash equivalents at the beginning of the year	4,166	1,890
	<u>4,166</u>	<u>1,890</u>
Cash and cash equivalents at the end of the year	<u>1,890</u>	<u>2,377</u>