



**TOTAL PLAY ANNOUNCES 15% GROWTH IN EBITDA,
TO Ps.4,377 MILLION IN THE SECOND QUARTER OF 2023**

**—Revenue increases by 11% and costs decrease 5%,
which generates an increase of four percentage points in gross margin, to 81%—**

**—Capex decreases 29% to Ps.3,980 million, as part of the strategy to moderate
growth of the subscriber base to boost the company's liquidity—**

**—In June and July, Total Play made early credit amortizations for the equivalent of more than
US\$170 million, using loans in pesos with lower interest rates and longer terms—**

Mexico City, July 26, 2023— Total Play Telecomunicaciones, S.A.P.I. de C.V. ("Total Play"), a leading telecommunications company in Mexico that offers internet access, pay television and telephony services, through one of the largest 100% fiber optic networks in the country, today announced financial results for the second quarter of 2023.

"The strategy to moderate Total Play's subscribers' base growth, which began this quarter, allowed us to reduce investment levels, and lowered service costs for the first time since the company issued public debt," commented Eduardo Kuri, CEO of Total Play. "The strategy also generates important efficiencies in the operation, which, although they have associated expenses in the short term, will translate into reductions in the growth rate of general expenses going forward, further boosting financial results."

"Lower costs for the period, together with higher revenues, led to a significant increase in EBITDA, which, in the context of lower Capex, strengthened cash generation," added Mr. Kuri. "The growing liquidity translated into a solid positioning of the company in the financial markets, which allowed it, during the quarter and until July, to obtain financing for more than Ps.8,000 million under competitive conditions. The sum is made up of the refinancing of *Certificados Bursatiles* for Ps.1,000 million and the refinancing of the loan with ICEL for Ps.1,300 million, as well as the access to credit lines for more than Ps.6,000 million, which contributed to early amortize — in June and July — the entire syndicated loan with Barclays for US\$110 million due this year, and the total balance of the syndicated loan with Credit Suisse for US\$45 million and Ps.300 million due in 2025, through loans in pesos with lower interest rates and longer terms, which further strengthens Total Play's firm financial prospects."

Second Quarter Results

Revenue for the quarter totaled Ps.9,867 million, 11% above the Ps.8,897 million of the same period of the previous year. Total costs and expenses were Ps.5,490 million, 8% higher than the Ps.5,092 million of the previous year.

As a result, Total Play's EBITDA grew 15%, to Ps.4,377 million, from Ps.3,805 million a year ago; the EBITDA margin for the quarter was 44%, one percentage point above the previous year. The company posted an operating income of Ps.300 million, compared to Ps.734 million a year ago.

Total Play reported a net loss of Ps.310 million, from a loss of Ps.447 million in the same period of 2022.

	2Q 2022	2Q 2023	Change	
			Ps.	%
Revenue from services	\$8,897	\$9,867	\$970	11%
EBITDA	\$3,805	\$4,377	\$572	15%
Operating income	\$734	\$300	\$(434)	(59%)
Net result	\$(447)	\$(310)	\$137	31%

Amounts in millions of pesos.

EBITDA: Earning before interest, depreciation, and amortization.

Service revenues

The company's revenue grew 11%, due to a 16% increase in sales in the residential segment, partially offset by a 13% decrease in revenues from the enterprise division.

The growth in revenue of *Totalplay Residencial*, to Ps.8,521 million, compared to Ps.7,354 million the previous year, results from a 14% increase in the number of subscribers to the company's services — equivalent to 114,952 users — to reach 4'518,170 at the end of the quarter. Consistent with Total Play's strategy to moderate the growth of the subscriber base, the percentage increase in the number of users during this period is the lowest since the company began issuing public debt. The average revenue per subscriber for the quarter — ARPU — was Ps.615, compared to Ps.617 a year ago.

As previously announced, the prior quarter concluded the company's investment program in geographic coverage, since the territory in which its target market is located throughout the country was reached. Congruent with this, the number of households passed in Mexico at the end of this period was 17.5 million, constant when compared to the previous quarter. In relation to the same period of 2022 — in which the number of homes passed was 16.4 million — the growth was 1.1 million homes passed.

Penetration — the proportion of homes passed by Total Play that have telecommunications services from the company — reached 26% at the end of the quarter, up from 24% a year ago.

Revenue from the enterprise segment was Ps.1,346 million, from Ps.1,543 million the previous year. The reduction is part of the company's efforts to boost liquidity by reducing its exposure to business projects with a slow relative return on investment.

Costs and expenses

Total costs and expenses grew 8%, due to a 16% increase in general expenses and a 5% decrease in service costs. The increase in expenses, to Ps.3,588 million, from Ps.3,086 million, reflects higher maintenance and advertising and promotion expenses, in the context of growing operations in the company.

The increase in general expenses also results from personnel severance payments due to a reduction in the number of employees in the period, in the context of firm strategies that improve the operating efficiency of the company, and that will translate into reduction in the expenses growth rate going forward.

The decrease in costs, to Ps.1,902 million, from Ps.2,006 million the previous year — the first reduction in costs of services comparing the same quarter a year ago, since the company issued public debt — mainly results from the renegotiation of content prices, lower license costs, and cost reduction of business projects, within the framework of strict compliance with budgets.

EBITDA and net result

Total Play's EBITDA was Ps.4,377 million compared to Ps.3,805 million in the previous year.

Relevant variations below EBITDA were the following:

Increase of Ps.1,006 million in depreciation and amortization, mainly due to user acquisition cost — telecommunications equipment, labor, and installation expenses.

Growth of Ps.388 million in interest expenses, mainly derived from the increase in the balance of financial debt.

Increase of Ps.280 million in other financial expenses due to expenses related to debt issuances and derivative financial instruments.

Growth of Ps.1,560 million in foreign exchange gains, because of net liability monetary position in foreign currency, together with a greater appreciation of the peso against the basket of currencies in which the company's monetary liabilities are denominated this quarter, in comparison with the previous year.

Total Play reported a net loss of Ps.310 million, from a loss of Ps.447 million in the same period of 2022.

Balance sheet

As of June 30, 2023, the company's debt with cost was Ps.47,684 million, compared to Ps.44,287 million the previous year. The growth of the debt balance is related to loans with financial institutions during the period and the issuance of *Certificados Bursatiles*.

The balance of cash and cash equivalents, as well as the restricted cash in the Master Trust, totaled Ps.4,249 million, 21% higher than Ps.3,517 million a year ago.

The lease liability was Ps.6,868 million, compared to Ps.5,941 million in the previous year.

The debt ratio — Net Debt / EBITDA for the last two quarters annualized — stood at a historical low of 2.85 times, the lowest level since the company issued public debt, as a result of solid EBITDA growth, together with greater stability in the performance of the net debt balance.

The company's fixed assets — which include the accumulated investment in fiber optics, telecommunications equipment, and the cost of acquiring subscribers, among other assets — were Ps.59,912 million, 15% above the Ps.52,019 million a year ago.

Six-month results

Revenue for the first six months of 2023 totaled Ps.19,693 million, 14% above the Ps.17,313 million of the previous year, within the framework of solid growth in residential revenue. Total costs and expenses grew 11%, to Ps.10,882 million, from Ps.9,780 million, as a result of an 18% increase in general expenses and a 1% increase in service costs.

Total Play reported EBITDA of Ps.8,811 million, 17% above the Ps.7,533 million of the previous year; the EBITDA margin for the period was 45%, one percentage point above the previous year. Operating income was Ps.892 million, from Ps.1,710 million in the same period of 2022.

The company registered net income of Ps.6 million, compared to net income of Ps.30 million a year ago.

	6M 2022	6M 2023	Change	
			Ps.	%
Revenue from services	\$17,313	\$19,693	\$2,380	14%
EBITDA	\$7,533	\$8,811	\$1,278	17%
Operating income	\$1,710	\$892	\$(818)	(48%)
Net result	\$30	\$6	\$(24)	(80%)

Amounts in millions of pesos.

EBITDA: Earning before interest, depreciation, and amortization.

About Total Play

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

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

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

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

	2Q22		2Q23		Change	
	\$	%	\$	%	\$	%
Revenue from services	8,897	100%	9,867	100%	970	11%
Cost of services	(2,006)	(23%)	(1,902)	(19%)	104	5%
Gross profit	6,891	77%	7,965	81%	1,074	16%
General expenses	(3,086)	(35%)	(3,588)	(36%)	(502)	(16%)
EBITDA	3,805	43%	4,377	44%	572	15%
Depreciation and amortization	(3,071)	(35%)	(4,077)	(41%)	(1,006)	(33%)
Operating profit	734	8%	300	3%	(434)	(59%)
Financial cost:						
Interest revenue	23	0%	39	0%	16	70%
Accrued interest expense	(968)	(11%)	(1,356)	(14%)	(388)	(40%)
Other financial expenses	37	0%	(243)	(2%)	(280)	n.m.
Foreign exchange gain - Net	59	1%	1,619	16%	1,560	n.m.
(Loss) profit before income tax provision	(115)	(1%)	359	4%	474	n.m.
Income tax provision	(332)	(4%)	(651)	(7%)	(319)	(96%)
Non-controlling participation	-	0%	(18)	(0%)	(18)	n.a.
Net Loss for the period	(447)	(5%)	(310)	(3%)	137	31%

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

	Accumulated		Accumulated		Change	
	6M22		6M23			
	\$	%	\$	%	\$	%
Revenue from services	17,313	100%	19,693	100%	2,380	14%
Cost of services	(3,876)	(22%)	(3,910)	(20%)	(34)	(1%)
Gross profit	13,437	78%	15,783	80%	2,346	17%
General expenses	(5,904)	(34%)	(6,972)	(35%)	(1,068)	(18%)
EBITDA	7,533	44%	8,811	45%	1,278	17%
Depreciation and amortization	(5,823)	(34%)	(7,919)	(40%)	(2,096)	(36%)
Operating profit	1,710	10%	892	5%	(818)	(48%)
Financial cost:						
Interest revenue	38	0%	90	0%	52	137%
Accrued interest expense	(1,882)	(11%)	(2,682)	(14%)	(800)	(43%)
Other financial expenses	(103)	(1%)	(545)	(3%)	(442)	n.m.
Foreign exchange gain - Net	802	5%	3,472	18%	2,670	n.m.
Profit before income tax provision	565	3%	1,227	6%	662	117%
Income tax provision	(535)	(3%)	(1,202)	(6%)	(667)	(125%)
Non-controlling participation	-	0%	(19)	(0%)	(19)	n.a.
Net income for the period	30	0%	6	0%	(24)	(80%)

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

	As of Jun 30,					
	2022		2023		Change	
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	1,688	2%	1,290	2%	(398)	(24%)
Restricted cash in trusts	1,829	2%	2,959	4%	1,130	62%
Customers - net	4,960	7%	4,563	5%	(397)	(8%)
Recoverable taxes and other accounts receivable	3,974	5%	4,368	5%	394	10%
Inventories	2,379	3%	2,489	3%	110	5%
Prepaid expenses	698	1%	595	1%	(103)	(15%)
Total current assets	15,528	21%	16,264	19%	736	5%
NON-CURRENT ASSETS						
Property, plant and equipment - Net	52,019	70%	59,912	71%	7,893	15%
Rights-of-use assets -Net	5,590	7%	6,064	7%	474	8%
Other non-current assets	1,620	2%	1,645	2%	25	2%
Total non-current assets	59,229	79%	67,621	81%	8,392	14%
Total assets	74,757	100%	83,885	100%	9,128	12%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	4,569	6%	5,994	7%	1,425	31%
Trade payables	10,452	14%	15,209	18%	4,757	46%
Other payables and taxes	4,194	6%	3,711	4%	(483)	(12%)
Derivative financial instruments	336	0%	187	0%	(149)	(44%)
Lease liabilities	1,737	2%	2,319	3%	582	34%
Total short-term liabilities	21,288	28%	27,420	33%	6,132	29%
LONG-TERM LIABILITIES						
Long-term financial debt	39,718	53%	41,690	50%	1,972	5%
Trade payables	4	0%	-	0%	(4)	(100%)
Other long-term payables	981	1%	3,603	4%	2,622	n.m.
Derivative financial instruments	-	0%	2,169	3%	2,169	n.a.
Lease liabilities	4,204	6%	4,549	5%	345	8%
Total long-term liabilities	44,907	60%	52,011	62%	7,104	16%
Total liabilities	66,195	89%	79,431	95%	13,236	20%
STOCKHOLDERS' EQUITY						
	8,562	11%	4,454	5%	(4,108)	(48%)
Total stockholders' equity and liabilities	74,757	100%	83,885	100%	9,128	12%

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

	Years ended June 30,	
	<u>2022</u>	<u>2023</u>
<u>Operating activities:</u>		
(Loss) income before income tax provision	564	1,208
Items not requiring the use of resources:		
Depreciation and amortization	5,823	7,919
Employee benefits	16	(3)
Items related to investing or financing activities:		
Accrued interest income	(38)	(90)
Accrued interest expense and other financial transactions	1,985	3,226
Loss on unrealized changes - net	(1,195)	(3,540)
Non-controlling participation	-	19
	<u>7,155</u>	<u>8,739</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(1,263)	621
Other receivables	14	89
Related parties, net	17	316
Taxes to be recovered	353	(165)
Inventories	(500)	(147)
Advance payments	(229)	314
Trade payables	1,131	1,905
Other payables	1,154	(535)
	<u>7,832</u>	<u>11,137</u>
Cash flows generated by operating activities	<u>7,832</u>	<u>11,137</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(10,770)	(8,076)
Other assets	20	(75)
Collected interest	38	90
	<u>(10,712)</u>	<u>(8,061)</u>
Cash flows (used in) investing activities	<u>(10,712)</u>	<u>(8,061)</u>
<u>Financing activities:</u>		
Loans received	3,906	1,475
Leasing cash flows	(1,430)	(1,303)
Restricted Cash in Trusts	(945)	(971)
Reverse factoring	557	(85)
Financial derivative instruments	1	(258)
Interest payment	(1,687)	(2,534)
	<u>402</u>	<u>(3,676)</u>
Net cash flows generated by financing activities	<u>402</u>	<u>(3,676)</u>
Increase in cash and cash equivalents	(2,478)	(600)
Cash and cash equivalents at the beginning of the year	4,166	1,890
	<u>1,688</u>	<u>1,290</u>
Cash and cash equivalents at the end of the year	<u>1,688</u>	<u>1,290</u>