



TOTAL PLAY ANNOUNCES REVENUE OF Ps.9,303 MILLION AND EBITDA OF Ps.4,055 MILLION IN THE THIRD QUARTER OF 2022

Mexico City, October 27, 2022— Total Play Telecomunicaciones, S.A.P.I. de C.V. ("Total Play"), a leading telecommunications company in Mexico, which offers internet access, pay television and telephone services, through one of the largest 100% fiber optic networks in the country, today announced financial results for the third quarter of 2022.

Third quarter results

Revenue for the quarter totaled Ps.9,303 million, compared to Ps.7,270 million from the previous year. Total costs and expenses were Ps.5,248 million, from Ps.4,214 million a year ago.

As a result, Total Play's EBITDA totaled Ps.4,055 million, from Ps.3,056 million the previous year. The company registered operating income of Ps.640 million, compared to Ps.753 million a year ago. Total Play reported net loss of Ps.1,843 million, from loss of Ps.836 million in the same period of 2021.

Revenue from services

The growth in Total Play's revenue in the quarter is mainly the result of increased sales in the residential segment, due to higher demand from households for the company's telecommunications services. The continuous increase in Total Play's income is reaffirmed this period despite intense competition in the industry — which affects market prices — and the normalization of face-to-face activities throughout the country. This shows the growing preference of users for the superior attributes of our internet, pay television and telephony services, which optimally satisfy the connectivity and entertainment needs of millions of homes.

Costs and expenses

Total costs and expenses grew 25%, as a result of a 21% increase in service costs and a 27% increase in general expenses. The growth in costs, to Ps.1,983 million, from Ps.1,635 million in the previous year, results mainly from the purchase of content, memberships, link rentals and other interconnection services and licenses for network operation.

The increase in expenses, to Ps.3,265 million, from Ps.2,579 million, reflects higher personnel, advertising and promotion, maintenance, as well as call center expenses, in the context of growing operations in the company.

EBITDA and net result

Total Play's EBITDA was Ps.4,055 million compared to Ps.3,056 million in the previous year.

Relevant variations below EBITDA were the following:

Growth of Ps.1,111 million in depreciation and amortization, as a result of user acquisition costs — telecommunications equipment, labor and installation expenses — as well as investments in fiber optic network coverage.

Increase of Ps.155 million in interest payments, derived mainly from an increase in the balance of financial debt.

Growth of Ps.122 million in other financial expenses as a result of those related to debt issuances and derivative financial instruments.

Increase of Ps.89 million in foreign exchange loss in the period, as a result of a higher net liability monetary position in dollars this period, compared to the previous year, together with depreciation of the peso against the dollar in both quarters.

Total Play reported a net loss of Ps.1,843 million, from a loss of Ps.836 million in the same period of 2021.

Balance sheet

As of September 30, 2022, the company's debt with cost was Ps.46,915 million, compared to Ps.40,671 million in the previous year. The growth of the debt balance is related to the issuance of *Certificados Bursátiles* and loans from financial institutions during the period.

The lease liability was Ps.6,485 million, compared to Ps.4,738 million in the previous year.

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 wellbeing; 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)

	3Q21		3Q22		Change	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Revenue from services	7,270	100%	9,303	100%	2,033	28%
Cost of services	(1,635)	(22%)	(1,983)	(21%)	(348)	(21%)
Gross profit	5,635	78%	7,320	79%	1,685	30%
General expenses	(2,579)	(35%)	(3,265)	(35%)	(686)	(27%)
EBITDA	3,056	42%	4,055	44%	999	33%
Depreciation and amortization	(2,304)	(32%)	(3,415)	(37%)	(1,111)	(48%)
Operating profit (loss)	753	10%	640	7%	(113)	(15%)
Financial cost:						
Interest revenue	10	0%	22	0%	12	120%
Accrued interest expense	(902)	(12%)	(1,057)	(11%)	(155)	(17%)
Other financial (expenses) income - Net	(71)	(1%)	(193)	(2%)	(122)	(172%)
Foreign exchange (loss) gain - Net	(623)	(9%)	(712)	(8%)	(89)	(14%)
Profit (loss) before income tax provision	(833)	(11%)	(1,300)	(14%)	(467)	(56%)
Income tax provision	(3)	(0%)	(551)	(6%)	(548)	n.m.
Minority interest	-	0%	8	0%	8	n.a.
Net income (loss) for the period	(836)	(11%)	(1,843)	(20%)	(1,007)	(120%)

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

	Accumulated		Accumulated		Change	
	9M21		9M22			
	\$	%	\$	%	\$	%
Revenue from services	20,466	100%	26,616	100%	6,150	30%
Cost of services	(4,909)	(24%)	(5,859)	(22%)	(950)	(19%)
Gross profit	15,557	76%	20,757	78%	5,200	33%
General expenses	(6,868)	(34%)	(9,169)	(34%)	(2,301)	(34%)
EBITDA	8,689	42%	11,588	44%	2,899	33%
Depreciation and amortization	(6,395)	(31%)	(9,239)	(35%)	(2,844)	(44%)
Other income (expenses) - Net	-	0%	-	0%	-	0%
Operating profit	2,294	11%	2,349	9%	55	2%
Financial cost:						
Interest revenue	32	0%	60	0%	28	88%
Accrued interest expense	(2,075)	(10%)	(2,939)	(11%)	(864)	(42%)
Other financial expenses	(195)	(1%)	(296)	(1%)	(101)	(52%)
Foreign exchange gain (loss) - Net	(528)	(3%)	90	0%	618	117%
Profit (loss) before income tax provision	(472)	(2%)	(736)	(3%)	(264)	(56%)
Income tax provision	(20)	(0%)	(1,086)	(4%)	(1,066)	n.m.
Minority interest	-	0%	8	0%	8	n.a.
Net income (loss) for the period	(492)	(2%)	(1,814)	(7%)	(1,322)	n.m.

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

	As of September 30,				Change	
	2021		2022			
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	6,932	11%	1,272	2%	(5,660)	(82%)
Restricted cash in trusts	1,118	2%	1,426	2%	308	28%
Customers - net	3,391	5%	5,284	7%	1,893	56%
Derivative financial instruments	192	0%	-	0%	(192)	(100%)
Other receivables and recoverable taxes	4,132	6%	4,065	5%	(67)	(2%)
Inventories	1,552	2%	2,726	3%	1,174	76%
Prepaid expenses	612	1%	919	1%	307	50%
Total current assets	17,929	27%	15,692	20%	(2,237)	(12%)
NON-CURRENT ASSETS						
Property, plant and equipment - Net	41,928	64%	55,483	70%	13,555	32%
Rights-of-use assets -Net	4,368	7%	6,073	8%	1,705	39%
Other non-current assets	1,620	2%	1,595	2%	(25)	(2%)
Total non-current assets	47,916	73%	63,151	80%	15,235	32%
Total assets	65,845	100%	78,843	100%	12,998	20%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	1,414	2%	4,916	6%	3,502	n.m.
Trade payables	7,575	12%	11,890	15%	4,315	57%
Other payables and taxes	3,046	5%	4,738	6%	1,692	56%
Derivative financial instruments	-	0%	766	1%	766	n.a.
Lease liabilities	1,481	2%	1,919	2%	438	30%
Total short-term liabilities	13,516	21%	24,229	31%	10,713	79%
LONG-TERM LIABILITIES						
Long-term financial debt	39,257	60%	41,999	53%	2,742	7%
Trade payables	4	0%	-	0%	(4)	(100%)
Other long-term payables	81	0%	1,539	2%	1,458	n.m.
Lease liabilities	3,257	5%	4,566	6%	1,309	40%
Total long-term liabilities	42,599	65%	48,104	61%	5,505	13%
Total liabilities	56,115	85%	72,333	92%	16,218	29%
STOCKHOLDERS' EQUITY						
	9,730	15%	6,510	8%	(3,220)	(33%)
Total stockholders' equity and liabilities	65,845	100%	78,843	100%	12,998	20%

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

	Years ended September 30,	
	<u>2021</u>	<u>2022</u>
<u>Operating activities:</u>		
(Loss) income before income tax provision	(471)	(728)
Items not requiring the use of resources:		
Depreciation and amortization	6,395	9,239
Employee benefits	14	23
Items related to investing or financing activities:		
Accrued interest income	(32)	(60)
Accrued interest expense and other financial transactions	2,075	2,939
Valuation of financial derivative instruments	(406)	988
	<u>7,575</u>	<u>12,401</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(1,015)	(1,534)
Other receivables	(23)	4
Related parties, net	(88)	14
Taxes to be recovered	(638)	323
Inventories	70	(847)
Advance payments	(204)	(453)
Trade payables	(680)	1,987
Other payables	<u>1,227</u>	<u>737</u>
Cash flows generated by operating activities	<u>6,224</u>	<u>12,632</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(12,094)	(16,970)
Other assets	(112)	45
Collected interest	<u>32</u>	<u>60</u>
Cash flows (used in) investing activities	<u>(12,174)</u>	<u>(16,865)</u>
<u>Financing activities:</u>		
Loans received	14,478	5,420
Leasing cash flows	(1,231)	(1,716)
Interest payment	(2,214)	(3,108)
Restricted Cash in Trusts	153	(540)
Reverse factoring	(91)	1,132
Capital contributions	-	151
Net cash flows generated by financing activities	<u>11,095</u>	<u>1,339</u>
Increase in cash and cash equivalents	<u>5,145</u>	<u>(2,894)</u>
Cash and cash equivalents at the beginning of the year	<u>1,787</u>	<u>4,166</u>
Cash and cash equivalents at the end of the year	<u>6,932</u>	<u>1,272</u>