



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.

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	
	\$	%	\$	%	\$	%
<u>Assets</u>						
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 equipment - 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%
<u>Liabilities and Stockholders' Equity</u>						
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,	
	<u>2020</u>	<u>2021</u>
<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)
	<u>4,569</u>	<u>7,923</u>
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
	<u>8,653</u>	<u>6,224</u>
Cash flows generated by operating activities		
	<u>8,653</u>	<u>6,224</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(9,667)	(12,094)
Other assets	(9)	(112)
Collected interest	31	32
	<u>31</u>	<u>32</u>
Cash flows (used in) investing activities		
	<u>(9,645)</u>	<u>(12,174)</u>
<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)
	<u>191</u>	<u>(90)</u>
Net cash flows generated by financing activities		
	<u>878</u>	<u>11,095</u>
Increase in cash and cash equivalents	(114)	5,145
Cash and cash equivalents at the beginning of the year	227	1,787
	<u>227</u>	<u>1,787</u>
Cash and cash equivalents at the end of the year		
	<u>113</u>	<u>6,932</u>