

Información Financiera Trimestral

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[105000] Comentarios y Análisis de la Administración

Comentarios de la gerencia [bloque de texto]

TOTAL PLAY ANNOUNCES REVENUE OF Ps.7,270 MILLION AND EBITDA OF Ps.3,056 MILLION IN THE THIRD QUARTER OF 2021

Mexico City, October 28, 2021— CIBANCO, S.A, Institución de Banca Múltiple, as Trustee of the CIB/3370 Trust, reports that Total Play Telecomunicaciones, S.A. de C.V. ("Total Play"), provider of triple play services in Mexico, announced its third quarter 2021 financial results.

Third quarter results

Revenue for the quarter totaled Ps.7,270 million, compared to Ps.5,004 million for the same period of the previous year. Total costs and expenses were Ps.4,214 million, compared to Ps.3,274 million from the previous year.

As a result, Total Play's EBITDA was Ps.3,056 million, from Ps.1,730 million a year ago. The company recorded operating profit of Ps.753 million, compared to Ps.30 million a year ago. Total Play reported net loss of Ps.836 million versus a loss of Ps.258 million in the same period of 2020.

Revenue from services

The growth in the company's revenue in the period is the result of an increase, both in the residential and the enterprise segments sales, due to greater demand from users for Total Play's telecommunications services.

Costs and expenses

Total costs and expenses grew 29%, as a result of a 24% increase in service costs and a 32% increase in general expenses. The increase in costs, to Ps.1,635 million, from Ps.1,322 million in

the previous year, results mainly from the acquisition of content, cost of sales of telecommunications equipment for business customers, commissions, leasing of connection links and licenses for the optimal operation of the network.

The increase in expenses, to Ps.2,579 million, from Ps.1,952 million, reflects higher services, advertising and promotion expenses, as well as maintenance costs.

EBITDA and net result

Total Play's EBITDA was Ps.3,056 million compared to Ps.1,730 million from the previous year.

The main variations below EBITDA were the following:

Ps.603 million increase in depreciation and amortization, as a result of investments in coverage of the fiber optic network and user acquisition cost — telecommunications equipment, labor and installation expenses.

Ps.512 million growth in interest expense, mainly derived from growth in long-term financial debt.

Ps.623 million losses in foreign exchange this quarter, compared to a profit of Ps.112 million a year ago, as a consequence of a dollar net liability monetary position in conjunction with the depreciation of the exchange rate of the peso against the dollar this period, compared with appreciation the previous year.

Total Play reported net loss of Ps.836 million, from a loss of Ps.258 million in the same period of 2020.

Información a revelar sobre la naturaleza del negocio [bloque de texto]

Total Play Telecomunicaciones, S.A. de C.V. ("the Company") was incorporated on May 10, 1989 under Mexican laws. The Company is a 99% direct subsidiary of Corporación RBS, S.A. de C.V. (parent company at the last level of consolidation). The main businesses activities of the Company and its subsidiaries are: (i) to install, operate and exploit public telecommunication networks and/or cross-border links, through concession rights granted, as appropriate, by the Mexican Communications and Transportation Secretary (SCT by its Spanish acronym); (ii) the purchase -

sale, distribution, installation, lease and trading of telecommunication devices; (iii) the operation of the concessions, authorizations or rights granted by the SCT; (iv) to provide restricted television/audio services, internet access and fixed telephony services; (v) the leasing of dedicated links to corporate customers; and (vi) to provide international long-distance services.

Total Play began operations in 2011, taking advantage of the infrastructure of Iusacell (at the time the largest cell phone company in Mexico) to offer fixed Internet, pay TV and telephone services. In 2014, following the sale of Iusacell to AT&T, Total Play's operations were spun off.

The head office of the Company is domiciled at Ave. San Jerónimo 252, Colonia La Otra Banda, 04519, Alcaldía Álvaro Obregón, Mexico City, Mexico.

Información a revelar sobre los objetivos de la gerencia y sus estrategias para alcanzar esos objetivos [bloque de texto]

Total Play provides technologically advanced services in the triple play market in Mexico, due to the fact that it is the only company with a direct-to-home fiber optic network, and will boost its offer of technologically advanced services in the residential market. Through its “Empresarial” business unit, Totalplay will continue to serve government and corporate institutions with multiple world-class telecommunications services.

Información a revelar sobre los recursos, riesgos y relaciones más significativos de la entidad [bloque de texto]

The following are certain risks associated with Total Play business.

- The telecommunications sector is characterized by rapid technological change, which could make Total Play's products and services less competitive or obsolete.
- Total Play operates in a highly competitive environment and experiences significant pressure on rates.
- Significant delays in the implementation and availability of new technologies could affect Total Play's business.
- Total Play has incurred in net losses in recent years.

- Any loss of key personnel could adversely affect the business.
- If Total Play does not maintain, update and operate the accounting, billing, customer service and administration systems efficiently, it may be prevented from maintaining and improving its operational efficiencies.
- The Total Play network is subject to harmful events, and may fail or stop functioning, which could result in a loss of Customers.
- Total Play could be subject to a requisition.
- Total Play is subject to the supervision and verification powers of the Federal Telecommunications Institute.
- Total Play could face unfavorable conditions with respect to its concessions.
- Total Play may experience more disconnections than it can replace.
- Government regulation of the industry in which Total Play operates, or reforms to the legal regime of said industry, could adversely affect its ability to offer or expand its product lines and increase its revenues.



- Total Play would be adversely affected if it fails to obtain an extension of its current concessions or if the government revokes those concessions.
- Total Play depends on various third parties to supply the equipment and services necessary to provide its services.
- Total Play depends largely on access to infrastructure to use the poles owned by the Comisión Federal de Electricidad (Federal Electricity Commission), which is a productive company of the Mexican state.

The following are certain risks associated with Mexico.

- Economic, political and social conditions can adversely affect our business.
- The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Changes in Mexican government policies could negatively affect the results of the company operations and its financial condition.
- The assets of Total Play and Total Box are located in Mexico and, therefore, are subject to the provisions of the Ley Nacional de Extinción de Dominio (National Forfeiture Law).
- Under Mexican law, the assets of Total Play and Total Box can be expropriated.

Resultados de las operaciones y perspectivas [bloque de texto]

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Balance Sheet

As of September 30, 2021, the company's debt with cost was Ps.40,671 million, compared to Ps.19,532 million from the previous year.

The growth of the debt balance is related to two successful placements of Senior Notes in international markets, **i)** the first one for US\$575 million in November 2020, and **ii)** the second one for US\$600 million in September 2021.

The lease liability was Ps.4,738 million, compared to Ps.4,380 million from 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. DE C.V. AND SUBSIDIARIES
CONSOLIDATED QUARTERLY INCOME STATEMENTS
(Millions of Mexican pesos)

	3Q20		3Q21		Change	
	\$	%	\$	%	\$	%
Revenue from services	5,004	100%	7,270	100%	2,266	45%
Cost of services	(1,322)	(26%)	(1,635)	(22%)	(313)	(24%)
Gross profit	3,682	74%	5,635	78%	1,953	53%
General expenses	(1,952)	(39%)	(2,579)	(35%)	(627)	(32%)
EBITDA	1,730	35%	3,056	42%	1,326	77%
Depreciation and amortization	(1,700)	(34%)	(2,303)	(32%)	(603)	(35%)
Operating profit (loss)	30	1%	753	10%	723	2410%
Financial cost:						
Interest revenue	13	0%	11	0%	(2)	(15%)
Accrued interest expense	(390)	(8%)	(902)	(12%)	(512)	(131%)
Other financial (expenses) income - Net	(15)	(0%)	(72)	(1%)	(57)	380%
Foreign exchange (loss) gain - Net	112	2%	(623)	(9%)	(735)	656%
Profit (loss) before income tax provision	(250)	(5%)	(833)	(11%)	(583)	233%
Income tax provision	(8)	(0%)	(3)	(0%)	5	63%
Net income (loss) for the period	(258)	(5%)	(836)	(11%)	(578)	224%

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

	Accumulated		Accumulated		Change	
	9M20		9M21			
	\$	%	\$	%	\$	%
Revenue from services	13,881	100%	20,465	100%	6,584	47%
Cost of services	(3,709)	(27%)	(4,908)	(24%)	(1,199)	(32%)
Gross profit	10,172	73%	15,557	76%	5,385	53%
General expenses	(5,301)	(38%)	(6,868)	(34%)	(1,567)	(30%)
EBITDA	4,871	35%	8,689	42%	3,818	78%
Depreciation and amortization	(4,621)	(33%)	(6,395)	(31%)	(1,774)	(38%)
Other income (expenses) - Net	-	0%	-	0%	-	na
Operating profit	250	2%	2,294	11%	2,044	818%
Financial cost:						
Interest revenue	31	0%	32	0%	1	3%
Accrued interest expense	(903)	(7%)	(2,074)	(10%)	(1,171)	(130%)
Other financial expenses	(61)	(0%)	(195)	(1%)	(134)	(220%)
Foreign exchange gain (loss) - Net	(263)	(2%)	(529)	(3%)	(266)	101%
Profit (loss) before income tax provision	(946)	(7%)	(472)	(2%)	474	(50%)
Income tax provision	(21)	(0%)	(20)	(0%)	1	(5%)
Net income (loss) for the period	(967)	(7%)	(492)	(2%)	475	(49%)

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

	As of September 30,					
	2020		2021		Change	
	\$	%	\$	%	\$	%
Assets						
CURRENT ASSETS						
Cash and cash	113	0%	6,932	11%	6,819	6035%
Restricted cash in trusts	1,430	3%	1,118	2%	(312)	(22%)
Customers - net	2,647	6%	3,391	5%	744	28%
Other receivables and recoverable taxes	2,926	7%	4,324	7%	1,398	48%
Inventories	1,042	2%	1,552	2%	510	49%
Prepaid expenses	557	1%	612	1%	55	10%
Total current assets	8,715	20%	17,929	27%	9,214	106%
NON-CURRENT ASSETS						
Property, plant and equipments - Net	29,433	67%	41,928	64%	12,495	42%
Rights-of-use assets -Net	4,169	10%	4,368	7%	199	5%
Other non-current assets	1,395	3%	1,620	2%	225	16%
Total non-current assets	34,997	80%	47,916	73%	12,919	37%
Total assets	43,712	100%	65,845	100%	22,133	51%
Liabilities and Stockholders' Equity						
SHORT-TERM LIABILITIES						
Short-term financial debt	1,840	4%	1,414	2%	(426)	(23%)
Trade payables	9,877	23%	7,575	12%	(2,302)	(23%)
Other payables and taxes	1,998	5%	3,046	5%	1,048	52%
Derivative financial instruments	7	0%	-	0%	(7)	n.m.
Lease liabilities	1,627	4%	1,481	2%	(146)	(9%)
Total short-term liabilities	15,349	35%	13,516	21%	(1,833)	(12%)
LONG-TERM LIABILITIES						
Long-term financial debt	17,692	40%	39,257	60%	21,565	122%
Trade payables	28	0%	4	0%	(24)	(86%)
Other long-term payables	151	0%	81	0%	(70)	(46%)
Lease liabilities	2,753	6%	3,257	5%	504	18%
Total long-term liabilities	20,624	47%	42,599	65%	21,975	107%
Total liabilities	35,973	82%	56,115	85%	20,142	56%
STOCKHOLDERS' EQUITY						
	7,739	18%	9,730	15%	1,991	26%
Total stockholders' equity and liabilities	43,712	100%	65,845	100%	22,133	51%

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

	Years ended september 30,	
	2020	2021
<u>Operating activities:</u>		
(Loss) income before income tax provision	(946)	(471)
Items not requiring the use of resources:		
Depreciation and amortization	4,620	6,395
Employee benefits	14	362
Items related to investing or financing activities:		
Accrued interest income	(31)	(32)
Accrued interest expense and other financial transactions	903	2,075
Valuation of financial derivative instruments	9	(406)
	4,569	7,923
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(491)	(1,015)
Other receivables	5	(23)
Related parties, net	230	(88)
Taxes to be recovered	(858)	(638)
Inventories	218	70
Advance payments	(414)	(204)
Trade payables	5,126	(680)
Other payables	268	879
	8,653	6,224
Cash flows generated by operating activities		
	8,653	6,224
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(9,667)	(12,094)
Other assets	(9)	(112)
Collected interest	31	32
	(9,645)	(12,174)
Cash flows (used in) investing activities		
	(9,645)	(12,174)
<u>Financing activities:</u>		
Loans received	4,411	14,478
Leasing cash flows	(1,684)	(1,232)
Interest payment	(1,557)	(2,214)
Restricted Cash in Trusts	(483)	153
Reverse factoring	191	(90)
	878	11,095
Net cash flows generated by financing activities		
	878	11,095
Increase in cash and cash equivalents	(114)	5,145
Cash and cash equivalents at the beginning of the year	227	1,787
	113	6,932
Cash and cash equivalents at the end of the year		
	113	6,932

Situación financiera, liquidez y recursos de capital [bloque de texto]

Balance Sheet

As of September 30, 2021, the company's debt with cost was Ps.40,671 million, compared to Ps.19,532 million from the previous year.

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The lease liability was Ps.4,738 million, compared to Ps.4,380 million from the previous year.

Control interno [bloque de texto]

Información a revelar sobre las medidas de rendimiento fundamentales e indicadores que la gerencia utiliza para evaluar el rendimiento de la entidad con respecto a los objetivos establecidos [bloque de texto]

Third quarter results

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[110000] Información general sobre estados financieros

Clave de cotización:	TPLAY
Periodo cubierto por los estados financieros:	2021-01-01 al 2021-12-31
Fecha de cierre del periodo sobre el que se informa :	2021-09-30
Nombre de la entidad que informa u otras formas de identificación:	TOTAL PLAY TELECOMUNICACIONES, S.A. DE C.V.
Descripción de la moneda de presentación :	MXN
Grado de redondeo utilizado en los estados financieros:	MILES DE PESOS
Consolidado:	Si
Número De Trimestre:	3
Tipo de emisora:	CP
Explicación del cambio en el nombre de la entidad que informa u otras formas de identificación desde el final del periodo sobre el que se informa precedente:	
Descripción de la naturaleza de los estados financieros:	

Información a revelar sobre información general sobre los estados financieros
[bloque de texto]

Seguimiento de análisis [bloque de texto]

[210000] Estado de situación financiera, circulante/no circulante

Concepto	Cierre Trimestre Actual 2021-09-30	Cierre Ejercicio Anterior 2020-12-31
Estado de situación financiera [sinopsis]		
Activos [sinopsis]		
Activos circulantes[sinopsis]		
Efectivo y equivalentes de efectivo	6,931,867,000	1,786,852,000
Clientes y otras cuentas por cobrar	8,135,368,000	6,170,925,000
Impuestos por recuperar	0	0
Otros activos financieros	1,310,078,000	1,271,910,000
Inventarios	1,551,814,000	1,621,341,000
Activos biológicos	0	0
Otros activos no financieros	0	0
Total activos circulantes distintos de los activos no circulantes o grupo de activos para su disposición clasificados como mantenidos para la venta	17,929,127,000	10,851,028,000
Activos mantenidos para la venta	0	0
Total de activos circulantes	17,929,127,000	10,851,028,000
Activos no circulantes [sinopsis]		
Clientes y otras cuentas por cobrar no circulantes	11,498,000	0
Impuestos por recuperar no circulantes	0	0
Inventarios no circulantes	0	0
Activos biológicos no circulantes	0	0
Otros activos financieros no circulantes	0	0
Inversiones registradas por método de participación	0	0
Inversiones en subsidiarias, negocios conjuntos y asociadas	0	0
Propiedades, planta y equipo	41,928,002,000	32,756,010,000
Propiedades de inversión	0	0
Activos por derechos de uso	4,368,336,000	4,142,487,000
Crédito mercantil	0	0
Activos intangibles distintos al crédito mercantil	1,169,389,000	1,057,749,000
Activos por impuestos diferidos	438,553,000	438,553,000
Otros activos no financieros no circulantes	0	0
Total de activos no circulantes	47,915,778,000	38,394,799,000
Total de activos	65,844,905,000	49,245,827,000
Capital Contable y Pasivos [sinopsis]		
Pasivos [sinopsis]		
Pasivos Circulantes [sinopsis]		
Proveedores y otras cuentas por pagar a corto plazo	8,617,465,000	9,135,601,000
Impuestos por pagar a corto plazo	99,193,000	61,031,000
Otros pasivos financieros a corto plazo	1,793,994,000	776,291,000
Pasivos por arrendamientos a corto plazo	1,481,390,000	1,681,024,000
Otros pasivos no financieros a corto plazo	0	0
Provisiones circulantes [sinopsis]		
Provisiones por beneficios a los empleados a corto plazo	0	0
Otras provisiones a corto plazo	1,523,853,000	796,700,000
Total provisiones circulantes	1,523,853,000	796,700,000
Total de pasivos circulantes distintos de los pasivos atribuibles a activos mantenidos para la venta	13,515,895,000	12,450,647,000
Pasivos atribuibles a activos mantenidos para la venta	0	0
Total de pasivos circulantes	13,515,895,000	12,450,647,000
Pasivos a largo plazo [sinopsis]		
Proveedores y otras cuentas por pagar a largo plazo	4,138,000	14,120,000
Impuestos por pagar a largo plazo	0	0

Concepto	Cierre Trimestre Actual 2021-09-30	Cierre Ejercicio Anterior 2020-12-31
Otros pasivos financieros a largo plazo	39,257,371,000	25,749,567,000
Pasivos por arrendamientos a largo plazo	3,256,980,000	2,748,883,000
Otros pasivos no financieros a largo plazo	0	0
Provisiones a largo plazo [sinopsis]		
Provisiones por beneficios a los empleados a Largo plazo	80,409,000	66,212,000
Otras provisiones a largo plazo	0	37,363,000
Total provisiones a largo plazo	80,409,000	103,575,000
Pasivo por impuestos diferidos	0	0
Total de pasivos a Largo plazo	42,598,898,000	28,616,145,000
Total pasivos	56,114,793,000	41,066,792,000
Capital Contable [sinopsis]		
Capital social	7,336,991,000	7,336,991,000
Prima en emisión de acciones	1,539,398,000	1,539,398,000
Acciones en tesorería	0	0
Utilidades acumuladas	(2,903,991,000)	(2,412,158,000)
Otros resultados integrales acumulados	3,757,714,000	1,714,804,000
Total de la participación controladora	9,730,112,000	8,179,035,000
Participación no controladora	0	0
Total de capital contable	9,730,112,000	8,179,035,000
Total de capital contable y pasivos	65,844,905,000	49,245,827,000

[310000] Estado de resultados, resultado del periodo, por función de gasto

Concepto	Acumulado Año Actual 2021-01-01 - 2021-09-30	Acumulado Año Anterior 2020-01-01 - 2020-09-30	Trimestre Año Actual 2021-07-01 - 2021-09-30	Trimestre Año Anterior 2020-07-01 - 2020-09-30
Resultado de periodo [sinopsis]				
Utilidad (pérdida) [sinopsis]				
Ingresos	20,465,553,000	13,881,313,000	7,270,070,000	5,004,198,000
Costo de ventas	7,594,765,000	5,603,621,000	2,533,940,000	2,020,059,000
Utilidad bruta	12,870,788,000	8,277,692,000	4,736,130,000	2,984,139,000
Gastos de venta	0	0	0	0
Gastos de administración	10,476,645,000	7,974,095,000	3,934,418,000	2,904,741,000
Otros ingresos	38,479,000	75,390,000	6,378,000	27,312,000
Otros gastos	139,267,000	129,107,000	56,141,000	77,935,000
Utilidad (pérdida) de operación	2,293,355,000	249,880,000	751,949,000	28,775,000
Ingresos financieros	4,463,001,000	2,276,181,000	659,748,000	398,847,000
Gastos financieros	7,227,847,000	3,472,070,000	2,243,812,000	677,934,000
Participación en la utilidad (pérdida) de asociadas y negocios conjuntos	0	0	0	0
Utilidad (pérdida) antes de impuestos	(471,491,000)	(946,009,000)	(832,115,000)	(250,312,000)
Impuestos a la utilidad	20,342,000	20,674,000	3,450,000	7,844,000
Utilidad (pérdida) de operaciones continuas	(491,833,000)	(966,683,000)	(835,565,000)	(258,156,000)
Utilidad (pérdida) de operaciones discontinuadas	0	0	0	0
Utilidad (pérdida) neta	(491,833,000)	(966,683,000)	(835,565,000)	(258,156,000)
Utilidad (pérdida), atribuible a [sinopsis]				
Utilidad (pérdida) atribuible a la participación controladora	(491,833,000)	(966,683,000)	(835,565,000)	(258,156,000)
Utilidad (pérdida) atribuible a la participación no controladora	0	0	0	0
Utilidad por acción [bloque de texto]	-0.1	-0.1	-0.1	-0.1
Utilidad por acción [sinopsis]				
Utilidad por acción [partidas]				
Utilidad por acción básica [sinopsis]				
Utilidad (pérdida) básica por acción en operaciones continuas	0	0	0	0
Utilidad (pérdida) básica por acción en operaciones discontinuadas	0	0	0	0
Total utilidad (pérdida) básica por acción	0	0	0	0
Utilidad por acción diluida [sinopsis]				
Utilidad (pérdida) básica por acción diluida en operaciones continuas	0	0	0	0
Utilidad (pérdida) básica por acción diluida en operaciones discontinuadas	0	0	0	0
Total utilidad (pérdida) básica por acción diluida	0	0	0	0

[410000] Estado del resultado integral, componentes ORI presentados netos de impuestos

Concepto	Acumulado Año Actual 2021-01-01 - 2021-09-30	Acumulado Año Anterior 2020-01-01 - 2020-09-30	Trimestre Año Actual 2021-07-01 - 2021-09-30	Trimestre Año Anterior 2020-07-01 - 2020-09-30
Estado del resultado integral [sinopsis]				
Utilidad (pérdida) neta	(491,833,000)	(966,683,000)	(835,565,000)	(258,156,000)
Otro resultado integral [sinopsis]				
Componentes de otro resultado integral que no se reclasificarán a resultados, neto de impuestos [sinopsis]				
Otro resultado integral, neto de impuestos, utilidad (pérdida) de inversiones en instrumentos de capital	0	0	0	0
Otro resultado integral, neto de impuestos, utilidad (pérdida) por revaluación	1,758,676,000	0	1,758,676,000	0
Otro resultado integral, neto de impuestos, utilidad (pérdida) por nuevas mediciones de planes de beneficios definidos	0	0	0	0
Otro resultado integral, neto de impuestos, cambio en el valor razonable de pasivos financieros atribuible a cambios en el riesgo de crédito del pasivo	0	0	0	0
Otro resultado integral, neto de impuestos, utilidad (pérdida) en instrumentos de cobertura que cubren inversiones en instrumentos de capital	0	0	0	0
Participación de otro resultado integral de asociadas y negocios conjuntos que no se reclasificará a resultados, neto de impuestos	0	0	0	0
Total otro resultado integral que no se reclasificará a resultados, neto de impuestos	1,758,676,000	0	1,758,676,000	0
Componentes de otro resultado integral que se reclasificarán a resultados, neto de impuestos [sinopsis]				
Efecto por conversión [sinopsis]				
Utilidad (pérdida) de efecto por conversión, neta de impuestos	(2,049,000)	(12,666,000)	(2,049,000)	(12,666,000)
Reclasificación de efecto por conversión, neto de impuestos	0	0	0	0
Efecto por conversión, neto de impuestos	(2,049,000)	(12,666,000)	(2,049,000)	(12,666,000)
Activos financieros disponibles para la venta [sinopsis]				
Utilidad (pérdida) por cambios en valor razonable de activos financieros disponibles para la venta, neta de impuestos	0	0	0	0
Reclasificación de la utilidad (pérdida) por cambios en valor razonable de activos financieros disponibles para la venta, neta de impuestos	0	0	0	0
Cambios en valor razonable de activos financieros disponibles para la venta, neto de impuestos	0	0	0	0
Coberturas de flujos de efectivo [sinopsis]				
Utilidad (pérdida) por coberturas de flujos de efectivo, neta de impuestos	0	0	0	0
Reclasificación de la utilidad (pérdida) por coberturas de flujos de efectivo, neta de impuestos	0	0	0	0
Importes eliminados del capital incluidos en el valor contable de activos (pasivos) no financieros que se hayan adquirido o incurrido mediante una transacción prevista de cobertura altamente probable, neto de impuestos	0	0	0	0
Coberturas de flujos de efectivo, neto de impuestos	0	0	0	0
Coberturas de inversiones netas en negocios en el extranjero [sinopsis]				
Utilidad (pérdida) por coberturas de inversiones netas en negocios en el extranjero, neto de impuestos	0	0	0	0
Reclasificación por coberturas de inversiones netas en negocios en el extranjero, neto de impuestos	0	0	0	0
Coberturas de inversiones netas en negocios en el extranjero, neto de impuestos	0	0	0	0

Concepto	Acumulado Año Actual 2021-01-01 - 2021-09-30	Acumulado Año Anterior 2020-01-01 - 2020-09-30	Trimestre Año Actual 2021-07-01 - 2021-09-30	Trimestre Año Anterior 2020-07-01 - 2020-09-30
Cambios en el valor temporal de las opciones [sinopsis]				
Utilidad (pérdida) por cambios en el valor temporal de las opciones, neta de impuestos	0	0	0	0
Reclasificación de cambios en el valor temporal de las opciones, neto de impuestos	0	0	0	0
Cambios en el valor temporal de las opciones, neto de impuestos	0	0	0	0
Cambios en el valor de contratos a futuro [sinopsis]				
Utilidad (pérdida) por cambios en el valor de contratos a futuro, neta de impuestos	0	0	0	0
Reclasificación de cambios en el valor de contratos a futuro, neto de impuestos	0	0	0	0
Cambios en el valor de contratos a futuro, neto de impuestos	0	0	0	0
Cambios en el valor de márgenes con base en moneda extranjera [sinopsis]				
Utilidad (pérdida) por cambios en el valor de márgenes con base en moneda extranjera, neta de impuestos	0	0	0	0
Reclasificación de cambios en el valor de márgenes con base en moneda extranjera, neto de impuestos	0	0	0	0
Cambios en el valor de márgenes con base en moneda extranjera, neto de impuestos	0	0	0	0
Activos financieros a valor razonable a través del ORI [sinopsis]				
Utilidad (pérdida) en activos financieros a valor razonable a través del ORI, neto de impuestos	286,283,000	(9,146,000)	378,199,000	(32,697,000)
Ajustes por reclasificación de activos financieros a valor razonable a través del ORI, neto de impuestos	0	0	0	0
Monto del capital eliminado o ajustado contra el valor razonable de activos financieros reclasificados a través del ORI, neto de impuestos	0	0	0	0
ORI, neto de impuestos, de activos financieros a valor razonable a través del ORI	286,283,000	(9,146,000)	378,199,000	(32,697,000)
Participación de otro resultado integral de asociadas y negocios conjuntos que se reclasificará a resultados, neto de impuestos	0	0	0	0
Total otro resultado integral que se reclasificará al resultado del periodo, neto de impuestos	284,234,000	(21,812,000)	376,150,000	(45,363,000)
Total otro resultado integral	2,042,910,000	(21,812,000)	2,134,826,000	(45,363,000)
Resultado integral total	1,551,077,000	(988,495,000)	1,299,261,000	(303,519,000)
Resultado integral atribuible a [sinopsis]				
Resultado integral atribuible a la participación controladora	1,551,077,000	(988,495,000)	1,299,261,000	(303,519,000)
Resultado integral atribuible a la participación no controladora	0	0	0	0

[520000] Estado de flujos de efectivo, método indirecto

Concepto	Acumulado Año Actual 2021-01-01 - 2021-09-30	Acumulado Año Anterior 2020-01-01 - 2020-09-30
Estado de flujos de efectivo [sinopsis]		
Flujos de efectivo procedentes de (utilizados en) actividades de operación [sinopsis]		
Utilidad (pérdida) neta	(491,833,000)	(966,683,000)
Ajustes para conciliar la utilidad (pérdida) [sinopsis]		
+ Operaciones discontinuas	0	0
+ Impuestos a la utilidad	20,342,000	20,674,000
+ (-) Ingresos y gastos financieros, neto	2,043,101,000	871,807,000
+ Gastos de depreciación y amortización	6,395,497,000	4,620,494,000
+ Deterioro de valor (reversiones de pérdidas por deterioro de valor) reconocidas en el resultado del periodo	0	0
+ Provisiones	362,175,000	14,144,000
+ (-) Pérdida (utilidad) de moneda extranjera no realizadas	0	0
+ Pagos basados en acciones	0	0
+ (-) Pérdida (utilidad) del valor razonable	(405,879,000)	9,067,000
- Utilidades no distribuidas de asociadas	0	0
+ (-) Pérdida (utilidad) por la disposición de activos no circulantes	0	0
+ Participación en asociadas y negocios conjuntos	0	0
+ (-) Disminuciones (incrementos) en los inventarios	69,527,000	217,984,000
+ (-) Disminución (incremento) de clientes	(1,014,908,000)	(491,497,000)
+ (-) Disminuciones (incrementos) en otras cuentas por cobrar derivadas de las actividades de operación	(953,516,000)	(1,036,518,000)
+ (-) Incremento (disminución) de proveedores	(679,768,000)	5,125,936,000
+ (-) Incrementos (disminuciones) en otras cuentas por pagar derivadas de las actividades de operación	878,845,000	267,938,000
+ Otras partidas distintas al efectivo	0	0
+ Otros ajustes para los que los efectos sobre el efectivo son flujos de efectivo de inversión o financiamiento	0	0
+ Ajuste lineal de ingresos por arrendamientos	0	0
+ Amortización de comisiones por arrendamiento	0	0
+ Ajuste por valor de las propiedades	0	0
+ (-) Otros ajustes para conciliar la utilidad (pérdida)	0	0
+ (-) Total ajustes para conciliar la utilidad (pérdida)	6,715,416,000	9,620,029,000
Flujos de efectivo netos procedentes (utilizados en) operaciones	6,223,583,000	8,653,346,000
- Dividendos pagados	0	0
+ Dividendos recibidos	0	0
- Intereses pagados	0	0
+ Intereses recibidos	0	0
+ (-) Impuestos a las utilidades reembolsados (pagados)	0	0
+ (-) Otras entradas (salidas) de efectivo	0	0
Flujos de efectivo netos procedentes de (utilizados en) actividades de operación	6,223,583,000	8,653,346,000
Flujos de efectivo procedentes de (utilizados en) actividades de inversión [sinopsis]		
+ Flujos de efectivo procedentes de la pérdida de control de subsidiarias u otros negocios	0	0
- Flujos de efectivo utilizados para obtener el control de subsidiarias u otros negocios	0	0
+ Otros cobros por la venta de capital o instrumentos de deuda de otras entidades	0	0
- Otros pagos para adquirir capital o instrumentos de deuda de otras entidades	0	0
+ Otros cobros por la venta de participaciones en negocios conjuntos	0	0
- Otros pagos para adquirir participaciones en negocios conjuntos	0	0
+ Importes procedentes de la venta de propiedades, planta y equipo	0	0
- Compras de propiedades, planta y equipo	12,094,043,000	9,667,279,000
+ Importes procedentes de ventas de activos intangibles	0	0
- Compras de activos intangibles	111,640,000	9,359,000
+ Recursos por ventas de otros activos a largo plazo	0	0
- Compras de otros activos a largo plazo	0	0

Concepto	Acumulado Año Actual 2021-01-01 - 2021-09-30	Acumulado Año Anterior 2020-01-01 - 2020-09-30
+ Importes procedentes de subvenciones del gobierno	0	0
- Anticipos de efectivo y préstamos concedidos a terceros	0	0
+ Cobros procedentes del reembolso de anticipos y préstamos concedidos a terceros	0	0
- Pagos derivados de contratos de futuro, a término, de opciones y de permuta financiera	0	0
+ Cobros procedentes de contratos de futuro, a término, de opciones y de permuta financiera	0	0
+ Dividendos recibidos	0	0
- Intereses pagados	0	0
+ Intereses cobrados	31,653,000	31,008,000
+ (-) Impuestos a la utilidad reembolsados (pagados)	0	0
+ (-) Otras entradas (salidas) de efectivo	0	0
Flujos de efectivo netos procedentes de (utilizados en) actividades de inversión	(12,174,030,000)	(9,645,630,000)
Flujos de efectivo procedentes de (utilizados en) actividades de financiamiento[sinopsis]		
+ Importes procedentes por cambios en las participaciones en la propiedad en subsidiarias que no dan lugar a la pérdida de control	0	0
- Pagos por cambios en las participaciones en la propiedad en subsidiarias que no dan lugar a la pérdida de control	0	0
+ Importes procedentes de la emisión de acciones	0	0
+ Importes procedentes de la emisión de otros instrumentos de capital	0	0
- Pagos por adquirir o rescatar las acciones de la entidad	0	0
- Pagos por otras aportaciones en el capital	0	0
+ Importes procedentes de préstamos	20,331,204,000	8,474,839,000
- Reembolsos de préstamos	5,852,783,000	4,063,645,000
- Pagos de pasivos por arrendamientos financieros	0	0
- Pagos de pasivos por arrendamientos	1,231,709,000	1,684,102,000
+ Importes procedentes de subvenciones del gobierno	0	0
- Dividendos pagados	0	0
- Intereses pagados	2,213,891,000	1,557,400,000
+ (-) Impuestos a las ganancias reembolsados (pagados)	0	0
+ (-) Otras entradas (salidas) de efectivo	62,641,000	(291,640,000)
Flujos de efectivo netos procedentes de (utilizados en) actividades de financiamiento	11,095,462,000	878,052,000
Incremento (disminución) neto de efectivo y equivalentes al efectivo, antes del efecto de los cambios en la tasa de cambio	5,145,015,000	(114,232,000)
Efectos de la variación en la tasa de cambio sobre el efectivo y equivalentes al efectivo [sinopsis]		
Efectos de la variación en la tasa de cambio sobre el efectivo y equivalentes al efectivo	0	0
Incremento (disminución) neto de efectivo y equivalentes de efectivo	5,145,015,000	(114,232,000)
Efectivo y equivalentes de efectivo al principio del periodo	1,786,852,000	227,212,000
Efectivo y equivalentes de efectivo al final del periodo	6,931,867,000	112,980,000

[610000] Estado de cambios en el capital contable - Acumulado Actual

Hoja 1 de 3	Componentes del capital contable [eje]								
	Capital social [miembro]	Prima en emisión de acciones [miembro]	Acciones en tesorería [miembro]	Utilidades acumuladas [miembro]	Superávit de revaluación [miembro]	Efecto por conversión [miembro]	Coberturas de flujos de efectivo [miembro]	Utilidad (pérdida) en instrumentos de cobertura que cubren inversiones en instrumentos de capital [miembro]	Variación en el valor temporal de las opciones [miembro]
Estado de cambios en el capital contable [partidas]									
Capital contable al comienzo del periodo	7,336,991,000	1,539,398,000	0	(2,412,158,000)	1,729,424,000	(10,201,000)	0	0	0
Cambios en el capital contable [sinopsis]									
Resultado integral [sinopsis]									
Utilidad (pérdida) neta	0	0	0	(491,833,000)	0	0	0	0	0
Otro resultado integral	0	0	0	0	1,758,676,000	(2,049,000)	0	0	0
Resultado integral total	0	0	0	(491,833,000)	1,758,676,000	(2,049,000)	0	0	0
Aumento de capital social	0	0	0	0	0	0	0	0	0
Dividendos decretados	0	0	0	0	0	0	0	0	0
Incrementos por otras aportaciones de los propietarios	0	0	0	0	0	0	0	0	0
Disminución por otras distribuciones a los propietarios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por otros cambios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con acciones propias	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por cambios en la participación en subsidiarias que no dan lugar a pérdida de control	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con pagos basados en acciones	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cobertura de flujos de efectivo y se incluyen en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor temporal de las opciones y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor de los contratos a futuro y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambios en el valor de márgenes con base en moneda extranjera y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Total incremento (disminución) en el capital contable	0	0	0	(491,833,000)	1,758,676,000	(2,049,000)	0	0	0
Capital contable al final del periodo	7,336,991,000	1,539,398,000	0	(2,903,991,000)	3,488,100,000	(12,250,000)	0	0	0

Hoja 2 de 3	Componentes del capital contable [eje]								
	Variación en el valor de contratos a futuro [miembro]	Variación en el valor de márgenes con base en moneda extranjera [miembro]	Ganancias y pérdidas en activos financieros a valor razonable a través del ORI [miembro]	Utilidad (pérdida) por cambios en valor razonable de activos financieros disponibles para la venta [miembro]	Pagos basados en acciones [miembro]	Nuevas mediciones de planes de beneficios definidos [miembro]	Importes reconocidos en otro resultado integral y acumulados en el capital contable relativos a activos no corrientes o grupos de activos para su disposición mantenidos para la venta [miembro]	Utilidad (pérdida) por inversiones en instrumentos de capital	Reserva para cambios en el valor razonable de pasivos financieros atribuibles a cambios en el riesgo de crédito del pasivo [miembro]
Estado de cambios en el capital contable [partidas]									
Capital contable al comienzo del periodo	0	0	28,624,000	0	0	(33,043,000)	0	0	0
Cambios en el capital contable [sinopsis]									
Resultado integral [sinopsis]									
Utilidad (pérdida) neta	0	0	0	0	0	0	0	0	0
Otro resultado integral	0	0	286,283,000	0	0	0	0	0	0
Resultado integral total	0	0	286,283,000	0	0	0	0	0	0
Aumento de capital social	0	0	0	0	0	0	0	0	0
Dividendos decretados	0	0	0	0	0	0	0	0	0
Incrementos por otras aportaciones de los propietarios	0	0	0	0	0	0	0	0	0
Disminución por otras distribuciones a los propietarios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por otros cambios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con acciones propias	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por cambios en la participación en subsidiarias que no dan lugar a pérdida de control	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con pagos basados en acciones	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cobertura de flujos de efectivo y se incluyen en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor temporal de las opciones y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor de los contratos a futuro y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambios en el valor de márgenes con base en moneda extranjera y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Total incremento (disminución) en el capital contable	0	0	286,283,000	0	0	0	0	0	0
Capital contable al final del periodo	0	0	314,907,000	0	0	(33,043,000)	0	0	0

Hoja 3 de 3	Componentes del capital contable [eje]							
	Reserva para catástrofes [miembro]	Reserva para estabilización [miembro]	Reserva de componentes de participación discrecional [miembro]	Otros resultados integrales [miembro]	Otros resultados integrales acumulados [miembro]	Capital contable de la participación controladora [miembro]	Participación no controladora [miembro]	Capital contable [miembro]
Estado de cambios en el capital contable [partidas]								
Capital contable al comienzo del periodo	0	0	0	0	1,714,804,000	8,179,035,000	0	8,179,035,000
Cambios en el capital contable [sinopsis]								
Resultado integral [sinopsis]								
Utilidad (pérdida) neta	0	0	0	0	0	(491,833,000)	0	(491,833,000)
Otro resultado integral	0	0	0	0	2,042,910,000	2,042,910,000	0	2,042,910,000
Resultado integral total	0	0	0	0	2,042,910,000	1,551,077,000	0	1,551,077,000
Aumento de capital social	0	0	0	0	0	0	0	0
Dividendos decretados	0	0	0	0	0	0	0	0
Incrementos por otras aportaciones de los propietarios	0	0	0	0	0	0	0	0
Disminución por otras distribuciones a los propietarios	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por otros cambios	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con acciones propias	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por cambios en la participación en subsidiarias que no dan lugar a pérdida de control	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con pagos basados en acciones	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cobertura de flujos de efectivo y se incluyen en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor temporal de las opciones y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor de los contratos a futuro y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambios en el valor de márgenes con base en moneda extranjera y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Total incremento (disminución) en el capital contable	0	0	0	0	2,042,910,000	1,551,077,000	0	1,551,077,000
Capital contable al final del periodo	0	0	0	0	3,757,714,000	9,730,112,000	0	9,730,112,000

[610000] Estado de cambios en el capital contable - Acumulado Anterior

Hoja 1 de 3	Componentes del capital contable [eje]								
	Capital social [miembro]	Prima en emisión de acciones [miembro]	Acciones en tesorería [miembro]	Utilidades acumuladas [miembro]	Superávit de revaluación [miembro]	Efecto por conversión [miembro]	Coberturas de flujos de efectivo [miembro]	Utilidad (pérdida) en instrumentos de cobertura que cubren inversiones en instrumentos de capital [miembro]	Variación en el valor temporal de las opciones [miembro]
Estado de cambios en el capital contable [partidas]									
Capital contable al comienzo del periodo	7,336,991,000	1,539,398,000	0	(1,865,138,000)	1,729,424,000	(6,423,000)	0	0	0
Cambios en el capital contable [sinopsis]									
Resultado integral [sinopsis]									
Utilidad (pérdida) neta	0	0	0	(966,683,000)	0	0	0	0	0
Otro resultado integral	0	0	0	0	0	(12,666,000)	0	0	0
Resultado integral total	0	0	0	(966,683,000)	0	(12,666,000)	0	0	0
Aumento de capital social	0	0	0	0	0	0	0	0	0
Dividendos decretados	0	0	0	0	0	0	0	0	0
Incrementos por otras aportaciones de los propietarios	0	0	0	0	0	0	0	0	0
Disminución por otras distribuciones a los propietarios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por otros cambios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con acciones propias	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por cambios en la participación en subsidiarias que no dan lugar a pérdida de control	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con pagos basados en acciones	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cobertura de flujos de efectivo y se incluyen en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor temporal de las opciones y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor de los contratos a futuro y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambios en el valor de márgenes con base en moneda extranjera y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Total incremento (disminución) en el capital contable	0	0	0	(966,683,000)	0	(12,666,000)	0	0	0
Capital contable al final del periodo	7,336,991,000	1,539,398,000	0	(2,831,821,000)	1,729,424,000	(19,089,000)	0	0	0

Hoja 2 de 3	Componentes del capital contable [eje]								
	Variación en el valor de contratos a futuro [miembro]	Variación en el valor de márgenes con base en moneda extranjera [miembro]	Ganancias y pérdidas en activos financieros a valor razonable a través del ORI [miembro]	Utilidad (pérdida) por cambios en valor razonable de activos financieros disponibles para la venta [miembro]	Pagos basados en acciones [miembro]	Nuevas mediciones de planes de beneficios definidos [miembro]	Importes reconocidos en otro resultado integral y acumulados en el capital contable relativos a activos no corrientes o grupos de activos para su disposición mantenidos para la venta [miembro]	Utilidad (pérdida) por inversiones en instrumentos de capital	Reserva para cambios en el valor razonable de pasivos financieros atribuibles a cambios en el riesgo de crédito del pasivo [miembro]
Estado de cambios en el capital contable [partidas]									
Capital contable al comienzo del periodo	0	0	2,844,000	0	0	(9,570,000)	0	0	0
Cambios en el capital contable [sinopsis]									
Resultado integral [sinopsis]									
Utilidad (pérdida) neta	0	0	0	0	0	0	0	0	0
Otro resultado integral	0	0	(9,146,000)	0	0	0	0	0	0
Resultado integral total	0	0	(9,146,000)	0	0	0	0	0	0
Aumento de capital social	0	0	0	0	0	0	0	0	0
Dividendos decretados	0	0	0	0	0	0	0	0	0
Incrementos por otras aportaciones de los propietarios	0	0	0	0	0	0	0	0	0
Disminución por otras distribuciones a los propietarios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por otros cambios	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con acciones propias	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por cambios en la participación en subsidiarias que no dan lugar a pérdida de control	0	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con pagos basados en acciones	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cobertura de flujos de efectivo y se incluyen en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor temporal de las opciones y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor de los contratos a futuro y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambios en el valor de márgenes con base en moneda extranjera y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0	0
Total incremento (disminución) en el capital contable	0	0	(9,146,000)	0	0	0	0	0	0
Capital contable al final del periodo	0	0	(6,302,000)	0	0	(9,570,000)	0	0	0

Hoja 3 de 3	Componentes del capital contable [eje]							
	Reserva para catástrofes [miembro]	Reserva para estabilización [miembro]	Reserva de componentes de participación discrecional [miembro]	Otros resultados integrales [miembro]	Otros resultados integrales acumulados [miembro]	Capital contable de la participación controladora [miembro]	Participación no controladora [miembro]	Capital contable [miembro]
Estado de cambios en el capital contable [partidas]								
Capital contable al comienzo del periodo	0	0	0	0	1,716,275,000	8,727,526,000	0	8,727,526,000
Cambios en el capital contable [sinopsis]								
Resultado integral [sinopsis]								
Utilidad (pérdida) neta	0	0	0	0	0	(966,683,000)	0	(966,683,000)
Otro resultado integral	0	0	0	0	(21,812,000)	(21,812,000)	0	(21,812,000)
Resultado integral total	0	0	0	0	(21,812,000)	(988,495,000)	0	(988,495,000)
Aumento de capital social	0	0	0	0	0	0	0	0
Dividendos decretados	0	0	0	0	0	0	0	0
Incrementos por otras aportaciones de los propietarios	0	0	0	0	0	0	0	0
Disminución por otras distribuciones a los propietarios	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por otros cambios	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con acciones propias	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por cambios en la participación en subsidiarias que no dan lugar a pérdida de control	0	0	0	0	0	0	0	0
Incrementos (disminuciones) por transacciones con pagos basados en acciones	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cobertura de flujos de efectivo y se incluyen en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor temporal de las opciones y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambio en el valor de los contratos a futuro y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Importe eliminado de reserva de cambios en el valor de márgenes con base en moneda extranjera y se incluye en el costo inicial o en otro valor en libros del activo no financiero (pasivo) o compromiso en firme para el que se aplica la contabilidad de cobertura del valor razonable	0	0	0	0	0	0	0	0
Total incremento (disminución) en el capital contable	0	0	0	0	(21,812,000)	(988,495,000)	0	(988,495,000)
Capital contable al final del periodo	0	0	0	0	1,694,463,000	7,739,031,000	0	7,739,031,000

[700000] Datos informativos del Estado de situación financiera

Concepto	Cierre Trimestre Actual 2021-09-30	Cierre Ejercicio Anterior 2020-12-31
Datos informativos del estado de situación financiera [sinopsis]		
Capital social nominal	2,336,991,000	2,336,991,000
Capital social por actualización	0	0
Fondos para pensiones y prima de antigüedad	0	0
Numero de funcionarios	1,422	1,263
Numero de empleados	2,044	18,761
Numero de obreros	0	0
Numero de acciones en circulación	21,126,222	21,126,222
Numero de acciones recompradas	0	0
Efectivo restringido	1,118,419,000	1,271,910,000
Deuda de asociadas garantizada	0	0

[700002] Datos informativos del estado de resultados

Concepto	Acumulado Año Actual 2021-01-01 - 2021- 09-30	Acumulado Año Anterior 2020-01-01 - 2020- 09-30	Trimestre Año Actual 2021-07-01 - 2021- 09-30	Trimestre Año Anterior 2020-07-01 - 2020- 09-30
Datos informativos del estado de resultados [sinopsis]				
Depreciación y amortización operativa	6,395,497,000	4,620,494,000	2,303,993,000	1,699,834,000

[700003] Datos informativos- Estado de resultados 12 meses

Concepto	Año Actual 2020-10-01 - 2021- 09-30	Año Anterior 2019-10-01 - 2020- 09-30
Datos informativos - Estado de resultados 12 meses [sinopsis]		
Ingresos	26,141,318,000	18,153,154,000
Utilidad (pérdida) de operación	2,938,715,000	549,788,000
Utilidad (pérdida) neta	(72,190,000)	(838,585,000)
Utilidad (pérdida) atribuible a la participación controladora	(72,190,000)	(838,585,000)
Depreciación y amortización operativa	8,215,176,000	5,916,159,000

[800100] Notas - Subclasificaciones de activos, pasivos y capital contable

Concepto	Cierre Trimestre Actual 2021-09-30	Cierre Ejercicio Anterior 2020-12-31
Subclasificaciones de activos, pasivos y capital contable [sinopsis]		
Efectivo y equivalentes de efectivo [sinopsis]		
Efectivo [sinopsis]		
Efectivo en caja	1,228,000	861,000
Saldo en bancos	6,930,639,000	1,785,991,000
Total efectivo	6,931,867,000	1,786,852,000
Equivalentes de efectivo [sinopsis]		
Depósitos a corto plazo, clasificados como equivalentes de efectivo	0	0
Inversiones a corto plazo, clasificados como equivalentes de efectivo	0	0
Otros acuerdos bancarios, clasificados como equivalentes de efectivo	0	0
Total equivalentes de efectivo	0	0
Otro efectivo y equivalentes de efectivo	0	0
Total de efectivo y equivalentes de efectivo	6,931,867,000	1,786,852,000
Cientes y otras cuentas por cobrar [sinopsis]		
Cientes	3,391,096,000	2,376,186,000
Cuentas por cobrar circulantes a partes relacionadas	119,214,000	35,578,000
Anticipos circulantes [sinopsis]		
Anticipos circulantes a proveedores	0	0
Gastos anticipados circulantes	611,520,000	407,255,000
Total anticipos circulantes	611,520,000	407,255,000
Cuentas por cobrar circulantes procedentes de impuestos distintos a los impuestos a las ganancias	3,948,697,000	3,310,476,000
Impuesto al valor agregado por cobrar circulante	0	0
Cuentas por cobrar circulantes por venta de propiedades	0	0
Cuentas por cobrar circulantes por alquiler de propiedades	0	0
Otras cuentas por cobrar circulantes	64,841,000	41,430,000
Total de clientes y otras cuentas por cobrar	8,135,368,000	6,170,925,000
Clases de inventarios circulantes [sinopsis]		
Materias primas circulantes y suministros de producción circulantes [sinopsis]		
Materias primas	0	0
Suministros de producción circulantes	1,551,814,000	1,621,341,000
Total de las materias primas y suministros de producción	1,551,814,000	1,621,341,000
Mercancía circulante	0	0
Trabajo en curso circulante	0	0
Productos terminados circulantes	0	0
Piezas de repuesto circulantes	0	0
Propiedad para venta en curso ordinario de negocio	0	0
Otros inventarios circulantes	0	0
Total inventarios circulantes	1,551,814,000	1,621,341,000
Activos mantenidos para la venta [sinopsis]		
Activos no circulantes o grupos de activos para su disposición clasificados como mantenidos para la venta	0	0
Activos no circulantes o grupos de activos para su disposición clasificados como mantenidos para distribuir a los propietarios	0	0
Total de activos mantenidos para la venta	0	0
Cientes y otras cuentas por cobrar no circulantes [sinopsis]		
Cientes no circulantes	0	0
Cuentas por cobrar no circulantes debidas por partes relacionadas	11,498,000	0
Anticipos de pagos no circulantes	0	0
Anticipos de arrendamientos no circulantes	0	0
Cuentas por cobrar no circulantes procedentes de impuestos distintos a los impuestos a las ganancias	0	0
Impuesto al valor agregado por cobrar no circulante	0	0

Concepto	Cierre Trimestre Actual 2021-09-30	Cierre Ejercicio Anterior 2020-12-31
Cuentas por cobrar no circulantes por venta de propiedades	0	0
Cuentas por cobrar no circulantes por alquiler de propiedades	0	0
Rentas por facturar	0	0
Otras cuentas por cobrar no circulantes	0	0
Total clientes y otras cuentas por cobrar no circulantes	11,498,000	0
Inversiones en subsidiarias, negocios conjuntos y asociadas [sinopsis]		
Inversiones en subsidiarias	0	0
Inversiones en negocios conjuntos	0	0
Inversiones en asociadas	0	0
Total de inversiones en subsidiarias, negocios conjuntos y asociadas	0	0
Propiedades, planta y equipo [sinopsis]		
Terrenos y construcciones [sinopsis]		
Terrenos	21,408,000	21,408,000
Edificios	313,584,000	281,935,000
Total terrenos y edificios	334,992,000	303,343,000
Maquinaria	521,206,000	491,911,000
Vehículos [sinopsis]		
Buques	0	0
Aeronave	0	0
Equipos de Transporte	46,304,000	35,482,000
Total vehículos	46,304,000	35,482,000
Enseres y accesorios	0	0
Equipo de oficina	100,405,000	100,423,000
Activos tangibles para exploración y evaluación	0	0
Activos de minería	0	0
Activos de petróleo y gas	0	0
Construcciones en proceso	774,605,000	794,979,000
Anticipos para construcciones	0	0
Otras propiedades, planta y equipo	40,150,490,000	31,029,872,000
Total de propiedades, planta y equipo	41,928,002,000	32,756,010,000
Propiedades de inversión [sinopsis]		
Propiedades de inversión	0	0
Propiedades de inversión en construcción o desarrollo	0	0
Anticipos para la adquisición de propiedades de inversión	0	0
Total de Propiedades de inversión	0	0
Activos intangibles y crédito mercantil [sinopsis]		
Activos intangibles distintos de crédito mercantil [sinopsis]		
Marcas comerciales	930,000,000	930,000,000
Activos intangibles para exploración y evaluación	0	0
Cabeceras de periódicos o revistas y títulos de publicaciones	0	0
Programas de computador	0	0
Licencias y franquicias	0	0
Derechos de propiedad intelectual, patentes y otros derechos de propiedad industrial, servicio y derechos de explotación	0	0
Recetas, fórmulas, modelos, diseños y prototipos	0	0
Activos intangibles en desarrollo	0	0
Otros activos intangibles	239,389,000	127,749,000
Total de activos intangibles distintos al crédito mercantil	1,169,389,000	1,057,749,000
Crédito mercantil	0	0
Total activos intangibles y crédito mercantil	1,169,389,000	1,057,749,000
Proveedores y otras cuentas por pagar [sinopsis]		
Proveedores circulantes	7,575,092,000	8,335,726,000
Cuentas por pagar circulantes a partes relacionadas	241,494,000	233,969,000

Concepto	Cierre Trimestre Actual 2021-09-30	Cierre Ejercicio Anterior 2020-12-31
Pasivos acumulados (devengados) e ingresos diferidos clasificados como circulantes [sinopsis]		
Ingresos diferidos clasificados como circulantes	376,319,000	269,279,000
Ingreso diferido por alquileres clasificado como circulante	0	0
Pasivos acumulados (devengados) clasificados como circulantes	0	0
Beneficios a los empleados a corto plazo acumulados (o devengados)	0	0
Total de pasivos acumulados (devengados) e ingresos diferidos clasificados como circulantes	376,319,000	269,279,000
Cuentas por pagar circulantes de la seguridad social e impuestos distintos de los impuestos a las ganancias	147,913,000	93,649,000
Impuesto al valor agregado por pagar circulante	0	0
Retenciones por pagar circulantes	0	0
Otras cuentas por pagar circulantes	276,647,000	202,978,000
Total proveedores y otras cuentas por pagar a corto plazo	8,617,465,000	9,135,601,000
Otros pasivos financieros a corto plazo [sinopsis]		
Créditos Bancarios a corto plazo	0	0
Créditos Bursátiles a corto plazo	0	0
Otros créditos con costo a corto plazo	1,413,642,000	443,025,000
Otros créditos sin costo a corto plazo	0	0
Otros pasivos financieros a corto plazo	380,352,000	333,266,000
Total de otros pasivos financieros a corto plazo	1,793,994,000	776,291,000
Proveedores y otras cuentas por pagar a largo plazo [sinopsis]		
Proveedores no circulantes	4,138,000	14,120,000
Cuentas por pagar no circulantes con partes relacionadas	0	0
Pasivos acumulados (devengados) e ingresos diferidos clasificados como no circulantes [sinopsis]		
Ingresos diferidos clasificados como no circulantes	0	0
Ingreso diferido por alquileres clasificado como no circulante	0	0
Pasivos acumulados (devengados) clasificados como no corrientes	0	0
Total de pasivos acumulados (devengados) e ingresos diferidos clasificados como no circulantes	0	0
Cuentas por pagar no circulantes a la seguridad social e impuestos distintos de los impuestos a las ganancias	0	0
Impuesto al valor agregado por pagar no circulante	0	0
Retenciones por pagar no circulantes	0	0
Otras cuentas por pagar no circulantes	0	0
Total de proveedores y otras cuentas por pagar a largo plazo	4,138,000	14,120,000
Otros pasivos financieros a largo plazo [sinopsis]		
Créditos Bancarios a largo plazo	0	0
Créditos Bursátiles a largo plazo	0	0
Otros créditos con costo a largo plazo	39,257,371,000	25,749,567,000
Otros créditos sin costo a largo plazo	0	0
Otros pasivos financieros a largo plazo	0	0
Total de otros pasivos financieros a largo plazo	39,257,371,000	25,749,567,000
Otras provisiones [sinopsis]		
Otras provisiones a largo plazo	0	37,363,000
Otras provisiones a corto plazo	1,523,853,000	796,700,000
Total de otras provisiones	1,523,853,000	834,063,000
Otros resultados integrales acumulados [sinopsis]		
Superávit de revaluación	3,488,100,000	1,729,424,000
Reserva de diferencias de cambio por conversión	(12,250,000)	(10,201,000)
Reserva de coberturas del flujo de efectivo	0	0
Reserva de ganancias y pérdidas por nuevas mediciones de activos financieros disponibles para la venta	0	0
Reserva de la variación del valor temporal de las opciones	0	0
Reserva de la variación en el valor de contratos a futuro	0	0
Reserva de la variación en el valor de márgenes con base en moneda extranjera	0	0
Reserva de ganancias y pérdidas en activos financieros a valor razonable a través del ORI	314,907,000	28,624,000
Reserva por cambios en valor razonable de activos financieros disponibles para la venta	0	0
Reserva de pagos basados en acciones	0	0

Concepto	Cierre Trimestre Actual 2021-09-30	Cierre Ejercicio Anterior 2020-12-31
Reserva de nuevas mediciones de planes de beneficios definidos	(33,043,000)	(33,043,000)
Importes reconocidos en otro resultado integral y acumulados en el capital relativos a activos no circulantes o grupos de activos para su disposición mantenidos para la venta	0	0
Reserva de ganancias y pérdidas por inversiones en instrumentos de capital	0	0
Reserva de cambios en el valor razonable de pasivos financieros atribuibles a cambios en el riesgo de crédito del pasivo	0	0
Reserva para catástrofes	0	0
Reserva para estabilización	0	0
Reserva de componentes de participación discrecional	0	0
Reserva de componentes de capital de instrumentos convertibles	0	0
Reservas para reembolsos de capital	0	0
Reserva de fusiones	0	0
Reserva legal	0	0
Otros resultados integrales	0	0
Total otros resultados integrales acumulados	3,757,714,000	1,714,804,000
Activos (pasivos) netos [sinopsis]		
Activos	65,844,905,000	49,245,827,000
Pasivos	56,114,793,000	41,066,792,000
Activos (pasivos) netos	9,730,112,000	8,179,035,000
Activos (pasivos) circulantes netos [sinopsis]		
Activos circulantes	17,929,127,000	10,851,028,000
Pasivos circulantes	13,515,895,000	12,450,647,000
Activos (pasivos) circulantes netos	4,413,232,000	(1,599,619,000)

[800200] Notas - Análisis de ingresos y gastos

Concepto	Acumulado Año Actual 2021-01-01 - 2021-09-30	Acumulado Año Anterior 2020-01-01 - 2020-09-30	Trimestre Año Actual 2021-07-01 - 2021-09-30	Trimestre Año Anterior 2020-07-01 - 2020-09-30
Análisis de ingresos y gastos [sinopsis]				
Ingresos [sinopsis]				
Servicios	20,465,553,000	13,881,313,000	7,270,070,000	5,004,198,000
Venta de bienes	0	0	0	0
Intereses	0	0	0	0
Regalías	0	0	0	0
Dividendos	0	0	0	0
Arrendamiento	0	0	0	0
Construcción	0	0	0	0
Otros ingresos	0	0	0	0
Total de ingresos	20,465,553,000	13,881,313,000	7,270,070,000	5,004,198,000
Ingresos financieros [sinopsis]				
Intereses ganados	31,653,000	31,008,000	10,451,000	12,963,000
Utilidad por fluctuación cambiaria	4,431,348,000	2,245,173,000	649,297,000	385,884,000
Utilidad por cambios en el valor razonable de derivados	0	0	0	0
Utilidad por cambios en valor razonable de instrumentos financieros	0	0	0	0
Otros ingresos financieros	0	0	0	0
Total de ingresos financieros	4,463,001,000	2,276,181,000	659,748,000	398,847,000
Gastos financieros [sinopsis]				
Intereses devengados a cargo	2,074,754,000	902,815,000	902,360,000	389,296,000
Pérdida por fluctuación cambiaria	4,959,411,000	2,512,809,000	1,270,984,000	273,668,000
Pérdidas por cambio en el valor razonable de derivados	0	0	0	0
Pérdida por cambios en valor razonable de instrumentos financieros	0	0	0	0
Otros gastos financieros	193,682,000	56,446,000	70,468,000	14,970,000
Total de gastos financieros	7,227,847,000	3,472,070,000	2,243,812,000	677,934,000
Impuestos a la utilidad [sinopsis]				
Impuesto causado	20,342,000	20,674,000	3,450,000	7,844,000
Impuesto diferido	0	0	0	0
Total de Impuestos a la utilidad	20,342,000	20,674,000	3,450,000	7,844,000

[800500] Notas - Lista de notas**Información a revelar sobre notas, declaración de cumplimiento con las NIIF y otra información explicativa de la entidad [bloque de texto]****NOTE 1 – DESCRIPTION OF TOTAL PLAY GROUP (TPG):****a. Entity and corporate purpose:**

Total Play Telecomunicaciones, S.A. de C.V. (“the Company”) was incorporated on May 10, 1989 under Mexican laws. The Company is a 99% direct subsidiary of Corporación RBS, S.A. de C.V (parent company at the last level of consolidation).

The head office of the Company is domiciled at Ave. San Jerónimo 252, Colonia La Otra Banda, 04519, Alcaldía Alvaro Obregón, Mexico City, Mexico.

The Company has no employees and obtains personnel services from its subsidiaries.

b. Activity:

The main businesses activities of the Company and its subsidiaries are:

- (i)to install, operate and exploit public telecommunication networks and/or cross-border links, through concession rights granted, as appropriate, by the Mexican Communications and Transportation Secretary (SCT by its Spanish acronym);
- (ii)the purchase - sale, distribution, installation, lease and trading of telecommunication devices;
- (iii)the operation of the concessions, authorizations or rights granted by the SCT;
- (iv)to provide restricted television/audio services, internet access and fixed telephony services;
- (v)the leasing of dedicated links to corporate customers; and
- (vi)to provide international long-distance services.

The Company’s operation is regulated by the Federal Telecommunications Law (LFT for its Spanish acronym) through the Federal Telecommunications Institute (FTI or IFT for its Spanish acronym).

The Company has been granted the following concessions or amendments to the concessions by the Mexican Federal Government:

- October 16, 1995 – concession to operate in the national and international long-distance segments, as well as to provide value added services (the Concession Title). On March 25, 2020, the Company announced that the FTI had renewed its concession to operate and exploit

a public telecommunications network for a 30 year period from October 16, 2025 through October 16, 2055.

- December 19, 2005 – basic local telephony services on a national basis, through the amendment of the Concession Title.
- November 6, 2009 – an authorization was added to provide restricted television/audio services through an amendment to the Concession Title.

c. Consolidation companies:

The Company is the controlling shareholder of the following entities:

Company	Year of incorporation	% of direct or indirect interest		Activity
		2020	2019	
Iusatel USA, Inc. (Iusatel USA)	2001	100%	100%	Participant in the long-distance market in the United States of America.
Tendai, S.A. de C.V.	2013	100%	100%	No operations.
Total Box, S.A. de C.V.	2014	100%	100%	Lease of decoders.
Gesalm Consultores, S.A. de C.V.	2014	100%	100%	Personnel services.
Gesalm Asesores, S.A. de C.V.	2014	100%	100%	Personnel services.
Gesalm Servicios, S.A. de C.V.	2015	100%	100%	Personnel services.
Total Telecom Play, S.A. de C.V. (Mexico)	2015	100%	100%	Dormant
Total Play Comunicaciones Colombia, SAS (Colombia)	2019	100%	100%	Dormant
TPE Comunicaciones Colombia, SAS (Colombia)	2019	100%	100%	Dormant
Hogar Seguro TP, S.A. de C.V.	2020	100%	-	Dormant

NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING**POLICIES:**a. Basis of preparation and presentation of the consolidated financial information

The accompanying consolidated financial statements of the Company have been prepared under the accrual basis and historical costs premise, except for the revaluation of properties, investments, trademarks and derivative financial instruments. The amounts are rounded to thousands, except as otherwise noted.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

IFRSs are comprised by the IFRS and by the International Accounting Standards (IAS), their Amendments and Interpretations to both IFRS and IAS (IFRIC and SIC, respectively).

The preparation of the consolidated financial statements in accordance with the adopted IFRSs requires the use of certain critical accounting estimates. It also requires TPG Management to use its judgment when applying TPG accounting policies. The areas in which significant judgments and estimates have been made when preparing the consolidated financial statements and their effect, are described in Note 2f.

The Group is required to report its financial information to the Institutional Stock Exchange (Bolsa Institucional de Valores, S.A. de C.V. or BIVA for its Spanish acronym) and to the National Securities and Exchange Commission (Comisión Nacional Bancaria y de Valores or CNBV for its Spanish acronym) while being the manager of the Irrevocable trust number CIB/3370, which was created due to the issuance of securitized certificates (Certificados Bursátiles o CEBURES) on March 2, 2020; as well as to the Singapore Stock Exchange (SGX) due to the Senior Notes issuance.

b. Consolidated financial statements

Consolidation rules

TPG's consolidated financial statements include the Company and all of its subsidiaries (see Note 1). TPG controls a subsidiary when it is exposed to or has the right to variable returns derived from its involvement with the subsidiary and has the ability of affecting those returns through its power over the subsidiary. All Company's subsidiaries present their financial information for consolidation purposes, in compliance with TPG policies.

All the operations and balances between the Company and its subsidiaries have been eliminated in consolidation, including unrealized gains and losses in transactions between them. In those cases in which an unrealized gain or loss arises from an intercompany sale of fixed asset, it is reversed in consolidation, in order to test the related asset for impairment from a consolidated perspective. The reported amounts in the Company's subsidiaries have been adjusted when necessary in order to assure consistency with TPG accounting policies.

The subsidiaries' assets, liabilities and results are included or excluded in consolidation on the date those subsidiaries were acquired and up to the approval date of the disposal plan. Subsidiaries' gains or losses and other items of their comprehensive income, are recognized starting from the date of acquisition and up to the disposal date, as applicable, considering that through the acquisition, control is obtained and lost at the time of the disposal.

SUMMARY OF ACCOUNTING POLICIES

The accompanying consolidated financial statements were reclassified and grouped to be presented in the formats established by the Bolsa Institucional de Valores (Institutional Stock Exchange) and in compliance with the established requirements to which the company is subject to.

The Company and its subsidiaries are hereinafter collectively referred to as the TP Group. The most important accounting policies followed in the preparation of the consolidated financial statements are summarized below.

a. Basis of preparation and presentation of the consolidated financial information

The accompanying consolidated financial statements of the Company have been prepared under the accrual basis and historical costs premise, except for the revaluation of properties, investments, trademarks and derivative financial instruments. The amounts are rounded to thousands, except as otherwise noted.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

IFRSs are comprised by the IFRS and by the International Accounting Standards (IAS), their Amendments and Interpretations to both IFRS and IAS (IFRIC and SIC, respectively).

The preparation of the consolidated financial statements in accordance with the adopted IFRSs requires the use of certain critical accounting estimates. It also requires TPG Management to use its judgment when applying TPG accounting policies. The areas in which significant judgments and estimates have been made when preparing the consolidated financial statements and their effect, are described in point f.

The Group is required to report its financial information to the Institutional Stock Exchange (Bolsa Institucional de Valores, S.A. de C.V. or BIVA for its Spanish acronym) and to the National Securities and Exchange Commission (Comisión Nacional Bancaria y de Valores or CNBV for its Spanish acronym) while being the manager of the Irrevocable trust number CIB/3370, which was created due to the issuance of securitized certificates (Certificados Bursátiles o CEBURES) on March 2, 2020; as well as to the Singapore Stock Exchange (SGX) due to the Senior Notes issuance.

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All the operations and balances between the Company and its subsidiaries have been eliminated in consolidation, including unrealized gains and losses in transactions between them. In those cases in which an unrealized gain or loss arises from an intercompany sale of fixed asset, it is reversed in consolidation, in order to test the related asset for impairment from a consolidated perspective. The reported amounts in the Company's subsidiaries have been adjusted when necessary in order to assure consistency with TPG accounting policies.

The subsidiaries' assets, liabilities and results are included or excluded in consolidation on the date those subsidiaries were acquired and up to the approval date of the disposal plan. Subsidiaries' gains or losses and other items of their comprehensive income, are recognized starting from the date of acquisition and up to the disposal date, as applicable, considering that through the acquisition, control is obtained and lost at the time of the disposal.

Likewise, the subsidiaries' financial statements were audited by independent auditors.

Changes in the subsidiaries' participation and loss of control.

Changes in the subsidiaries' owning participation, without losing control, are accounted as capital transaction. If the Company loses control of a subsidiary, proceeds as follows:

- i. Derecognize assets, including goodwill, and the subsidiary liabilities
- ii. Derecognize the accounting value of the non-controlling interest
- iii. Derecognize the accumulated translation effect accounted as equity.
- iv. Recognize the fair value of the consideration received.
- v. Recognize the fair value of the retained investment.
- vi. Recognize any surplus or deficit in income for the period.
- vii. To reclassify the participation previously recognized as other comprehensive result items to gains, losses or retained earnings, as may be the case, as if the Company would have sold the related assets or liabilities directly.

Discontinued operations

A discontinued operation is a component of the business of TPG that has been disposed of and whose operations and cash flows can be clearly identified from the rest of TPG and that:

- Represents a business unit or geographical area, that is significant and can be considered separately from the rest of the Company.
- Is part of a unique coordinated plan to dispose of a business unit or of an operative geographical area that is significant and can be considered separately from the rest; or
- Is a subsidiary entity acquired exclusively with the intent to be resold.

The classification of a discontinued operation occurs at the time it is disposed of, or when the operation complies with the criteria to be classified as held for sale, whichever happens first.

When an operation is classified as discontinued operation, the comparative statement of comprehensive income of the period has to be presented as if the operation would have been discontinued since the beginning of the comparative year.

The effects in the current period over discontinued operations entries and that are directly related with their disposal in a previous period, are classified in a separately within the related information to such discontinued operations.

c. Functional currency

The consolidated financial statements are presented in Mexican pesos (\$), the currency under which the Company and its Mexican subsidiaries must keep their accounting records pursuant to Mexican law. Said currency is also the TPG's reporting and functional currency. On an individual basis, some of the foreign subsidiaries have other accounting currencies different to the Mexican peso (see Note 1c).

d. Changes in accounting policies from adoption of new IFRS and Improvements to IFRS

Following are the standards and improvements which may have an effect in TP Group's financial information, in force as of the date of the accompanying consolidated financial statements. TP Group evaluated the effect of these standards and improvements on its consolidated financial statements as detailed in subsections i and ii.

i. *New standards, interpretations and amendments which became effective since January 1, 2020.*

Some of the accounting pronouncements that became effective since January 1, 2020, that have been adopted, but do not have a significant impact in the TPG's results of financial position were as follows:

- Conceptual framework (revised)

- Amendments to IFRS 3, Business' definition
- Amendments to IAS 1 and IAS 8, Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7. Interest rate benchmark reform (Phase 1)
- Amendments to IFRS 16, COVID-19 related rent concessions

These modifications, interpretations and improvements to existing standards do not mean changes in accounting policies and do not have a significant impact on the consolidated financial statements of TP Group.

ii. New standards not effective, not adopted early by the TPG.

As of the authorization date of these consolidated financial statements, there are new standards, amendments and interpretations to existing standards released by the IASB, none of which have been adopted early by the TPG:

- Annual improvements to IFRS – 2018-2020 cycle
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Interest rate benchmark reform (Phase 2)
- Amendments to IFRS 3 – References to the conceptual framework
- Amendments to IAS 16, Products obtained before the intended use.
- Amendments to IAS 37, Onerous contracts – Costs of fulfilling a contract
- Amendments to IAS 1, Classification of liabilities as current or non-current

These modifications are not expected to have a material impact on the consolidated financial statement on the initial application period, and consequently there are no further disclosures.

Annual Improvements to IFRSs 2018-2020 cycle, published in June 2018, provide modifications to certain current standards and will be in force starting 2022; the topics dealt with by such modifications are as follows:

Standard	Standard affected	Nature of the amendment
IFRS 9	Financial Instruments	Clarification over the commissions included in the test to determine the derecognition of a financial liability that has been modified or exchanged while evaluating if the contractual terms are substantially different.
IFRS 16	Leases	Amendment to illustrative example 13 accompanying IFRS, removing what refers to lessor payments related to improvement to leased properties, with the objective to avoid potential for confusion regarding lease incentives.

e. Business segments

Management while identifying their operating business segments, follows the TPG service lines which represent the main products and services provided by TPG.

Each of the operating segments are managed separately since each service line requires different technologies and other resources, besides the different marketing approaches. All intra-segment transfers are carried out at arm lengths basis, based on operations with customers on individual sales of identical products and services.

The measurement policies of TPG used for reporting segments in accordance with IFRS 8 are the same as those used for the financial statements.

f. Critical accounting estimates and judgments

The preparation of consolidated financial statements, in accordance with IFRS, requires TPG Management to make estimates and judgments that affect the assets and liabilities reported in the consolidated financial statements. Actual results may differ from those having been estimated. The consolidated financial statements were prepared at historical acquisition cost base, and where applicable, at fair value. The main estimates and judgments that have been identified are the following:

- (i) Inventory and receivables allowances. TPG uses estimates to determine the inventory and receivables impairment allowances. Some of the factors considered by TPG for calculating the inventory allowance are the installations volume and demand trends for certain products. The factors considered by TPG in order to determine impairment allowance of receivables include customer's risk related to its financial situation, unsecured accounts and the portfolio aging in accordance with the credit terms and conditions set down.
- (ii) Property, plant and equipment. TPG reviews the estimated useful life of property, plant and equipment at the end of each annual period, to determine their depreciation. Useful lives are determined in accordance with technical studies prepared by specialized internal staff, but external specialists may also participate. The uncertainty degree from to the useful lives estimates is related to the market changes and the use of the assets. Likewise, TPG performs estimates of recovered equipment value when a user cancels the service.
- (iii) Capitalization of cost of loans. TPG uses its judgment in order to determine: (1) the qualifying assets in which the cost of loans will be capitalized; (2) the starting, suspension and ending periods of the capitalization, (3) the foreign exchange losses that may be capitalized.
- (iv) Impairment of long-lived assets. When performing the asset impairment tests, TPG makes estimates on the value of use allocated to its property, plant and equipment, trademarks, and to cash generating units (CGU), in the case of certain assets. Calculations of the value of use require TPG to determine the future cash flows that should proceed from the CGUs

and the appropriate discount rate to calculate the present value. TPG uses the revenue cash flow projections using estimates of market conditions, prices, market share and volume of installations.

- (v) **Leases.** At the time of registering its lease contracts under IFRS 16, Management has had to use certain estimates in respect to: (1) the possible contract renewals; (2) the discount rate to determine their present value; and (3) the applications of allowed exceptions.
- (vi) **Employee benefits.** Measurement of the liability for employee benefits is performed by independent specialists based on actuarial calculations. Some of the assumptions that may have an important impact, among other, are: (1) discount rates, (2) expected salary increase rates, and (3) rotation and mortality rates based on recognized tables. A change in the economic, labor or tax conditions could modify the estimates.
- (vii) **Deferred taxes.** TPG has tax loss carry forwards and certain temporary differences, which are susceptible to be used in the following years. Based on projected revenue and taxable profit TPG is expected to generate in future years, TPG Management has considered that a portion of current tax loss carry forwards and temporary differences will not be used before their expiration date and, therefore, it was considered appropriate to account for a valuation allowance to the deferred tax asset from those tax losses and temporary differences.
- (viii) **Contingencies.** TPG is subject to legal procedures on which the possibility of materialization as a payment obligation is assessed, for which the legal situation as of the date of the estimate and the opinion of TPG's legal advisers are considered. Such assessments are periodically reviewed and in case that the payment obligation becomes probable, the corresponding liability is recognized.
- (ix) **Revenue from contracts with customers.** In the process of applying TPG accounting policies, Management has performed the following judgments that have had the most significant effects on the figures recognized in the financial statements: (1) determination of performance obligations; (2) the timing in which a revenue must be recognized based on the fulfillment of performance obligations; (3) the average time of equipment installation; (4) cancellation percentage; and (5) registration of the consideration as agent or principal.

g. Consolidated statement of comprehensive (loss) income

TP Group presents the consolidated comprehensive (loss) income in a single statement denominated "Consolidated statement of comprehensive (loss) income", which includes those items comprising net loss and other comprehensive income (OCI).

The expenditures shown in TPG's consolidated statements of comprehensive (loss) income are presented in a combined manner, since the grouping of costs and expenses in a general fashion, allows knowing the different levels of (loss) income. Additionally, TPG presents the operating (loss) profit in its consolidated statements of comprehensive (loss) income, since such presentation is a common disclosure practice in the industry that TPG operates in.

h. Consolidated statements of cash flows

Consolidated statements of cash flows have been prepared using the indirect method which consists in presenting firstly income or loss before tax provisions and then the changes in working capital, investment activities and lastly, financing activities.

i. Cash and cash equivalents

Cash and cash equivalents consist of petty cash funds, bank deposits and high-liquidity short-term investments which may be easily converted into cash and which are subject to a small risk of changes in their value.

j. Financial instruments

Recognition, initial measurement and de-recognition of financial instruments

Financial assets and liabilities are recognized when TP Group is part of the contractual clauses of a financial instrument.

Financial assets are de-recognized when the contractual rights to the cash flows of a financial asset expire, or when the financial asset and all the substantial risks and rewards have been transferred.

A financial liability is de-recognized when the obligation is extinguished, discharged, canceled or due.

An equity instrument like any contract that brings out a residual participation in Company's assets, after having deducted all liabilities, that is, in net assets.

Classification and initial measurement of financial assets

Except for accounts receivable from customers, which do not contain a significant financing component and are measured at the price of the transaction in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted by the transaction costs (in case that this applies).

Financial assets that are not designated and effective as hedging instruments, are classified in the following three categories for measurement purposes:

- Amortized cost.
- Fair value through profit or loss (FVTPL).
- Fair value through other comprehensive income (FVTOCI).

The abovementioned classification is determined considering the following:

- The entity's business model for the management of the financial asset.
- The contractual features of the financial assets cash flows.

All revenues and expenses related with financial assets are recognized in the income statement and presented as part of financial income, financial expense or other financial operations, except for the impairment of accounts receivable from customers, which are presented under operating expenses.

Subsequent measurement of financial assets

- Financial assets at amortized cost

Financial assets are measured at their amortized cost if those assets meet the following conditions (and are not FVTPL designated):

- They are kept into a business model with the objective of holding the financial assets and to collect its contractual cash flows.
- The contractual terms of the financial assets lead to cash flows that are only payments of principal and interest on the outstanding balance.

If the financial asset fair value at the initial recognition date differs from the price of the transaction, the instrument is recognized by adjusting it and differing the difference between both values. Afterwards the deferred difference is recognized in the income statement to the extent that a change arises that implies a change in the financial instrument value.

After initial recognition, these assets are measured at their amortized cost by using the effective interest rate method. The discount is omitted when the discount effect is immaterial. Cash and cash equivalents, other receivables and related parties, and most of other accounts receivable are recognized under this financial instrument category.

- Financial assets at fair value through profit and loss (FVTPL)

Financial assets held within a business model different to "holding for collection" or "held to collect and to sell" are categorized at fair value with changes in results. Moreover, aside from the business model, financial assets whose contractual cash flows are not only principal and interest payments are recorded at FVTPL. All derivative financial instruments fall into this category, except those designated and effective as hedge instruments, for which hedge accounting requirements are applied (see below).

The assets qualifying in this category are measured at fair value with gains or losses recognized in results. Fair values of financial assets in this category are determined by reference to transactions on an active market or using a valuation technique when an active market does not exist.

- Financial assets at fair value through other comprehensive income (FVOCI)

TP Group accounts for financial assets at FVOCI if said assets comply with the following conditions:

- They are held under a business model whose objective is 'held to collect' the associated cash flows, and sell, and
- The financial assets contractual terms result in cash flows that are only principal and interest payments of the outstanding amount.

Any gain or loss recorded in other comprehensive income (OCI) will be recycled when the related asset is de-recognized.

Impairment of financial assets

The impairment requirements under IFRS 9 use more future information in order to recognize expected credit losses and said requirements are comprised under the 'expected credit loss model'. This replaces the 'incurred loss model' under IAS 39. The instruments under the scope of the new requirements include loans and other financial assets of debt type measured at amortized cost and at FVOCI, accounts receivable from customers, assets from contracts with customers recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) which are measured at FVTPL.

Recognition of credit losses no longer depends on TPG identifying a credit loss event. Instead, TPG considers a wider range of information when assessing the credit risk and measures the expected credit losses, including past events, current conditions, as well as reasonable and backed up forecasts that affect the expected recovery of the instrument's future cash flows. When applying this approach, a distinction is made between:

- Financial instruments whose credit quality has not deteriorated significantly since their initial recognition or with a low credit risk ('Stage 1'), and
- Financial instruments whose credit quality has deteriorated significantly since their initial recognition or whose credit risk is not low ('Stage 2').
- The Stage 3 would consider financial assets with a strong evidence of impairment as of the reporting date.

The 'twelve month expected credit loss' is recognized for the first category, while the 'asset's lifetime expected credit loss' is recognized for the second category.

The measurement of the expected credit loss is determined through a weighted estimate of the default probability during the expected lifetime of the financial instrument.

Accounts receivable from clients and other receivables and assets from contracts with clients

TP Group uses a simplified approach to register accounts receivable from customers and other receivables, as well as the assets of contracts with customers, and recognizes the impairment allowance as the expected credit losses during the lifetime of the instrument. These are expected deficits in contractual cash flows, considering the potential default at any time during the life of the financial instrument. TP Group uses its historical experience, external indicators and forecasted information to calculate the expected credit losses through a provision matrix. TPG assesses impairment of accounts receivable from customers on a collective basis, by grouping the portfolio based on the number of days overdue, since the receivables groups share similar credit risk characteristics.

Classification and subsequent measurement of financial liabilities

Financial liabilities of TPG include financial debt, suppliers, related parties and other accounts payable.

Financial liabilities are measured initially at fair value and, as applicable, are adjusted for transaction costs, unless TPG would have designated the financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost by using the effective interest rate method, except for derivatives and financial liabilities that have been designated at FVTPL, which subsequently are booked at fair value with gains or losses recognized in profit or loss (that are not derivative financial instruments designated and effective as hedging instruments).

All the charges related with interest and, if applicable, changes in fair value of an instrument are reported in income and are included under 'interest expense'.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL, except for those derivatives designated as hedging instruments in the cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedge relationship must comply with all of the following:

- There is an economic relationship between the hedged item and the hedging instrument,
- The effect of the credit risk does not dominate the changes of value resulting from said economic relationship, and
- The hedge index in the hedge relationships is the same as the resulting from dividing the amount of the hedged item that the entity is really hedging by the amount of the hedging instrument that the entity really uses to hedge said amount of the hedged item.

All the derivative instruments used in the hedge accounting are initially recognized at fair value and subsequently reported at fair value in the statement of financial position. Provided the hedge is effective, changes in fair value of the derivatives designated as hedge instruments in the cash flow

hedging operations are recognized under other comprehensive income and included in other equity components.

Any ineffectiveness in the hedging relationship is immediately recognized in profit and loss. At the time the hedged item affects the profit and loss, any gain or loss previously recorded in OCI is reclassified from equity to profit and loss and presented as a reclassification within OCI. However, if a non-financial asset or liability is recognized as a result of the hedged transaction, gains or losses previously recognized in OCI are included in the initial measurement of the hedged item.

If a forecasted transaction is not expected to occur, any related gain or loss recognized in the OCI is immediately transferred to profit and loss. If the hedge relationship ceases to comply with the effectivity conditions, the hedge accounting is discontinued, and the related gain or loss is kept in the equity accounts until the forecasted transaction occurs.

Fair value coverage

The change in the fair value of a coverage instrument is recognized as other expenses in the statement of comprehensive income. The change in fair value of the hedge item attributable to the hedged risk is accounted as part of the hedged item carrying amount and also recognized in profit and loss as other expenses.

For fair value coverage related to items recognized at amortized cost, the adjustment to the carrying amount is amortized through profit and loss over the remaining period until expiration date, using the effective interest rate method. The effective interest rate amortization may begin as soon as adjustment exists and must begin the latest when the hedged item ceases to be adjusted due to changes in fair value attributable to the hedge risk.

If the hedged item ceases to be recognized, the fair value not yet amortized will be recognized immediately in profit and loss.

Classification and measurement of equity instruments

In accordance with IAS 32, the issuer of a financial instrument shall classify it in its entirety or in each of its components, at the time of initial recognition, as an equity instrument, in accordance with the economic essence of the contractual agreement and with the definitions of financial liability, financial asset and equity instrument.

An instrument shall be of equity if, and only if, it complies with the following:

- a. The instrument does not incorporate a contractual obligation of: (i) deliver cash or other financial asset to another entity; or (ii) exchange financial assets or liabilities with another entity under terms potentially unfavorable to the issuer.

- b. If the instrument will or may be liquidated with the equity instruments owned by the issuer, it is (i) a non-derivative instrument; or (ii) a derivative that will be liquidated only by the issuer through the exchange of a fixed amount in cash or other financial asset for a fixed amount of equity instruments of its own.

k. Accounts receivable from customers and other receivables

(i) Accounts receivable from customers

Accounts receivable from customers represent the collection rights stemming from sale of telecommunication services provided in the normal course of the operations of TPG. These assets are initially valued at the fair value of the agreed upon consideration; subsequently, they are adjusted for the estimated changes in the fair value at which they will be recovered, as a result of the accorded deductions and the recoverability estimates. When it is expected to collect them within a one-year period or less from the date of closing (or in the normal business operations cycle in case the cycle exceeds this period), they are presented as current assets. In the event on non-compliance with the foregoing, they are presented as non-current assets.

The increases and reductions of the expected credit losses estimates are determined based on valuation studies and applied to income when determined and are presented as part of general expenses in the consolidated statement of comprehensive (loss) income.

The allowance for doubtful accounts represents the probable loss inherent to all accounts receivable due to the historic trends of accounts receivable.

Those accounts in foreign currency are measured at the exchange rate prevailing at the end of the accounting period.

(ii) Other receivables

The other receivables refer mainly to advances for expenses, recoverable taxes and sundry debtors. Assets under this category are presented as current assets, except if they are expected to be recovered in a lapse higher than twelve months from the date of report, in which case they are classified as non-current assets.

l. Inventories

Inventories are valued at the lower of their cost or their net realizable value. The exchangeable items cost is originally assigned using the weighted average cost formula. The net realizable value corresponds to the estimated sale price in the ordinary course of business reduced by any applicable sales expense.

m. Advance payments

Prepaid expenses represent benefits for which the risks inherent to the assets to be acquired or the services to be received are not yet transferred to TPG.

n. Property, plant and equipment

TPG's Management decided to change the recording to the revaluation model for the fiber optic and decoders, since it is considered it reflects their value in a better way, and consequently, the acquisition of those items up to December 31, 2017 are shown at their fair value, as determined by independent appraisers.

The average annual depreciation rates used by TPG for years 2020 and 2019 are the following:

	2020 (%)	2019 (%)
Communication equipment	10.0	10.0
Fiber optic	4.0	4.0
Decoders and installation expenses	12.5-20.0	12.5-20.0
Computers	33.0	33.0
Vehicles	25.0	25.0
Constructions	5.0	5.0
Furniture and fixtures	10.0	10.0

o. Borrowing costs

Costs from borrowings directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during period necessary to complete and prepare the asset to its intended use or sale. Other borrowing costs are charged to income when accrued and are reported under caption “interest expense”.

p. Intangible assets

Intangible assets acquired individually are initially recognized at acquisition cost. Intangible assets acquired through business combinations are identified and recorded at fair value at the date of acquisition. After initial recognition, intangible assets are recognized at cost reduced by their accumulated amortization and the accumulated impairment losses. Intangible assets internally developed, excluding capitalized development costs, are not capitalized, and the related expenses are booked in the income, in the period they were incurred.

TPG assess at the initial recognition whether the useful life of intangible assets is finite or undefined.

All finite-lived intangible assets are amortized during the economic useful life and are assessed when indicator that the intangible assets may be deteriorated are present. The amortization period and the amortization method for intangibles with finite- useful live are reviewed at least at each reporting date. The changes in the expected useful life or in the expected period to obtain the future economic benefits materialized in the assets, are taken as a basis to change either the period or the amortization method, if applicable, and are treated as a change in accounting estimate. The intangible assets with finite-life amortization expense is recognized in the comprehensive income statement as part of the expenses according to the intangible usage.

Intangible assets with undefined useful life are not amortized, instead those assets are subject to annual assessment regardless of any impairment indicator, individually or at cash-generating unit

level. The useful life of an intangible asset with undefined useful life is reviewed annually to determine if such definition is still applicable, otherwise, the change in the assessment of undefined useful life to finite-lived is applied prospectively.

Trademarks

Trademarks represent the acquired rights to exploit certain intellectual property (names, logos, etc.).

During year ended December 31, 2019, the Company adopted the revaluation method for the Trademark, in accordance with IAS 28 “Intangibles”, generating an increase in non-current assets and equity for \$790,000.

Concessions

Those costs related to the acquisition of concessions rights granted from the Mexican government to provide long-distance services and the lease of links through a public telephone network have been capitalized and are included under caption “Trademarks and other assets”. Such costs are amortized by using the straight-line method during the initial term of each concession. The Mexican government requires TPG to comply with certain specific provisions stated in each concession title. As at December 31, 2020, TPG has fulfilled all of those requirements.

Internally developed software

Disbursements in the research phase of projects to develop specific software for the computer and telecommunication systems are recognized as expense when incurred.

Costs that are directly attributable to the development phase of the projects are recognized as intangible assets as long they comply with the following requirements to be recognized:

- Costs can be reliably measured;
- The project is technical and commercially viable;
- TPG intends and has enough resources to complete the project;
- TPG has the ability to use or sale the intangible asset;
- The intangible asset will generate probable future economic benefits.

Development costs not complying with these capitalization criteria are charged to income or loss as incurred.

The costs directly attributable include the cost of employees incurred during the software development, in addition to the adequate portion of general expenses and debt costs.

q. Long-lived assets assessment

TP Group periodically assesses the recoverability of its tangible and intangible long-lived assets, to identify the existence of circumstances indicating that their carrying values exceed their value of use.

In order to perform the impairment tests, assets are grouped to the lowest level for which there is an adequate independent cash inflow (cash generating units or CGU). As a result, assets are individually tested for impairment and some are tested at a CGU level.

Those CGUs to which goodwill is allocated, intangible assets with undefined life and intangible assets not available for use are tested for impairment at least once a year. The rest of the individual assets or CGUs are tested for impairment if any event or changes in the circumstances indicate that the carrying amount may not be recovered.

An impairment loss is accounted for in the amount for which the assets or CGU' carrying amount exceeds its recovery value, which in turn corresponds to the higher amount between fair value less selling expenses and the value of use. To determine the value of use, Management estimates the expected future cash flows of each CGU and determines a discount rate to calculate the present value of such cash flows. Data used when performing the impairment test are directly linked to TPG's most recent authorized budget, adjusted as necessary to exclude the effects of future reorganizations and asset improvements. Discount factors are individually determined for each CGU and reflect their respective risk profiles as assessed by Management.

CGU impairment losses reduce first the carrying amount of any goodwill assigned to the related CGU. The remaining impairment loss is split pro rata between the long-lived assets of the CGU. Except goodwill, all the assets are subsequently assessed to confirm that any impairment loss previously recognized no longer exists. An impairment charge may be reverted if the CGU recoverable value exceeds carrying amount.

Impairment test

For the impairment annual test purposes, there were defined two valuation approaches adequate for each CGU maintained by TPG, privileging the use of level 1 and 2 inputs, in accordance with IFRS 13, Measurement at fair value. Recovery value is obtained as the higher between the value in use and fair value less disposition costs. For the annual impairment test working capital assets, fixed assets, concessions and other intangibles were considered as a single CGU, considering that TP Group has its own assets to operate independently as a going concern and generates economic cash flows and its own financial information, which allows its analysis individually.

The technique used to determine the recoverable value is the fair value less the disposal costs.

Fair value (market approach). This approach was carried out through the arm's length public companies technique, which estimates the sustainable level of future revenues for a business, and applies an appropriate multiple to those revenues and are capitalized to obtain the business value.

This technique presumes that companies operating in the same industry sector will share similar characteristics, and the values of the company are co-related to those characteristics.

Value-in-use (revenue approach). To determine the value-in-use, Management estimates the expected future cash flows of each cash generating unit and determines an adequate interest rate to be able to calculate the present value of those cash flows. The data used upon carrying out impairment testing procedures are directly linked to the most recent budget approved by the TPG, adjusted as necessary to exclude the effects of future reorganizations and improvements of assets. Discount factors are determined individually for each cash generating unit and reflect their respective risk profiles, as evaluated by Management.

As at December 31, 2020 TP Group does not present impairment in its assets with indefinite and definite lives.

r. Leased assets

TPG as lessee

TPG enters into lease agreements for communication equipment, decoders, vehicles, furniture, offices, points of sale, among others. All leases are negotiated individually and have a wide variety of terms and different conditions as purchasing options and scalability clauses.

TPG assesses if the contract is or contains a lease at the commencement date. A lease conveys the right to direct the use and obtain substantially all the economic benefits of an identified asset for a period of time in exchange of a consideration.

Some lease contracts contain lease components and other non-lease components. The non-lease components used to be associated with the offices management services and the maintenance and vehicle repair contracts. TPG has elected not to split from its offices leases the non-lease components, instead account for these contracts as one lease component. For the rest of leases, the components are divided in its lease components, and non-lease components based on their respective independent prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the TPG recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the TPG, and any lease payments made in advance of the lease commencement date (net of any incentives received).

TPG depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. TPG also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the TPG's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After initial measurement, the liability will be reduced for payments made, split as capital payments and financial costs. The financial cost is the amount produced by a constant interest rate over the remaining balance of the financial liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the TPG's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognized in profit or loss.

Lease payments can also be modified when there is a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or rate used to determine those payments, including changes in lease market rates after a review of such market leases. The lease liability is remeasured only when the adjustment to the lease payments becomes effective, where the revised contractual payments for the remainder of the lease term are discounted using the unmodified discount rate. Except when the change in lease payments is the result of a change in variable interest rates in which case the discount rate is modified to reflect the change in interest rates.

In some cases, the TPG may increase or reduce the capacity of physical spaces or may renegotiate the amounts to be paid under the respective leases, therefore, the TPG may agree with the lessor to pay an amount that is proportional to the independent adjusted price to reflect the specific terms of the contract. In these circumstances, the contractual arrangement is treated as a new lease and accounted for accordingly.

In other cases, TPG may negotiate a change to an existing lease, such as reducing the amount of office space occupied, the term of the lease, or the total amount to be paid under the lease not being part of the original terms and conditions of the lease. In these circumstances, TPG does not account for the changes as if there were a new lease. Instead, the revised contractual payments are discounted using a revised discount rate on the effective date of the lease modification. For the reasons explained above, the discount rate used is the TPG's incremental loan rate determined on

the modification date, since the implicit rate in the lease is not easily determinable.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the leases is recognized in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

As a lessor the Group classifies leases as either operating or financial leases.

A lease is classified as a financial lease if it transfers substantially all the risks and rewards inherent to ownership of the underlying asset and classified as an operating lease if it does not.

s. Financial debt

Financial debt is initially accounted for fair value net of any operating expense directly attributable to the issue of the instrument. Liabilities that accrue interest are subsequently valued at amortized cost, by using the effective interest rate method, which ensures that any interest expense during the period through completion of the payments resulting in a constant rate on the outstanding liability in the statement of financial position. Interest expense includes initial transaction costs and premiums paid at the time of amortization, as well as any interest or coupon payable while the liability remains outstanding.

t. Taxes on income

The tax expense recognized in income includes the sum of the deferred tax and the tax incurred in the period, which has not been recognized in other comprehensive income items or directly in equity.

The short-term tax calculation is based on the tax rates and tax laws that have been enacted or are substantially enacted at the close of the reporting period. Deferred income taxes are calculated using the liability method

IAS 12, "Income taxes" states that the tax incurred should be determined based on the tax rules in force and is recorded in profit or loss of the period to which it is attributable. The effects of deferred taxes consist in applying the applicable tax rate to those temporary differences between the assets and liabilities carrying amounts and their tax values which are expected to materialize in the future,

related to: (i) deductible and taxable temporary differences, (ii) the amounts of tax loss carry forwards, and (iii) unused tax credits.

A deferred income tax asset is only recognized if it is probable that there will be future taxable income to be offset against to. The deferred income tax liability derived from investments in subsidiaries and associates is recognized, except when the reversal of the related temporary differences can be controlled by TPG and is probable that the temporary difference will not be reverted in the foreseeable future.

Assets and liabilities from deferred taxes are only offset when TPG has the right and intention to offset the assets and liabilities from taxes of the same tax authority.

Deferred income tax assets are accounted for as long as it is probable that they may be used against future taxable income. This is determined based on projections of TPG of the future operating results, adjusted by significant items which are reconciled to the tax result and by the limits of use of tax losses or other unused tax credits. Liabilities from deferred taxes are always accounted for on its entirety

Current tax for the year is determined in accordance with the tax rules in force.

The effect of changes in tax rates on the deferred taxes is accounted for in profit or loss of the period in which such changes are approved.

u. Employee benefits

Under IAS 19, the employee benefits liabilities granted by TPG's subsidiaries are determined as follows:

Short-term employee benefits

These types of benefits, including vacation rights, are current liabilities included in 'Other accounts payable', they are measured at nominal value (without discount) that the TPG expects to pay as a result of the unused right and are recognized as expenses in the income of the period.

Retirement benefits under the defined contribution scheme

As of December 31, 2020 these types of plans did not exist.

Retirement benefits under the defined benefits scheme

Under the defined benefit scheme, the amount of pension that an employee will receive upon retirement is determined in reference to the time of service and the employee's final salary. The legal obligation for the benefits remains with the TPG, even if the plan assets to finance the defined benefit plan are separate. Plan assets may include specifically designated assets in a long-term

benefit fund in addition to qualifying insurance policies. As of December 31, 2020 the TPG did not have a funded pension plan and, therefore, there were no plan assets.

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of the plan assets. It is measured using the projected credit unit method, considering the present value of the obligation as of the date of the consolidated statement of financial position.

TP Group Management estimates DBO annually with the assistance of independent actuaries based on standard inflation rates and wage and mortality growth rate. Discount factors are determined near the end of each year with reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have maturities approximate to the terms of the related pension liability or, in failing which, the market rate of the bonds issued by the government should be taken as a reference.

The service costs of the defined benefit liability are included in the expense for employee benefits. Contributions that are independent of the years of service are considered a cost for services reduction. The net interest expense of the defined benefit liability is included as part of the financial costs. The gains or losses that derive from the remeasurements of the liability for defined benefits (actuarial gains or losses) are included in other comprehensive income items and are not reclassified to income in subsequent periods.

v. Provisions, contingent liabilities and contingent assets

Provisions are accounted for when present obligations, resulting from a past event, probably will lead to a cash outflow of TPG and the amounts can be estimated with some reliability. The time or the amount of such outflow can be yet uncertain. A present obligation rises from the presence of some legal or constructive commitment resulting from past events, e.g.: product warranties granted, legal controversies or onerous contracts.

Restructuring provisions are only accounted for if a restructuring detailed formal plan has been developed or implemented and, management has announced, at least, the main characteristics of the plan to the those affected persons or has begun the plan implementation. No future operating losses are recognized.

Provisions are measured by the estimated required expense to settle the present obligation, given the most reliable available evidence as of the date of the report, including the risks –and uncertainties associated to the current obligation. When there is a number of similar obligations, the possibility that an outflow is required for settling them is determined by considering them as a whole. Provisions are discounted at their present value in cases in which the value of the money in time is material.

Any reimbursement that TPG considers that is going to be collected from a third party in relation with an obligation, is considered as a separate asset. However, such assets will not exceed the amount of the related provision.

In cases where it is considered an unlikely or remote outflow of economic resources as a result of the current obligations, no liability is recognized unless a business combination is on course. In a business combination, contingent liabilities are recognized as of the acquisition date if a present obligation arises from past events and fair value can be reliably measured, even if the resources outflow is not probable. Subsequently, they are measured considering the higher amount between a comparable provision as previously described and the recognized amount as of the acquisition date, less any amortization.

w. Equity

Capital stock represents the face value of outstanding shares.

Paid-in capital includes any premium received from a capital stock issue. Any transaction cost is reduced from the paid-in capital, net from any related income tax benefit.

Retained earnings include all current and prior year earnings (losses), decreased by losses and transfers to other equity accounts.

All transactions with the controlling entity's stockholders are accounted separately in equity.

Dividend distributions payable to the stockholders are charged against retained earnings and are included in "other payables" when dividends have been declared but remain unpaid as of the date of the report. As at December 31, 2020 no dividends have been declared.

Under caption "other comprehensive income" are recorded all the changes in equity which do not represent contributions by or distributions to the stockholders and that are part of comprehensive income (loss) and include the following:

- The revaluation reserve - includes gains and losses related to the revaluation of property, plant and equipment, as well as intangible assets (see Notes 2p and 10).
- Remeasurements of the defined benefit liability - which includes actuarial losses due to changes in demographic and financial assumptions (see Notes 2u and 13).
- The translation effect - includes the currency translation effect of the TPG's foreign entities to Mexican pesos (see Notes 1c and 2aa)
- The cash flow hedging reserve - comprises gains and losses related to this type of financial instruments (see Note 15b).

x. Revenue recognition for contracts with customers and other income

Revenue from telecommunication services derive from the contracts executed between TPG and customers.

In certain cases, TPG incurs a number of incremental costs in order to obtain said contracts, e.g.: commissions paid to the sales force or third-party agents. When the period covered exceeds one year, those costs are capitalized, otherwise TPG applies the IFRS 15 practical approach and expense them as incurred.

For revenue recognition purposes, TPG follows a five-step process:

- (i) Identify the contract(s) with the customer;
- (ii) Identify the performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations;
- (v) Recognize revenue when (or as) each performance obligation is satisfied.

TPG frequently conducts transactions involving a variety of products and services, e.g., for the delivery of telecommunications hardware, software and related after-sales services. In all cases, the total transaction price for a contract is allocated among the various performance obligations based on their relative independent selling prices. The transaction price for a contract excludes any amounts charged on behalf of third parties.

TP Group recognizes the contract liabilities when a payment is received before the performance obligation is satisfied and those amounts are presented as 'Customer contract liabilities' in the statement of financial position. Similarly, if TPG satisfies a performance obligation before payment is received, it is recognized either a contract asset or an account receivable in the consolidated statement of financial position, depending on whether something else than just the passage of time is required before payment is enforceable

Revenue recognition is based on information generated by the billing systems, which include individual customer data such as the type of package/type of service rendered, billing fees, and other conditions agreed with the customers.

Some of the most representative types of income and their recognition method are described below:

Revenues for bundle 'Double Play' and 'Triple play'.

'Double play' and 'Triple play' contracts offered to customers are basically bundles of internet access, fixed telephony and pay television services, which can be adjusted to the needs and taste of the subscriber; said contracts are comprised by a number of packages that range depending on: megabits offered, number of T.V. channels, number of TVs connected and number of telephone lines. Revenues are recognized when the service is provided based on the contracts with customers.

Connection, reconnection or installation fee.

They are single and non-refundable charges, which are recognized at the time the service is provided. Connection and installation charges are generated when the TPG has installed a decoder and the service is ready to be provided. Charges for reconnection refer to the charge made to the customer when customer does not pay the invoice for the contracted services on time; the cost of resuming the service is stipulated in the body of the contract.

Internet access revenues /dedicated links rent.

Internet agreements rule the provision of symmetric or asymmetric internet access through fiber optic. The asymmetric internet is when there is a gap between the download and upload speeds and the symmetric internet is when the data download and upload speeds are the same. Revenue is recognized in income of the period as the service is being provided.

Dedicated internet access is a fixed-bandwidth connection between two points which is available 24/7; its download and upload capacities are the same and are assigned to a single customer.

The provision of internet access symmetric or asymmetric, the installation fees and the cession of the equipment needed for the provision of the service, are all considered a single performance obligation since the service to be provided depends entirely on the installation of the equipment in the place designated by the customer, since such equipment runs exclusively on hardware and software for TPG technology.

Income from the rental of dedicated links is recognized when the service is provided to the lessee based on the leased capacity.

Business-oriented services

Dedicated internet access is a fixed-bandwidth connection between two points which is available 24/7; its download and upload capacities are the same and are assigned to a single customer.

LAN to LAN agreements set the conditions for the connection service between two geographically separate sites, based in an Internet Protocol (IP). This allows the customer to have absolute control and security of the information.

An IP network agreement is a communication network that uses an IP that allows the customer to connect different networks to route the traffic to an expected destination. Multiprotocol Label Switching (MPLS) is a routing technique in telecommunication networks, it may be used to route different kinds of traffic, including voice traffic and IP packages.

A cloud services agreement refers to Internet services provision where the customer can store information as e-mail, files, etc., and can be remotely accessed from any site.

Interconnection and long distance revenue

The interconnection service consists in the physical and functional connection between the networks of different telecommunications carriers, to allow their users to communicate with each other or to access other services. Services are billed to other operators when a call has been terminated in the TPG network and are recognized when the service is provided. Interconnection rates are regulated by the Federal Telecommunications Institute (IFT).

Long distance services stem from the connection of a telephonic line located in Mexico and another one in a foreign jurisdiction. Applicable tariffs are dependent on the type of contract with the customer and location of the recipient of the phone call.

Advertising Services.

Advertising services consist mainly in agreements through which TPG is obligated to transmit certain advertising material of customers in different media (paid T.V. and movie theaters mainly) in exchange of advertising of TPG transmitted through the customer's own infrastructure. Revenues are recognized in income as the advertising is transmitted on the customer screens.

Interest Revenue.

Interest revenue is accounted for considering the effective interest rate applicable to outstanding principal during the corresponding accrual period.

Commissions

This income corresponds to the considerations that TPG invoices to platforms of free transmission services or OTT services (over-the-top), and can include a variety of telecommunications services such as audiovisual broadcasting (e.g. Internet television, Internet radio, video on demand or music), but also communications (e.g. voice over IP calls and instant messaging) and other cloud computing services (web applications and cloud storage).

Commissions are charged based on the rates agreed with the companies that operate the different platforms offered by the TPG to customers (e.g., Netflix, Prime Video, Disney +, HBO, among others).

Custom solutions

The TPG also provides some customers with tailored telecommunications solutions that include custom hardware and software and an installation service that allows it to interface with the customer's existing systems. TPG has determined that hardware, software and installation service are capable of being different since, in theory, the customer could benefit from these individually by

purchasing the other elements through other providers. However, TPG also provides a significant service of integrating these elements to offer a solution in such a way that, in the actual context of the contract, there is a unique performance obligation to provide such a solution.

When such products are customized or sold in conjunction with significant integration services, the goods and services represent a single combined performance obligation over which control is deemed to be transferred over time. This is because the combined product is unique to each customer (it has no alternative use) and TPG has an enforceable right to settle for the work completed to date. Income from these performance obligations is recognized over time as the customization or integration work is performed, using the cost-to-cost method to calculate progress toward completion. Since costs are generally incurred uniformly as work progresses and are considered proportional to the entity's performance, the cost-to-cost method provides a faithful representation of the transfer of goods and services to the customer. For software sales that have not been customized by TPG and are not subject to significant integration services, the license period begins upon delivery. For software sales subject to significant customization or integration services, the license period begins with the start of the related services.

Liability for contracts with customers.

Revenue already collected for services not yet provided to the customer is deferred until such services are provided and are presented in the statement of financial position under the caption "unearned revenue".

y. Costs and expenses

Costs and operating expenses are recognized as accrued, immediately under the assumption of disbursements which will not generate future economic benefits or when they do not fulfill the necessary requirements to register them accounting-wise as an asset.

z. Subscriber acquisition cost

Subscriber acquisition cost represents depreciation of disbursements necessary to install the restricted audio and video service, as well as dedicated links to provide the service to the customers, and is mainly comprised by the following components (i) fiber optics, (ii) installation materials (outside plant), (iii) decoder equipment and (iv) installation labor.

At the time of the installation such disbursements are capitalized as part of property, plant and equipment, and subsequently amortized starting on the date the equipment is ready to provide the contracted services and during the expected service life-span of the subscriber. If service is cancelled, the unamortized portion less the amount of the recovered equipment is charged to profit or loss of the period.

aa. Foreign currency transactions

- (i) Transactions in foreign currency are translated to entity functional currency, in this case TPG, by using the exchange rates prevailing at the date of the transaction. Exchange gains and losses resulting from the settlement of such operations and the valuation of monetary items at the year-end exchange rate are recognized in income.

Non-monetary items are not translated at the closing exchange rate of the period and are measured at historical cost (converted using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date on which the fair value was determined.

- (ii) In the financial statements of TPG, all assets, liabilities and operations of the Group entities carried out with a functional currency other than the Mexican peso (the TPG's presentation currency) are translated into Mexican pesos at the time of consolidation. The functional currency of the entities at TPG has remained unchanged during the reporting period.

At the time of consolidation, assets and liabilities have been converted into Mexican pesos at the closing exchange rate of the reporting date. Income and expenses have been translated into TPG's presentation currency at an average exchange rate during the reporting period. Exchange differences are charged / credited to other comprehensive income items and are recognized as a translation effect under other capital accounts. Upon disposing of a foreign operation, the accumulated translation effects recognized in equity are reclassified to income and recognized as part of the gain or loss on disposal.

bb. Fair value calculation

TP Group determines the fair value of certain financial instruments, such as derivatives and some components of property, plant and equipment and trademarks as of the date of reporting the financial statements. The detail of the fair value of financial instruments and of some components of non-financial assets valued at fair value or for those that fair value is detailed, are included in the following notes:

- Critical accounting estimates and judgments.
- Property, plant and equipment.
- Financial instruments (including those accounted for at amortized cost).

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. Fair value measurement is based on the assumption that a transaction to sell an asset or to transfer a liability takes place:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for those assets or liabilities.

Fair value measurement of an asset or liability is determined by using those hypothesis that a market participant would use at the time of making an offer for the asset or liability, assuming those participants act in their own economic interest.

Fair value calculation of a non-financial asset takes into consideration the ability of the market participants to generate economic benefits derived from the asset's best and greater use or through the sale to other market participant that could make the best and greater use of the asset.

TP Group uses measurement techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which measurement or disclosures of their fair value are made, are categorized into the fair value hierarchy described below, based on the lowest level input that is significant to the entire measurement:

- Level 1- Quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which low level inputs are utilized, that are significant for the calculation, is either directly or indirectly observable.
- Level 3- Valuation techniques for which low level inputs are utilized, that are significant for the calculation, is unobservable.

For those assets and liabilities recurrently measured in consolidated financial statements at fair value, TPG determines if transfers between hierarchy levels have been deemed to have occurred through a review of their categorization at the end of the reporting date (based on the lowest significant input for the fair value measurement).

For the measurement of significant assets and liabilities, such as property, plant and equipment, assets held for sale and contingent considerations, independent experts are engaged. Criteria for the selection of independent experts considers their market knowledge, reputation, independence and professional due care.

cc. Comprehensive income (loss)

Comprehensive income (loss) for the year includes TPG's net income and any other effect which, due to specific accounting standards, is accounted for under "other comprehensive results" and which does not represent an increase, decrease or distribution of capital stock.

Comprehensive income (loss) caption included in the consolidated statement of changes in equity is the result of TPG's performance during the year.

[800600] Notas - Lista de políticas contables

Información a revelar de las políticas contables significativas [bloque de texto]

SUMMARY OF ACCOUNTING POLICIES

The accompanying consolidated financial statements were reclassified and grouped to be presented in the formats established by the Bolsa Institucional de Valores (Institutional Stock Exchange) and in compliance with the established requirements to which the company is subject to.

The Company and its subsidiaries are hereinafter collectively referred to as the TP Group. The most important accounting policies followed in the preparation of the consolidated financial statements are summarized below.

a. Basis of preparation and presentation of the consolidated financial information

The accompanying consolidated financial statements of the Company have been prepared under the accrual basis and historical costs premise, except for the revaluation of properties, investments, trademarks and derivative financial instruments. The amounts are rounded to thousands, except as otherwise noted.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

IFRSs are comprised by the IFRS and by the International Accounting Standards (IAS), their Amendments and Interpretations to both IFRS and IAS (IFRIC and SIC, respectively).

The preparation of the consolidated financial statements in accordance with the adopted IFRSs requires the use of certain critical accounting estimates. It also requires TPG Management to use its judgment when applying TPG accounting policies. The areas in which significant judgments and estimates have been made when preparing the consolidated financial statements and their effect, are described in point f.

The Group is required to report its financial information to the Institutional Stock Exchange (Bolsa Institucional de Valores, S.A. de C.V. or BIVA for its Spanish acronym) and to the National Securities and Exchange Commission (Comisión Nacional Bancaria y de Valores or CNBV for its Spanish acronym) while being the manager of the Irrevocable trust number CIB/3370, which was created due to the issuance of securitized certificates (Certificados Bursátiles o CEBURES) on March 2, 2020; as well as to the Singapore Stock Exchange (SGX) due to the Senior Notes issuance.

b. Consolidated financial statements

Consolidation rules

TPG's consolidated financial statements include the Company and all of its subsidiaries (see Note 1). TPG controls a subsidiary when it is exposed to or has the right to variable returns derived from its involvement with the subsidiary and has the ability of affecting those returns through its power over the subsidiary. All Company's subsidiaries present their financial information for consolidation purposes, in compliance with TPG policies.

All the operations and balances between the Company and its subsidiaries have been eliminated in consolidation, including unrealized gains and losses in transactions between them. In those cases in which an unrealized gain or loss arises from an intercompany sale of fixed asset, it is reversed in consolidation, in order to test the related asset for impairment from a consolidated perspective. The reported amounts in the Company's subsidiaries have been adjusted when necessary in order to assure consistency with TPG accounting policies.

The subsidiaries' assets, liabilities and results are included or excluded in consolidation on the date those subsidiaries were acquired and up to the approval date of the disposal plan. Subsidiaries' gains or losses and other items of their comprehensive income, are recognized starting from the date of acquisition and up to the disposal date, as applicable, considering that through the acquisition, control is obtained and lost at the time of the disposal.

Likewise, the subsidiaries' financial statements were audited by independent auditors.

Changes in the subsidiaries' participation and loss of control.

Changes in the subsidiaries' owning participation, without losing control, are accounted as capital transaction. If the Company loses control of a subsidiary, proceeds as follows:

- i. Derecognize assets, including goodwill, and the subsidiary liabilities
- ii. Derecognize the accounting value of the non-controlling interest
- iii. Derecognize the accumulated translation effect accounted as equity.
- iv. Recognize the fair value of the consideration received.
- v. Recognize the fair value of the retained investment.
- vi. Recognize any surplus or deficit in income for the period.
- vii. To reclassify the participation previously recognized as other comprehensive result items to gains, losses or retained earnings, as may be the case, as if the Company would have sold the related assets or liabilities directly.

Discontinued operations

A discontinued operation is a component of the business of TPG that has been disposed of and whose operations and cash flows can be clearly identified from the rest of TPG and that:

- Represents a business unit or geographical area, that is significant and can be considered separately from the rest of the Company.
- Is part of a unique coordinated plan to dispose of a business unit or of an operative geographical area that is significant and can be considered separately from the rest; or
- Is a subsidiary entity acquired exclusively with the intent to be resold.

The classification of a discontinued operation occurs at the time it is disposed of, or when the operation complies with the criteria to be classified as held for sale, whichever happens first.

When an operation is classified as discontinued operation, the comparative statement of comprehensive income of the period has to be presented as if the operation would have been discontinued since the beginning of the comparative year.

The effects in the current period over discontinued operations entries and that are directly related with their disposal in a previous period, are classified in a separately within the related information to such discontinued operations.

c. Functional currency

The consolidated financial statements are presented in Mexican pesos (\$), the currency under which the Company and its Mexican subsidiaries must keep their accounting records pursuant to Mexican law. Said currency is also the TPG's reporting and functional currency. On an individual basis, some of the foreign subsidiaries have other accounting currencies different to the Mexican peso (see Note 1c).

d. Changes in accounting policies from adoption of new IFRS and Improvements to IFRS

Following are the standards and improvements which may have an effect in TP Group's financial information, in force as of the date of the accompanying consolidated financial statements. TP Group evaluated the effect of these standards and improvements on its consolidated financial statements as detailed in subsections i and ii.

i. *New standards, interpretations and amendments which became effective since January 1, 2020.*

Some of the accounting pronouncements that became effective since January 1, 2020, that have been adopted, but do not have a significant impact in the TPG's results of financial position were as follows:

- Conceptual framework (revised)

- Amendments to IFRS 3, Business' definition
- Amendments to IAS 1 and IAS 8, Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7. Interest rate benchmark reform (Phase 1)
- Amendments to IFRS 16, COVID-19 related rent concessions

These modifications, interpretations and improvements to existing standards do not mean changes in accounting policies and do not have a significant impact on the consolidated financial statements of TP Group.

ii. New standards not effective, not adopted early by the TPG.

As of the authorization date of these consolidated financial statements, there are new standards, amendments and interpretations to existing standards released by the IASB, none of which have been adopted early by the TPG:

- Annual improvements to IFRS – 2018-2020 cycle
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Interest rate benchmark reform (Phase 2)
- Amendments to IFRS 3 – References to the conceptual framework
- Amendments to IAS 16, Products obtained before the intended use.
- Amendments to IAS 37, Onerous contracts – Costs of fulfilling a contract
- Amendments to IAS 1, Classification of liabilities as current or non-current

These modifications are not expected to have a material impact on the consolidated financial statement on the initial application period, and consequently there are no further disclosures.

Annual Improvements to IFRSs 2018-2020 cycle, published in June 2018, provide modifications to certain current standards and will be in force starting 2022; the topics dealt with by such modifications are as follows:

Standard	Standard affected	Nature of the amendment
IFRS 9	Financial Instruments	Clarification over the commissions included in the test to determine the derecognition of a financial liability that has been modified or exchanged while evaluating if the contractual terms are substantially different.
IFRS 16	Leases	Amendment to illustrative example 13 accompanying IFRS, removing what refers to lessor payments related to improvement to leased properties, with the objective to avoid potential for confusion regarding lease incentives.

e. Business segments

Management while identifying their operating business segments, follows the TPG service lines which represent the main products and services provided by TPG.

Each of the operating segments are managed separately since each service line requires different technologies and other resources, besides the different marketing approaches. All intra-segment transfers are carried out at arm lengths basis, based on operations with customers on individual sales of identical products and services.

The measurement policies of TPG used for reporting segments in accordance with IFRS 8 are the same as those used for the financial statements.

f. Critical accounting estimates and judgments

The preparation of consolidated financial statements, in accordance with IFRS, requires TPG Management to make estimates and judgments that affect the assets and liabilities reported in the consolidated financial statements. Actual results may differ from those having been estimated. The consolidated financial statements were prepared at historical acquisition cost base, and where applicable, at fair value. The main estimates and judgments that have been identified are the following:

- (i) Inventory and receivables allowances. TPG uses estimates to determine the inventory and receivables impairment allowances. Some of the factors considered by TPG for calculating the inventory allowance are the installations volume and demand trends for certain products. The factors considered by TPG in order to determine impairment allowance of receivables include customer's risk related to its financial situation, unsecured accounts and the portfolio aging in accordance with the credit terms and conditions set down.
- (ii) Property, plant and equipment. TPG reviews the estimated useful life of property, plant and equipment at the end of each annual period, to determine their depreciation. Useful lives are determined in accordance with technical studies prepared by specialized internal staff, but external specialists may also participate. The uncertainty degree from to the useful lives estimates is related to the market changes and the use of the assets. Likewise, TPG performs estimates of recovered equipment value when a user cancels the service.
- (iii) Capitalization of cost of loans. TPG uses its judgment in order to determine: (1) the qualifying assets in which the cost of loans will be capitalized; (2) the starting, suspension and ending periods of the capitalization, (3) the foreign exchange losses that may be capitalized.
- (iv) Impairment of long-lived assets. When performing the asset impairment tests, TPG makes estimates on the value of use allocated to its property, plant and equipment, trademarks, and to cash generating units (CGU), in the case of certain assets. Calculations of the value of use require TPG to determine the future cash flows that should proceed from the CGUs

and the appropriate discount rate to calculate the present value. TPG uses the revenue cash flow projections using estimates of market conditions, prices, market share and volume of installations.

- (v) **Leases.** At the time of registering its lease contracts under IFRS 16, Management has had to use certain estimates in respect to: (1) the possible contract renewals; (2) the discount rate to determine their present value; and (3) the applications of allowed exceptions.
- (vi) **Employee benefits.** Measurement of the liability for employee benefits is performed by independent specialists based on actuarial calculations. Some of the assumptions that may have an important impact, among other, are: (1) discount rates, (2) expected salary increase rates, and (3) rotation and mortality rates based on recognized tables. A change in the economic, labor or tax conditions could modify the estimates.
- (vii) **Deferred taxes.** TPG has tax loss carry forwards and certain temporary differences, which are susceptible to be used in the following years. Based on projected revenue and taxable profit TPG is expected to generate in future years, TPG Management has considered that a portion of current tax loss carry forwards and temporary differences will not be used before their expiration date and, therefore, it was considered appropriate to account for a valuation allowance to the deferred tax asset from those tax losses and temporary differences.
- (viii) **Contingencies.** TPG is subject to legal procedures on which the possibility of materialization as a payment obligation is assessed, for which the legal situation as of the date of the estimate and the opinion of TPG's legal advisers are considered. Such assessments are periodically reviewed and in case that the payment obligation becomes probable, the corresponding liability is recognized.
- (ix) **Revenue from contracts with customers.** In the process of applying TPG accounting policies, Management has performed the following judgments that have had the most significant effects on the figures recognized in the financial statements: (1) determination of performance obligations; (2) the timing in which a revenue must be recognized based on the fulfillment of performance obligations; (3) the average time of equipment installation; (4) cancellation percentage; and (5) registration of the consideration as agent or principal.

g. Consolidated statement of comprehensive (loss) income

TP Group presents the consolidated comprehensive (loss) income in a single statement denominated "Consolidated statement of comprehensive (loss) income", which includes those items comprising net loss and other comprehensive income (OCI).

The expenditures shown in TPG's consolidated statements of comprehensive (loss) income are presented in a combined manner, since the grouping of costs and expenses in a general fashion, allows knowing the different levels of (loss) income. Additionally, TPG presents the operating (loss) profit in its consolidated statements of comprehensive (loss) income, since such presentation is a common disclosure practice in the industry that TPG operates in.

h. Consolidated statements of cash flows

Consolidated statements of cash flows have been prepared using the indirect method which consists in presenting firstly income or loss before tax provisions and then the changes in working capital, investment activities and lastly, financing activities.

i. Cash and cash equivalents

Cash and cash equivalents consist of petty cash funds, bank deposits and high-liquidity short-term investments which may be easily converted into cash and which are subject to a small risk of changes in their value.

j. Financial instruments

Recognition, initial measurement and de-recognition of financial instruments

Financial assets and liabilities are recognized when TP Group is part of the contractual clauses of a financial instrument.

Financial assets are de-recognized when the contractual rights to the cash flows of a financial asset expire, or when the financial asset and all the substantial risks and rewards have been transferred.

A financial liability is de-recognized when the obligation is extinguished, discharged, canceled or due.

An equity instrument like any contract that brings out a residual participation in Company's assets, after having deducted all liabilities, that is, in net assets.

Classification and initial measurement of financial assets

Except for accounts receivable from customers, which do not contain a significant financing component and are measured at the price of the transaction in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted by the transaction costs (in case that this applies).

Financial assets that are not designated and effective as hedging instruments, are classified in the following three categories for measurement purposes:

- Amortized cost.
- Fair value through profit or loss (FVTPL).
- Fair value through other comprehensive income (FVTOCI).

The abovementioned classification is determined considering the following:

- The entity's business model for the management of the financial asset.
- The contractual features of the financial assets cash flows.

All revenues and expenses related with financial assets are recognized in the income statement and presented as part of financial income, financial expense or other financial operations, except for the impairment of accounts receivable from customers, which are presented under operating expenses.

Subsequent measurement of financial assets

- Financial assets at amortized cost

Financial assets are measured at their amortized cost if those assets meet the following conditions (and are not FVTPL designated):

- They are kept into a business model with the objective of holding the financial assets and to collect its contractual cash flows.
- The contractual terms of the financial assets lead to cash flows that are only payments of principal and interest on the outstanding balance.

If the financial asset fair value at the initial recognition date differs from the price of the transaction, the instrument is recognized by adjusting it and differing the difference between both values. Afterwards the deferred difference is recognized in the income statement to the extent that a change arises that implies a change in the financial instrument value.

After initial recognition, these assets are measured at their amortized cost by using the effective interest rate method. The discount is omitted when the discount effect is immaterial. Cash and cash equivalents, other receivables and related parties, and most of other accounts receivable are recognized under this financial instrument category.

- Financial assets at fair value through profit and loss (FVTPL)

Financial assets held within a business model different to "holding for collection" or "held to collect and to sell" are categorized at fair value with changes in results. Moreover, aside from the business model, financial assets whose contractual cash flows are not only principal and interest payments are recorded at FVTPL. All derivative financial instruments fall into this category, except those designated and effective as hedge instruments, for which hedge accounting requirements are applied (see below).

The assets qualifying in this category are measured at fair value with gains or losses recognized in results. Fair values of financial assets in this category are determined by reference to transactions on an active market or using a valuation technique when an active market does not exist.

- Financial assets at fair value through other comprehensive income (FVOCI)

TP Group accounts for financial assets at FVOCI if said assets comply with the following conditions:

- They are held under a business model whose objective is 'held to collect' the associated cash flows, and sell, and
- The financial assets contractual terms result in cash flows that are only principal and interest payments of the outstanding amount.

Any gain or loss recorded in other comprehensive income (OCI) will be recycled when the related asset is de-recognized.

Impairment of financial assets

The impairment requirements under IFRS 9 use more future information in order to recognize expected credit losses and said requirements are comprised under the 'expected credit loss model'. This replaces the 'incurred loss model' under IAS 39. The instruments under the scope of the new requirements include loans and other financial assets of debt type measured at amortized cost and at FVOCI, accounts receivable from customers, assets from contracts with customers recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) which are measured at FVTPL.

Recognition of credit losses no longer depends on TPG identifying a credit loss event. Instead, TPG considers a wider range of information when assessing the credit risk and measures the expected credit losses, including past events, current conditions, as well as reasonable and backed up forecasts that affect the expected recovery of the instrument's future cash flows. When applying this approach, a distinction is made between:

- Financial instruments whose credit quality has not deteriorated significantly since their initial recognition or with a low credit risk ('Stage 1'), and
- Financial instruments whose credit quality has deteriorated significantly since their initial recognition or whose credit risk is not low ('Stage 2').
- The Stage 3 would consider financial assets with a strong evidence of impairment as of the reporting date.

The 'twelve month expected credit loss' is recognized for the first category, while the 'asset's lifetime expected credit loss' is recognized for the second category.

The measurement of the expected credit loss is determined through a weighted estimate of the default probability during the expected lifetime of the financial instrument.

Accounts receivable from clients and other receivables and assets from contracts with clients

TP Group uses a simplified approach to register accounts receivable from customers and other receivables, as well as the assets of contracts with customers, and recognizes the impairment allowance as the expected credit losses during the lifetime of the instrument. These are expected deficits in contractual cash flows, considering the potential default at any time during the life of the financial instrument. TP Group uses its historical experience, external indicators and forecasted information to calculate the expected credit losses through a provision matrix. TPG assesses impairment of accounts receivable from customers on a collective basis, by grouping the portfolio based on the number of days overdue, since the receivables groups share similar credit risk characteristics.

Classification and subsequent measurement of financial liabilities

Financial liabilities of TPG include financial debt, suppliers, related parties and other accounts payable.

Financial liabilities are measured initially at fair value and, as applicable, are adjusted for transaction costs, unless TPG would have designated the financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost by using the effective interest rate method, except for derivatives and financial liabilities that have been designated at FVTPL, which subsequently are booked at fair value with gains or losses recognized in profit or loss (that are not derivative financial instruments designated and effective as hedging instruments).

All the charges related with interest and, if applicable, changes in fair value of an instrument are reported in income and are included under 'interest expense'.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL, except for those derivatives designated as hedging instruments in the cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedge relationship must comply with all of the following:

- There is an economic relationship between the hedged item and the hedging instrument,
- The effect of the credit risk does not dominate the changes of value resulting from said economic relationship, and
- The hedge index in the hedge relationships is the same as the resulting from dividing the amount of the hedged item that the entity is really hedging by the amount of the hedging instrument that the entity really uses to hedge said amount of the hedged item.

All the derivative instruments used in the hedge accounting are initially recognized at fair value and subsequently reported at fair value in the statement of financial position. Provided the hedge is effective, changes in fair value of the derivatives designated as hedge instruments in the cash flow

hedging operations are recognized under other comprehensive income and included in other equity components.

Any ineffectiveness in the hedging relationship is immediately recognized in profit and loss. At the time the hedged item affects the profit and loss, any gain or loss previously recorded in OCI is reclassified from equity to profit and loss and presented as a reclassification within OCI. However, if a non-financial asset or liability is recognized as a result of the hedged transaction, gains or losses previously recognized in OCI are included in the initial measurement of the hedged item.

If a forecasted transaction is not expected to occur, any related gain or loss recognized in the OCI is immediately transferred to profit and loss. If the hedge relationship ceases to comply with the effectivity conditions, the hedge accounting is discontinued, and the related gain or loss is kept in the equity accounts until the forecasted transaction occurs.

Fair value coverage

The change in the fair value of a coverage instrument is recognized as other expenses in the statement of comprehensive income. The change in fair value of the hedge item attributable to the hedged risk is accounted as part of the hedged item carrying amount and also recognized in profit and loss as other expenses.

For fair value coverage related to items recognized at amortized cost, the adjustment to the carrying amount is amortized through profit and loss over the remaining period until expiration date, using the effective interest rate method. The effective interest rate amortization may begin as soon as adjustment exists and must begin the latest when the hedged item ceases to be adjusted due to changes in fair value attributable to the hedge risk.

If the hedged item ceases to be recognized, the fair value not yet amortized will be recognized immediately in profit and loss.

Classification and measurement of equity instruments

In accordance with IAS 32, the issuer of a financial instrument shall classify it in its entirety or in each of its components, at the time of initial recognition, as an equity instrument, in accordance with the economic essence of the contractual agreement and with the definitions of financial liability, financial asset and equity instrument.

An instrument shall be of equity if, and only if, it complies with the following:

- a. The instrument does not incorporate a contractual obligation of: (i) deliver cash or other financial asset to another entity; or (ii) exchange financial assets or liabilities with another entity under terms potentially unfavorable to the issuer.

- b. If the instrument will or may be liquidated with the equity instruments owned by the issuer, it is (i) a non-derivative instrument; or (ii) a derivative that will be liquidated only by the issuer through the exchange of a fixed amount in cash or other financial asset for a fixed amount of equity instruments of its own.

k. Accounts receivable from customers and other receivables

(i) Accounts receivable from customers

Accounts receivable from customers represent the collection rights stemming from sale of telecommunication services provided in the normal course of the operations of TPG. These assets are initially valued at the fair value of the agreed upon consideration; subsequently, they are adjusted for the estimated changes in the fair value at which they will be recovered, as a result of the accorded deductions and the recoverability estimates. When it is expected to collect them within a one-year period or less from the date of closing (or in the normal business operations cycle in case the cycle exceeds this period), they are presented as current assets. In the event on non-compliance with the foregoing, they are presented as non-current assets.

The increases and reductions of the expected credit losses estimates are determined based on valuation studies and applied to income when determined and are presented as part of general expenses in the consolidated statement of comprehensive (loss) income.

The allowance for doubtful accounts represents the probable loss inherent to all accounts receivable due to the historic trends of accounts receivable.

Those accounts in foreign currency are measured at the exchange rate prevailing at the end of the accounting period.

(ii) Other receivables

The other receivables refer mainly to advances for expenses, recoverable taxes and sundry debtors. Assets under this category are presented as current assets, except if they are expected to be recovered in a lapse higher than twelve months from the date of report, in which case they are classified as non-current assets.

l. Inventories

Inventories are valued at the lower of their cost or their net realizable value. The exchangeable items cost is originally assigned using the weighted average cost formula. The net realizable value corresponds to the estimated sale price in the ordinary course of business reduced by any applicable sales expense.

m. Advance payments

Prepaid expenses represent benefits for which the risks inherent to the assets to be acquired or the services to be received are not yet transferred to TPG.

n. Property, plant and equipment

TPG's Management decided to change the recording to the revaluation model for the fiber optic and decoders, since it is considered it reflects their value in a better way, and consequently, the acquisition of those items up to December 31, 2017 are shown at their fair value, as determined by independent appraisers.

The average annual depreciation rates used by TPG for years 2020 and 2019 are the following:

	2020 (%)	2019 (%)
Communication equipment	10.0	10.0
Fiber optic	4.0	4.0
Decoders and installation expenses	12.5-20.0	12.5-20.0
Computers	33.0	33.0
Vehicles	25.0	25.0
Constructions	5.0	5.0
Furniture and fixtures	10.0	10.0

o. Borrowing costs

Costs from borrowings directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during period necessary to complete and prepare the asset to its intended use or sale. Other borrowing costs are charged to income when accrued and are reported under caption “interest expense”.

p. Intangible assets

Intangible assets acquired individually are initially recognized at acquisition cost. Intangible assets acquired through business combinations are identified and recorded at fair value at the date of acquisition. After initial recognition, intangible assets are recognized at cost reduced by their accumulated amortization and the accumulated impairment losses. Intangible assets internally developed, excluding capitalized development costs, are not capitalized, and the related expenses are booked in the income, in the period they were incurred.

TPG assess at the initial recognition whether the useful life of intangible assets is finite or undefined.

All finite-lived intangible assets are amortized during the economic useful life and are assessed when indicator that the intangible assets may be deteriorated are present. The amortization period and the amortization method for intangibles with finite- useful live are reviewed at least at each reporting date. The changes in the expected useful life or in the expected period to obtain the future economic benefits materialized in the assets, are taken as a basis to change either the period or the amortization method, if applicable, and are treated as a change in accounting estimate. The intangible assets with finite-life amortization expense is recognized in the comprehensive income statement as part of the expenses according to the intangible usage.

Intangible assets with undefined useful life are not amortized, instead those assets are subject to annual assessment regardless of any impairment indicator, individually or at cash-generating unit

level. The useful life of an intangible asset with undefined useful life is reviewed annually to determine if such definition is still applicable, otherwise, the change in the assessment of undefined useful life to finite-lived is applied prospectively.

Trademarks

Trademarks represent the acquired rights to exploit certain intellectual property (names, logos, etc.).

During year ended December 31, 2019, the Company adopted the revaluation method for the Trademark, in accordance with IAS 28 “Intangibles”, generating an increase in non-current assets and equity for \$790,000.

Concessions

Those costs related to the acquisition of concessions rights granted from the Mexican government to provide long-distance services and the lease of links through a public telephone network have been capitalized and are included under caption “Trademarks and other assets”. Such costs are amortized by using the straight-line method during the initial term of each concession. The Mexican government requires TPG to comply with certain specific provisions stated in each concession title. As at December 31, 2020, TPG has fulfilled all of those requirements.

Internally developed software

Disbursements in the research phase of projects to develop specific software for the computer and telecommunication systems are recognized as expense when incurred.

Costs that are directly attributable to the development phase of the projects are recognized as intangible assets as long they comply with the following requirements to be recognized:

- Costs can be reliably measured;
- The project is technical and commercially viable;
- TPG intends and has enough resources to complete the project;
- TPG has the ability to use or sale the intangible asset;
- The intangible asset will generate probable future economic benefits.

Development costs not complying with these capitalization criteria are charged to income or loss as incurred.

The costs directly attributable include the cost of employees incurred during the software development, in addition to the adequate portion of general expenses and debt costs.

q. Long-lived assets assessment

TP Group periodically assesses the recoverability of its tangible and intangible long-lived assets, to identify the existence of circumstances indicating that their carrying values exceed their value of use.

In order to perform the impairment tests, assets are grouped to the lowest level for which there is an adequate independent cash inflow (cash generating units or CGU). As a result, assets are individually tested for impairment and some are tested at a CGU level.

Those CGUs to which goodwill is allocated, intangible assets with undefined life and intangible assets not available for use are tested for impairment at least once a year. The rest of the individual assets or CGUs are tested for impairment if any event or changes in the circumstances indicate that the carrying amount may not be recovered.

An impairment loss is accounted for in the amount for which the assets or CGU' carrying amount exceeds its recovery value, which in turn corresponds to the higher amount between fair value less selling expenses and the value of use. To determine the value of use, Management estimates the expected future cash flows of each CGU and determines a discount rate to calculate the present value of such cash flows. Data used when performing the impairment test are directly linked to TPG's most recent authorized budget, adjusted as necessary to exclude the effects of future reorganizations and asset improvements. Discount factors are individually determined for each CGU and reflect their respective risk profiles as assessed by Management.

CGU impairment losses reduce first the carrying amount of any goodwill assigned to the related CGU. The remaining impairment loss is split pro rata between the long-lived assets of the CGU. Except goodwill, all the assets are subsequently assessed to confirm that any impairment loss previously recognized no longer exists. An impairment charge may be reverted if the CGU recoverable value exceeds carrying amount.

Impairment test

For the impairment annual test purposes, there were defined two valuation approaches adequate for each CGU maintained by TPG, privileging the use of level 1 and 2 inputs, in accordance with IFRS 13, Measurement at fair value. Recovery value is obtained as the higher between the value in use and fair value less disposition costs. For the annual impairment test working capital assets, fixed assets, concessions and other intangibles were considered as a single CGU, considering that TP Group has its own assets to operate independently as a going concern and generates economic cash flows and its own financial information, which allows its analysis individually.

The technique used to determine the recoverable value is the fair value less the disposal costs.

Fair value (market approach). This approach was carried out through the arm's length public companies technique, which estimates the sustainable level of future revenues for a business, and applies an appropriate multiple to those revenues and are capitalized to obtain the business value.

This technique presumes that companies operating in the same industry sector will share similar characteristics, and the values of the company are co-related to those characteristics.

Value-in-use (revenue approach). To determine the value-in-use, Management estimates the expected future cash flows of each cash generating unit and determines an adequate interest rate to be able to calculate the present value of those cash flows. The data used upon carrying out impairment testing procedures are directly linked to the most recent budget approved by the TPG, adjusted as necessary to exclude the effects of future reorganizations and improvements of assets. Discount factors are determined individually for each cash generating unit and reflect their respective risk profiles, as evaluated by Management.

As at December 31, 2020 TP Group does not present impairment in its assets with indefinite and definite lives.

r. Leased assets

TPG as lessee

TPG enters into lease agreements for communication equipment, decoders, vehicles, furniture, offices, points of sale, among others. All leases are negotiated individually and have a wide variety of terms and different conditions as purchasing options and scalability clauses.

TPG assesses if the contract is or contains a lease at the commencement date. A lease conveys the right to direct the use and obtain substantially all the economic benefits of an identified asset for a period of time in exchange of a consideration.

Some lease contracts contain lease components and other non-lease components. The non-lease components used to be associated with the offices management services and the maintenance and vehicle repair contracts. TPG has elected not to split from its offices leases the non-lease components, instead account for these contracts as one lease component. For the rest of leases, the components are divided in its lease components, and non-lease components based on their respective independent prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the TPG recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the TPG, and any lease payments made in advance of the lease commencement date (net of any incentives received).

TPG depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. TPG also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the TPG's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After initial measurement, the liability will be reduced for payments made, split as capital payments and financial costs. The financial cost is the amount produced by a constant interest rate over the remaining balance of the financial liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the TPG's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognized in profit or loss.

Lease payments can also be modified when there is a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or rate used to determine those payments, including changes in lease market rates after a review of such market leases. The lease liability is remeasured only when the adjustment to the lease payments becomes effective, where the revised contractual payments for the remainder of the lease term are discounted using the unmodified discount rate. Except when the change in lease payments is the result of a change in variable interest rates in which case the discount rate is modified to reflect the change in interest rates.

In some cases, the TPG may increase or reduce the capacity of physical spaces or may renegotiate the amounts to be paid under the respective leases, therefore, the TPG may agree with the lessor to pay an amount that is proportional to the independent adjusted price to reflect the specific terms of the contract. In these circumstances, the contractual arrangement is treated as a new lease and accounted for accordingly.

In other cases, TPG may negotiate a change to an existing lease, such as reducing the amount of office space occupied, the term of the lease, or the total amount to be paid under the lease not being part of the original terms and conditions of the lease. In these circumstances, TPG does not account for the changes as if there were a new lease. Instead, the revised contractual payments are discounted using a revised discount rate on the effective date of the lease modification. For the reasons explained above, the discount rate used is the TPG's incremental loan rate determined on

the modification date, since the implicit rate in the lease is not easily determinable.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the leases is recognized in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

As a lessor the Group classifies leases as either operating or financial leases.

A lease is classified as a financial lease if it transfers substantially all the risks and rewards inherent to ownership of the underlying asset and classified as an operating lease if it does not.

s. Financial debt

Financial debt is initially accounted for fair value net of any operating expense directly attributable to the issue of the instrument. Liabilities that accrue interest are subsequently valued at amortized cost, by using the effective interest rate method, which ensures that any interest expense during the period through completion of the payments resulting in a constant rate on the outstanding liability in the statement of financial position. Interest expense includes initial transaction costs and premiums paid at the time of amortization, as well as any interest or coupon payable while the liability remains outstanding.

t. Taxes on income

The tax expense recognized in income includes the sum of the deferred tax and the tax incurred in the period, which has not been recognized in other comprehensive income items or directly in equity.

The short-term tax calculation is based on the tax rates and tax laws that have been enacted or are substantially enacted at the close of the reporting period. Deferred income taxes are calculated using the liability method

IAS 12, "Income taxes" states that the tax incurred should be determined based on the tax rules in force and is recorded in profit or loss of the period to which it is attributable. The effects of deferred taxes consist in applying the applicable tax rate to those temporary differences between the assets and liabilities carrying amounts and their tax values which are expected to materialize in the future,

related to: (i) deductible and taxable temporary differences, (ii) the amounts of tax loss carry forwards, and (iii) unused tax credits.

A deferred income tax asset is only recognized if it is probable that there will be future taxable income to be offset against to. The deferred income tax liability derived from investments in subsidiaries and associates is recognized, except when the reversal of the related temporary differences can be controlled by TPG and is probable that the temporary difference will not be reverted in the foreseeable future.

Assets and liabilities from deferred taxes are only offset when TPG has the right and intention to offset the assets and liabilities from taxes of the same tax authority.

Deferred income tax assets are accounted for as long as it is probable that they may be used against future taxable income. This is determined based on projections of TPG of the future operating results, adjusted by significant items which are reconciled to the tax result and by the limits of use of tax losses or other unused tax credits. Liabilities from deferred taxes are always accounted for on its entirety

Current tax for the year is determined in accordance with the tax rules in force.

The effect of changes in tax rates on the deferred taxes is accounted for in profit or loss of the period in which such changes are approved.

u. Employee benefits

Under IAS 19, the employee benefits liabilities granted by TPG's subsidiaries are determined as follows:

Short-term employee benefits

These types of benefits, including vacation rights, are current liabilities included in 'Other accounts payable', they are measured at nominal value (without discount) that the TPG expects to pay as a result of the unused right and are recognized as expenses in the income of the period.

Retirement benefits under the defined contribution scheme

As of December 31, 2020 these types of plans did not exist.

Retirement benefits under the defined benefits scheme

Under the defined benefit scheme, the amount of pension that an employee will receive upon retirement is determined in reference to the time of service and the employee's final salary. The legal obligation for the benefits remains with the TPG, even if the plan assets to finance the defined benefit plan are separate. Plan assets may include specifically designated assets in a long-term

benefit fund in addition to qualifying insurance policies. As of December 31, 2020 the TPG did not have a funded pension plan and, therefore, there were no plan assets.

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of the plan assets. It is measured using the projected credit unit method, considering the present value of the obligation as of the date of the consolidated statement of financial position.

TP Group Management estimates DBO annually with the assistance of independent actuaries based on standard inflation rates and wage and mortality growth rate. Discount factors are determined near the end of each year with reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have maturities approximate to the terms of the related pension liability or, in failing which, the market rate of the bonds issued by the government should be taken as a reference.

The service costs of the defined benefit liability are included in the expense for employee benefits. Contributions that are independent of the years of service are considered a cost for services reduction. The net interest expense of the defined benefit liability is included as part of the financial costs. The gains or losses that derive from the remeasurements of the liability for defined benefits (actuarial gains or losses) are included in other comprehensive income items and are not reclassified to income in subsequent periods.

v. Provisions, contingent liabilities and contingent assets

Provisions are accounted for when present obligations, resulting from a past event, probably will lead to a cash outflow of TPG and the amounts can be estimated with some reliability. The time or the amount of such outflow can be yet uncertain. A present obligation rises from the presence of some legal or constructive commitment resulting from past events, e.g.: product warranties granted, legal controversies or onerous contracts.

Restructuring provisions are only accounted for if a restructuring detailed formal plan has been developed or implemented and, management has announced, at least, the main characteristics of the plan to the those affected persons or has begun the plan implementation. No future operating losses are recognized.

Provisions are measured by the estimated required expense to settle the present obligation, given the most reliable available evidence as of the date of the report, including the risks –and uncertainties associated to the current obligation. When there is a number of similar obligations, the possibility that an outflow is required for settling them is determined by considering them as a whole. Provisions are discounted at their present value in cases in which the value of the money in time is material.

Any reimbursement that TPG considers that is going to be collected from a third party in relation with an obligation, is considered as a separate asset. However, such assets will not exceed the amount of the related provision.

In cases where it is considered an unlikely or remote outflow of economic resources as a result of the current obligations, no liability is recognized unless a business combination is on course. In a business combination, contingent liabilities are recognized as of the acquisition date if a present obligation arises from past events and fair value can be reliably measured, even if the resources outflow is not probable. Subsequently, they are measured considering the higher amount between a comparable provision as previously described and the recognized amount as of the acquisition date, less any amortization.

w. Equity

Capital stock represents the face value of outstanding shares.

Paid-in capital includes any premium received from a capital stock issue. Any transaction cost is reduced from the paid-in capital, net from any related income tax benefit.

Retained earnings include all current and prior year earnings (losses), decreased by losses and transfers to other equity accounts.

All transactions with the controlling entity's stockholders are accounted separately in equity.

Dividend distributions payable to the stockholders are charged against retained earnings and are included in "other payables" when dividends have been declared but remain unpaid as of the date of the report. As at December 31, 2020 no dividends have been declared.

Under caption "other comprehensive income" are recorded all the changes in equity which do not represent contributions by or distributions to the stockholders and that are part of comprehensive income (loss) and include the following:

- The revaluation reserve - includes gains and losses related to the revaluation of property, plant and equipment, as well as intangible assets (see Notes 2p and 10).
- Remeasurements of the defined benefit liability - which includes actuarial losses due to changes in demographic and financial assumptions (see Notes 2u and 13).
- The translation effect - includes the currency translation effect of the TPG's foreign entities to Mexican pesos (see Notes 1c and 2aa)
- The cash flow hedging reserve - comprises gains and losses related to this type of financial instruments (see Note 15b).

x. Revenue recognition for contracts with customers and other income

Revenue from telecommunication services derive from the contracts executed between TPG and customers.

In certain cases, TPG incurs a number of incremental costs in order to obtain said contracts, e.g.: commissions paid to the sales force or third-party agents. When the period covered exceeds one year, those costs are capitalized, otherwise TPG applies the IFRS 15 practical approach and expense them as incurred.

For revenue recognition purposes, TPG follows a five-step process:

- (i) Identify the contract(s) with the customer;
- (ii) Identify the performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations;
- (v) Recognize revenue when (or as) each performance obligation is satisfied.

TPG frequently conducts transactions involving a variety of products and services, e.g., for the delivery of telecommunications hardware, software and related after-sales services. In all cases, the total transaction price for a contract is allocated among the various performance obligations based on their relative independent selling prices. The transaction price for a contract excludes any amounts charged on behalf of third parties.

TP Group recognizes the contract liabilities when a payment is received before the performance obligation is satisfied and those amounts are presented as 'Customer contract liabilities' in the statement of financial position. Similarly, if TPG satisfies a performance obligation before payment is received, it is recognized either a contract asset or an account receivable in the consolidated statement of financial position, depending on whether something else than just the passage of time is required before payment is enforceable

Revenue recognition is based on information generated by the billing systems, which include individual customer data such as the type of package/type of service rendered, billing fees, and other conditions agreed with the customers.

Some of the most representative types of income and their recognition method are described below:

Revenues for bundle 'Double Play' and 'Triple play'.

'Double play' and 'Triple play' contracts offered to customers are basically bundles of internet access, fixed telephony and pay television services, which can be adjusted to the needs and taste of the subscriber; said contracts are comprised by a number of packages that range depending on: megabits offered, number of T.V. channels, number of TVs connected and number of telephone lines. Revenues are recognized when the service is provided based on the contracts with customers.

Connection, reconnection or installation fee.

They are single and non-refundable charges, which are recognized at the time the service is provided. Connection and installation charges are generated when the TPG has installed a decoder and the service is ready to be provided. Charges for reconnection refer to the charge made to the customer when customer does not pay the invoice for the contracted services on time; the cost of resuming the service is stipulated in the body of the contract.

Internet access revenues /dedicated links rent.

Internet agreements rule the provision of symmetric or asymmetric internet access through fiber optic. The asymmetric internet is when there is a gap between the download and upload speeds and the symmetric internet is when the data download and upload speeds are the same. Revenue is recognized in income of the period as the service is being provided.

Dedicated internet access is a fixed-bandwidth connection between two points which is available 24/7; its download and upload capacities are the same and are assigned to a single customer.

The provision of internet access symmetric or asymmetric, the installation fees and the cession of the equipment needed for the provision of the service, are all considered a single performance obligation since the service to be provided depends entirely on the installation of the equipment in the place designated by the customer, since such equipment runs exclusively on hardware and software for TPG technology.

Income from the rental of dedicated links is recognized when the service is provided to the lessee based on the leased capacity.

Business-oriented services

Dedicated internet access is a fixed-bandwidth connection between two points which is available 24/7; its download and upload capacities are the same and are assigned to a single customer.

LAN to LAN agreements set the conditions for the connection service between two geographically separate sites, based in an Internet Protocol (IP). This allows the customer to have absolute control and security of the information.

An IP network agreement is a communication network that uses an IP that allows the customer to connect different networks to route the traffic to an expected destination. Multiprotocol Label Switching (MPLS) is a routing technique in telecommunication networks, it may be used to route different kinds of traffic, including voice traffic and IP packages.

A cloud services agreement refers to Internet services provision where the customer can store information as e-mail, files, etc., and can be remotely accessed from any site.

Interconnection and long distance revenue

The interconnection service consists in the physical and functional connection between the networks of different telecommunications carriers, to allow their users to communicate with each other or to access other services. Services are billed to other operators when a call has been terminated in the TPG network and are recognized when the service is provided. Interconnection rates are regulated by the Federal Telecommunications Institute (IFT).

Long distance services stem from the connection of a telephonic line located in Mexico and another one in a foreign jurisdiction. Applicable tariffs are dependent on the type of contract with the customer and location of the recipient of the phone call.

Advertising Services.

Advertising services consist mainly in agreements through which TPG is obligated to transmit certain advertising material of customers in different media (paid T.V. and movie theaters mainly) in exchange of advertising of TPG transmitted through the customer's own infrastructure. Revenues are recognized in income as the advertising is transmitted on the customer screens.

Interest Revenue.

Interest revenue is accounted for considering the effective interest rate applicable to outstanding principal during the corresponding accrual period.

Commissions

This income corresponds to the considerations that TPG invoices to platforms of free transmission services or OTT services (over-the-top), and can include a variety of telecommunications services such as audiovisual broadcasting (e.g. Internet television, Internet radio, video on demand or music), but also communications (e.g. voice over IP calls and instant messaging) and other cloud computing services (web applications and cloud storage).

Commissions are charged based on the rates agreed with the companies that operate the different platforms offered by the TPG to customers (e.g., Netflix, Prime Video, Disney +, HBO, among others).

Custom solutions

The TPG also provides some customers with tailored telecommunications solutions that include custom hardware and software and an installation service that allows it to interface with the customer's existing systems. TPG has determined that hardware, software and installation service are capable of being different since, in theory, the customer could benefit from these individually by

purchasing the other elements through other providers. However, TPG also provides a significant service of integrating these elements to offer a solution in such a way that, in the actual context of the contract, there is a unique performance obligation to provide such a solution.

When such products are customized or sold in conjunction with significant integration services, the goods and services represent a single combined performance obligation over which control is deemed to be transferred over time. This is because the combined product is unique to each customer (it has no alternative use) and TPG has an enforceable right to settle for the work completed to date. Income from these performance obligations is recognized over time as the customization or integration work is performed, using the cost-to-cost method to calculate progress toward completion. Since costs are generally incurred uniformly as work progresses and are considered proportional to the entity's performance, the cost-to-cost method provides a faithful representation of the transfer of goods and services to the customer. For software sales that have not been customized by TPG and are not subject to significant integration services, the license period begins upon delivery. For software sales subject to significant customization or integration services, the license period begins with the start of the related services.

Liability for contracts with customers.

Revenue already collected for services not yet provided to the customer is deferred until such services are provided and are presented in the statement of financial position under the caption "unearned revenue".

y. Costs and expenses

Costs and operating expenses are recognized as accrued, immediately under the assumption of disbursements which will not generate future economic benefits or when they do not fulfill the necessary requirements to register them accounting-wise as an asset.

z. Subscriber acquisition cost

Subscriber acquisition cost represents depreciation of disbursements necessary to install the restricted audio and video service, as well as dedicated links to provide the service to the customers, and is mainly comprised by the following components (i) fiber optics, (ii) installation materials (outside plant), (iii) decoder equipment and (iv) installation labor.

At the time of the installation such disbursements are capitalized as part of property, plant and equipment, and subsequently amortized starting on the date the equipment is ready to provide the contracted services and during the expected service life-span of the subscriber. If service is cancelled, the unamortized portion less the amount of the recovered equipment is charged to profit or loss of the period.

aa. Foreign currency transactions

- (i) Transactions in foreign currency are translated to entity functional currency, in this case TPG, by using the exchange rates prevailing at the date of the transaction. Exchange gains and losses resulting from the settlement of such operations and the valuation of monetary items at the year-end exchange rate are recognized in income.

Non-monetary items are not translated at the closing exchange rate of the period and are measured at historical cost (converted using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date on which the fair value was determined.

- (ii) In the financial statements of TPG, all assets, liabilities and operations of the Group entities carried out with a functional currency other than the Mexican peso (the TPG's presentation currency) are translated into Mexican pesos at the time of consolidation. The functional currency of the entities at TPG has remained unchanged during the reporting period.

At the time of consolidation, assets and liabilities have been converted into Mexican pesos at the closing exchange rate of the reporting date. Income and expenses have been translated into TPG's presentation currency at an average exchange rate during the reporting period. Exchange differences are charged / credited to other comprehensive income items and are recognized as a translation effect under other capital accounts. Upon disposing of a foreign operation, the accumulated translation effects recognized in equity are reclassified to income and recognized as part of the gain or loss on disposal.

bb. Fair value calculation

TP Group determines the fair value of certain financial instruments, such as derivatives and some components of property, plant and equipment and trademarks as of the date of reporting the financial statements. The detail of the fair value of financial instruments and of some components of non-financial assets valued at fair value or for those that fair value is detailed, are included in the following notes:

- Critical accounting estimates and judgments.
- Property, plant and equipment.
- Financial instruments (including those accounted for at amortized cost).

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date. Fair value measurement is based on the assumption that a transaction to sell an asset or to transfer a liability takes place:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for those assets or liabilities.

Fair value measurement of an asset or liability is determined by using those hypothesis that a market participant would use at the time of making an offer for the asset or liability, assuming those participants act in their own economic interest.

Fair value calculation of a non-financial asset takes into consideration the ability of the market participants to generate economic benefits derived from the asset's best and greater use or through the sale to other market participant that could make the best and greater use of the asset.

TP Group uses measurement techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which measurement or disclosures of their fair value are made, are categorized into the fair value hierarchy described below, based on the lowest level input that is significant to the entire measurement:

- Level 1- Quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which low level inputs are utilized, that are significant for the calculation, is either directly or indirectly observable.
- Level 3- Valuation techniques for which low level inputs are utilized, that are significant for the calculation, is unobservable.

For those assets and liabilities recurrently measured in consolidated financial statements at fair value, TPG determines if transfers between hierarchy levels have been deemed to have occurred through a review of their categorization at the end of the reporting date (based on the lowest significant input for the fair value measurement).

For the measurement of significant assets and liabilities, such as property, plant and equipment, assets held for sale and contingent considerations, independent experts are engaged. Criteria for the selection of independent experts considers their market knowledge, reputation, independence and professional due care.

cc. Comprehensive income (loss)

Comprehensive income (loss) for the year includes TPG's net income and any other effect which, due to specific accounting standards, is accounted for under "other comprehensive results" and which does not represent an increase, decrease or distribution of capital stock.

Comprehensive income (loss) caption included in the consolidated statement of changes in equity is the result of TPG's performance during the year.

[813000] Notas - Información financiera intermedia de conformidad con la NIC 34

Información a revelar sobre información financiera intermedia [bloque de texto]

The interim financial statements are presented in Mexican pesos (\$), the currency under which the Company and its Mexican subsidiaries must maintain their accounting records pursuant to Mexican law. Said currency is also the Company's reporting and functional currency.

These financial statements have been prepared in accordance to the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) and does not includes all required information for annual financial statements under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Descripción de sucesos y transacciones significativas

Changes in accounting policies from adoption of new IFRS and Improvements to IFRS

Following are the standards and improvements which may have an effect in TP Group's financial information, in force as of the date of the accompanying consolidated financial statements. TP Group evaluated the effect of these standards and improvements on its consolidated financial statements as detailed in subsections i and ii.

i. New standards, interpretations and amendments which became effective since January 1, 2020.

Some of the accounting pronouncements that became effective since January 1, 2020, that have been adopted, but do not have a significant impact in the TPG's results of financial position were as follows:

- Conceptual framework (revised)
- Amendments to IFRS 3, Business' definition
- Amendments to IAS 1 and IAS 8, Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7. Interest rate benchmark reform (Phase 1)
- Amendments to IFRS 16, COVID-19 related rent concessions

These modifications, interpretations and improvements to existing standards do not mean changes in accounting policies and do not have a significant impact on the consolidated financial statements of TP Group.

ii. New standards not effective, not adopted early by the TPG.

As of the authorization date of these consolidated financial statements, there are new standards, amendments and interpretations to existing standards released by the IASB, none of which have been adopted early by the TPG:

- Annual improvements to IFRS – 2018-2020 cycle
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Interest rate benchmark reform (Phase 2)
- Amendments to IFRS 3 – References to the conceptual framework
- Amendments to IAS 16, Products obtained before the intended use.
- Amendments to IAS 37, Onerous contracts – Costs of fulfilling a contract
- Amendments to IAS 1, Classification of liabilities as current or non-current

These modifications are not expected to have a material impact on the consolidated financial statement on the initial application period, and consequently there are no further disclosures.

Annual Improvements to IFRSs 2018-2020 cycle, published in June 2018, provide modifications to certain current standards and will be in force starting 2022; the topics dealt with by such modifications are as follows:

Standard	Standard affected	Nature of the amendment
IFRS 9	Financial Instruments	Clarification over the commissions included in the test to determine the derecognition of a financial liability that has been modified or exchanged while evaluating if the contractual terms are substantially different.
IFRS 16	Leases	Amendment to illustrative example 13 accompanying IFRS, removing what refers to lessor payments related to improvement to leased properties, with the objective to avoid potential for confusion regarding lease incentives.

Dividendos pagados, acciones ordinarias:	0
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Dividendos pagados, otras acciones:	0
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Dividendos pagados, acciones ordinarias por acción:	0
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Dividendos pagados, otras acciones por acción:	0
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