



TOTAL PLAY ANNOUNCES A 53% INCREASE IN EBITDA, TO Ps. 2,469 MILLION IN THE FOURTH QUARTER OF 2020

—Revenues grow 33% to Ps.5,675 million in 4Q20, as a result of an increase of 57% in revenues from the residential segment—

—Totalplay Residencial RGUs increase 65%, to 6'458,724, given the preference of a growing number of users for the company's world-class triple play services—

**—Firm geographic expansion of Totalplay Residencial;
the number of homes passed increases 18%, to 10.5 million—**

Mexico City, February 25, 2021— CIBANCO, S.A, Institución de Banca Múltiple, as Trustee of the CIB/3370 Trust, announces that Total Play Telecomunicaciones, S.A. de C.V. ("Total Play"), provider of triple play services in Mexico, announced today fourth quarter 2020 and full year 2020 financial results.

Fourth quarter results

"During the period, the growth in the number of users of Totalplay Residencial was outstanding, thanks to our superior triple play services, which constitute the most advanced technological proposal and reliable Internet access, as well as the highest speed, which allows to bring-in world-class connectivity and the most innovative entertainment experience to thousands of families," commented Eduardo Kuri, CEO of Total Play. "The strong demand for our services notably boosted the company's revenues, which together with solid efficiencies in the operation, generated an outstanding increase in EBITDA and operating profit."

Revenues for the period were Ps.5,675 million, 33% above the Ps.4,272 million for the same quarter of the previous year. Total costs and expenses were Ps.3,206 million, compared to Ps.2,656 million from the previous year.

As a result, Total Play's EBITDA grew 53%, to Ps.2,469 million, from Ps.1,616 million a year ago; EBITDA margin for the quarter was 44%, six percentage points higher than 38% a year ago. The Company recorded an operating income of Ps.651 million, compared to an operating income of Ps.299 million a year ago.

Total Play's net income was Ps.307 million, from net income of Ps.129 million in the same period of 2019.

	4Q 2019	4Q 2020	Change Ps.	%
Revenues from services	\$4,272	\$5,675	\$1,403	33%
EBITDA	\$1,616	\$2,469	\$853	53%
Operating result	\$299	\$651	\$352	----
Net result	\$129	\$307	\$178	----

Amounts in millions of pesos.

EBITDA: operating income before depreciation and amortization

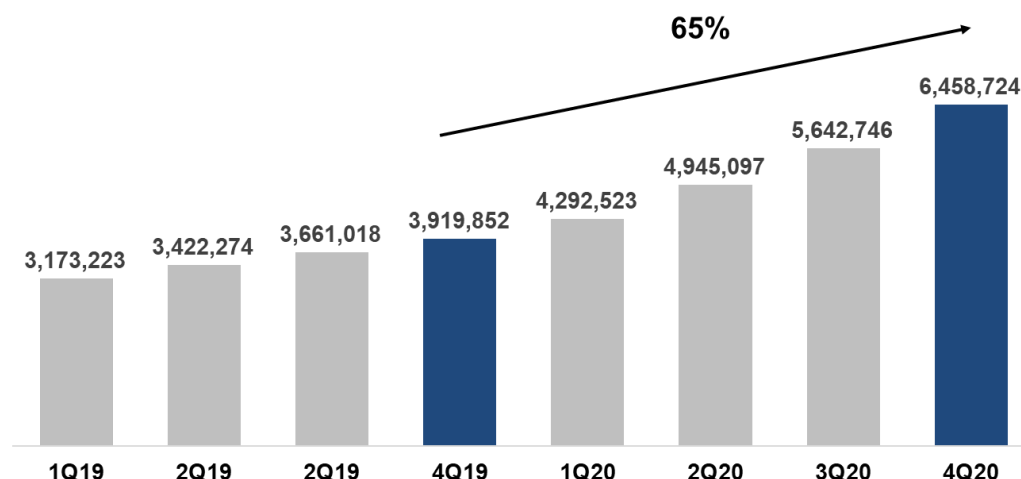
Revenues from services

The company's revenues grew 33%, as a result of a 57% increase in sales from the residential segment, partially offset by a 6% reduction in revenues from the enterprise business.

The growth in revenues of Totalplay Residencial to Ps.4,149 million, compared to Ps.2,644 million in the previous year, results from a 65% increase in the number of subscribers of the company's services, to 2'444,458.

Revenue generating units — RGUs — grew 65%, to 6'458,724 at the end of the quarter, compared to 3'919,852 the previous year. The number of data RGUs grew 65%, to 2,444,458, that of voice 73%, to 2'372,314 and that of video increased 54%, to 1'641,952.

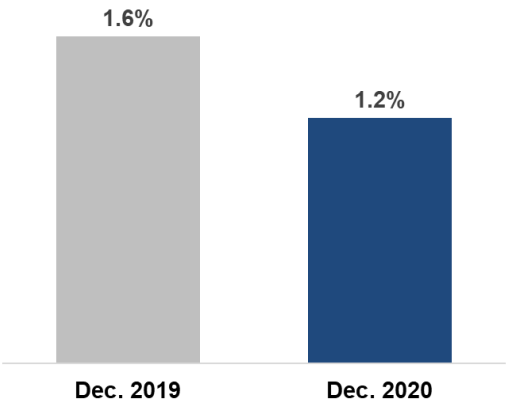
RGUs



The dynamism of Total Play Residencial reflects the preference of thousands of users for the solid offer of Internet services with speeds of up to 500 Mbps, content on

applications and attributes of linear TV that optimize the customer's entertainment experience, as well as telephony solutions with worldwide coverage from the mobile application. In this context, the Churn rate was 1.2% at the end of the quarter compared to 1.6% a year ago, and the average revenue per subscriber — ARPU — for the last twelve months was Ps.613 — outstanding level in the market — from Ps.607 from the previous year.

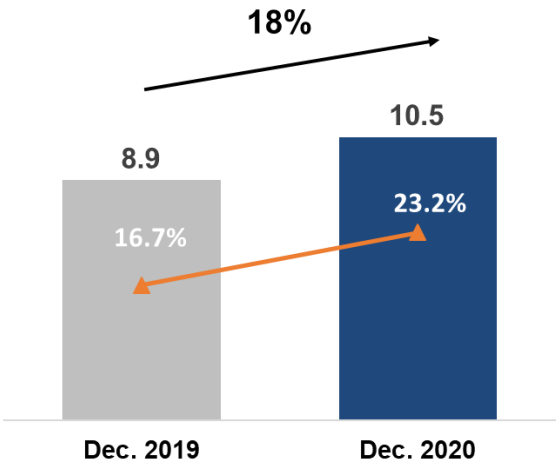
Churn



Given the notable demand for Total Play services, the company invests to increase geographic coverage and further expand the subscriber base. The number of homes passed across the country grew 18%, to 10.5 million at the end of the quarter — through 99,678 kilometers of fiber optics — from 8.9 million a year ago.

Penetration — proportion of homes passed by Total Play that have the company's telecommunications services — continued its solid growth and reached 23.2% at the end of the quarter, more than 6 percentage points higher than 16.7% a year ago.

Homes passes (millions) and penetration



The reduction in revenues from the enterprise segment to Ps.1,526 million, from Ps.1,628 million in the previous year, is the result of significant reported revenues, a year ago, related to the C5 project — video surveillance service, computer applications and telephony focused on security and community service — in Mexico City.

The demand for the company's high-capacity internet services, video surveillance, and cloud and management solutions is strong and growing, by a large number of the most important companies in Mexico and by government entities. Total client's services connected by the enterprise segment grew 16% to 103,927, at the end of the quarter, compared to 89,763 the previous year.

Costs and expenses

Total costs and expenses grew 21%, as a result of a 5% increase in service costs and a 34% growth in general expenses. The increase in costs, to Ps.1,322 million, from Ps.1,254 million in the previous year, results mainly from the purchase of content that allows offering superior entertainment options, acquisition of telecommunications equipment for business customers, commissions, licenses and acquisition of connection links for the optimal functioning of the network, in the context of growth in the company's geographical coverage.

The increase in expenses, to Ps.1,884 million, from Ps.1,402 million, reflects higher personnel, advertising and promotion and maintenance expenses, to generate optimal services, within the framework of growing operations in Total Play.

EBITDA and net result

Total Play's EBITDA was Ps.2,469 million compared to Ps.1,616 million from the previous year. The company recorded operating income of Ps.651 million, from operating income of Ps.299 million in the fourth quarter of 2019.

The main variations below EBITDA were the following:

An increase of Ps.134 million in depreciation and amortization, as a result of investments in coverage of the fiber optic network, as part of the company's growth strategy.

An increase of Ps.389 million in subscriber acquisition cost, derived from the steady growth of users, who require a greater number of telecommunications equipment.

An increase of Ps.402 million in interest charges, mainly derived from an increase in long-term financial debt.

Total Play registered a net income of Ps.307 million, from a profit of Ps.129 million a year ago.

Balance Sheet

As of December 31, 2020, the company's debt with cost was Ps. 26,312 million, compared to Ps.15,122 million from the previous year. The balance of cash and cash equivalents at the end of the quarter totaled Ps.1,787 million, from Ps.227 million a year ago; as a result, net debt was Ps.24,525 million, compared to Ps.14,895 million from the previous year.

The financial lease liability was Ps.4,429 million, compared to Ps.4,388 million from the previous year.

The growth of the debt balance is related to the successful placement of Senior Notes for US\$575 million in international markets in the period.

Issue of Senior Notes for US\$575 million

In November, it was announced that Total Play Telecomunicaciones, S.A. de C.V. successfully placed US\$575 million of Senior Notes, in international markets, with an annual interest rate of 7.5% and maturity in 2025.

The Notes — which were rated B2 by Moody's and BB- by Fitch — are used to increase the geographical coverage of the company in the national territory, as well as to refinance liabilities, in order to reduce the cost of debt and improve its maturity profile.

Cash Flow

During 2020, Total Play generated cash flow from operating activities of Ps.8,498 million, as well as cash flow from financing activities of Ps.7,211 million within the framework of the placement of Senior Notes for US\$575 million.

Those amounts were partially offset by investments of Ps.14,201 million, which were directed, to a large extent, to the geographic expansion of the fiber optic network across the country, as well as the purchase of telecommunications equipment to connect a growing number of users to the company's triple play services. As a result, the company's cash increase in the year was Ps.1,560 million.

Corporate governance

In January, Total Play announced the appointment of new members to its Board of Directors, to reaffirm its commitment to the best corporate governance practices, and to strategies and procedures that lead to optimal business management.

The new independent board members appointed are: Sergio Gutiérrez Muguerza, Chief Executive Officer of Grupo Deacero, S.A.P.I. de C.V.; Marcelino Gómez Velasco y Sanromán, Chairman of Centro Netec, S.A. de C.V.; Ignacio Cobián Villegas, Founder

and Chief Executive Officer of Timbermart, S.A. de C.V.; and Gonzalo Brockmann García, President of Hostales de América.

The related board members are: Ricardo B. Salinas Pliego, Chair of the Board of Directors of Total Play since 2003; Pedro Padilla Longoria, member of the Board of Directors of Total Play since 2003; Jorge Mendoza Garza, member of the Board of Directors of Total Play since 2010; which are joined by new board members Maria Laura Medina de Salinas, board member of Design Week Mexico; and Benjamin Salinas Sada, who has served as an alternate member of the Board of Directors of Total Play since 2010.

Twelve-month results

Revenues for the year 2020 totaled Ps.19,557 million, 37% above the Ps.14,267 million of the previous year, within the framework of dynamic growth in residential and business revenues.

Total costs and expenses grew 39%, to Ps.12,216 million, from Ps.8,787 million. This growth is the result of a 43% increase in costs for services — derived mainly from the purchase of content that allows offering superior entertainment options, and the acquisition of telecommunications equipment for business customers, commissions, licenses and acquisition of connection links for optimal operation of the network — in the context of growth in the company's geographic coverage — as well as a 36% increase in general expenses, derived from higher personnel, advertising and promotion expenses, as well as maintenance, to consolidate the optimal service, in the framework of growing operations of the company.

Total Play reported EBITDA of Ps.7,341 million, 34% above the Ps.5,480 million of the previous year. Operating income was Ps.908 million, from Ps.1,080 million in 2019.

The company registered a net loss of Ps.660 million, compared to a net income of Ps.663 million the previous year.

	2019	2020	Change	
			Ps.	%
Revenues from services	\$14,267	\$19,557	\$5,290	37%
EBITDA	\$5,480	\$7,341	\$1,861	34%
Operating result	\$1,080	\$908	\$(172)	-16%
Net result	\$663	\$(660)	\$(1,323)	----

Amounts in millions of pesos.

EBITDA: operating income before 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 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.

Investor Relations:

Bruno Rangel
+ 52 (55) 1720 9167
jrangelsk@totalplay.com.mx

Rolando Villarreal
+ 52 (55) 1720 9167
rvillarreal@totalplay.com.mx

Samantha Pescador
+52 (55) 3032 3639
samantha.pescador@totalplay.com.mx

Press Relations:

Luciano Pascoe
Tel. +52 (55) 1720 1313 ext. 36553
lpascoe@gruposalinas.com.mx

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

	4Q19		4Q20		Change	
	\$	%	\$	%	\$	%
Revenue from services	4,272	100%	5,675	100%	1,403	33%
Cost of services	(1,254)	(29%)	(1,322)	(23%)	(68)	(5%)
Gross profit	3,018	71%	4,353	77%	1,335	44%
General expenses	(1,402)	(33%)	(1,884)	(33%)	(482)	(34%)
EBITDA	1,616	38%	2,469	44%	853	53%
Depreciation and amortization	(529)	(12%)	(663)	(12%)	(134)	(25%)
Subscribers acquisition cost	(767)	(18%)	(1,156)	(20%)	(389)	(51%)
Other income (expenses) - Net	(21)	(0%)	1	0%	22	105%
Operating profit (loss)	299	7%	651	11%	352	118%
Financial cost:						
Interest revenue	15	0%	14	0%	(1)	(7%)
Accrued interest expense	(136)	(3%)	(538)	(9%)	(402)	----
Other financial (expenses) income - Net	(8)	(0%)	(72)	(1%)	(64)	----
Foreign exchange (loss) gain - Net	36	1%	262	5%	226	----
Profit (loss) before income tax provision	206	5%	317	6%	111	54%
Income tax provision	(77)	(2%)	(10)	(0%)	67	87%
Net income (loss) for the period	129	3%	307	5%	178	138%

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

	Accumulated		Accumulated		Change	
	12M19		12M20			
	\$	%	\$	%	\$	%
Revenue from services	14,267	100%	19,557	100%	5,290	37%
Cost of services	(3,506)	(25%)	(5,031)	(26%)	(1,525)	(43%)
Gross profit	10,761	75%	14,526	74%	3,765	35%
General expenses	(5,281)	(37%)	(7,185)	(37%)	(1,904)	(36%)
EBITDA	5,480	38%	7,341	38%	1,861	34%
Depreciation and amortization	(1,774)	(12%)	(2,458)	(13%)	(684)	(39%)
Subscribers acquisition cost	(2,605)	(18%)	(3,982)	(20%)	(1,377)	(53%)
Other income (expenses) - Net	(21)	(0%)	7	0%	28	133%
Operating profit	1,080	8%	908	5%	(172)	(16%)
Financial cost:						
Interest revenue	56	0%	45	0%	(11)	(20%)
Accrued interest expense	(421)	(3%)	(1,441)	(7%)	(1,020)	----
Other financial expenses	(54)	(0%)	(135)	(1%)	(81)	----
Foreign exchange gain (loss) - Net	100	1%	(6)	(0%)	(106)	----
Profit (loss) before income tax provision	761	5%	(629)	(3%)	(1,390)	----
Income tax provision	(98)	(1%)	(31)	(0%)	67	(68%)
Net income (loss) for the period	663	5%	(660)	(3%)	(1,323)	----

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

	As of December 31,					
	2019		2020		Change	
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	227	1%	1,787	4%	1,560	----
Customers - net	2,156	6%	2,376	5%	220	10%
Other receivables and recoverable taxes	2,110	6%	3,385	7%	1,275	60%
Other financial assets	949	3%	1,272	3%	323	34%
Inventories	1,260	4%	1,621	3%	361	29%
Prepaid expenses	143	0%	407	1%	264	----
Total current assets	6,845	20%	10,848	22%	4,003	58%
NON-CURRENT ASSETS						
Property, plant and equipment - Net	22,605	66%	32,756	67%	10,151	45%
Rights-of-use assets -Net	3,620	11%	4,142	8%	522	14%
Other non-current assets	1,388	4%	1,380	3%	(8)	(1%)
Total non-current assets	27,613	80%	38,278	78%	10,665	39%
Total assets	34,458	100%	49,126	100%	14,668	43%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	1,396	4%	562	1%	(834)	(60%)
Trade payables	4,512	13%	8,336	17%	3,824	85%
Other payables and taxes	1,320	4%	1,651	3%	331	25%
Derivative financial instruments	-	0%	214	0%	214	----
Lease liabilities	1,453	4%	1,681	3%	228	16%
Total short-term liabilities	8,681	25%	12,444	25%	3,763	43%
LONG-TERM LIABILITIES						
Long-term financial debt	13,726	40%	25,750	52%	12,024	88%
Trade payables	75	0%	14	0%	(61)	(81%)
Other long-term payables	313	1%	104	0%	(209)	(67%)
Lease liabilities	2,935	9%	2,748	6%	(187)	(6%)
Total long-term liabilities	17,049	49%	28,616	58%	11,567	68%
Total liabilities	25,730	75%	41,060	84%	15,330	60%
STOCKHOLDERS' EQUITY						
	8,728	25%	8,066	16%	(662)	(8%)
Total stockholders' equity and liabilities	34,458	100%	49,126	100%	14,668	43%

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

	Years ended	
	December 31,	
	<u>2019</u>	<u>2020</u>
<u>Operating activities:</u>		
(Loss) income before income tax provision	761	(629)
Items not requiring the use of resources:		
Depreciation and amortization	1,774	2,458
Subscriber acquisition cost	2,605	3,982
Employee benefits	15	11
Items related to investing or financing activities:		
Accrued interest income	(55)	(45)
Accrued interest expense and other financial transactions	420	1,441
	<u>5,520</u>	<u>7,218</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(1,084)	(220)
Other receivables	(40)	(2)
Related parties, net	(97)	54
Recoverable taxes	(804)	(1,339)
Inventories	(306)	(361)
Prepaid expenses	94	(264)
Trade payables	(1,011)	3,106
Other payables	285	304
Paid income taxes	(29)	2
	<u>2,528</u>	<u>8,498</u>
Cash flows generated by operating activities	<u>2,528</u>	<u>8,498</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(7,896)	(14,201)
Other assets	(98)	7
Collected interest	55	45
	<u>55</u>	<u>45</u>
Cash flows (used in) investing activities	<u>(7,939)</u>	<u>(14,149)</u>
<u>Financing activities:</u>		
Contributions for future capital stock increases	5,000	-
Loans received	3,025	11,072
Reverse factoring	(1,605)	657
Interest payment	(1,690)	(2,158)
Leasing cash flows	1,151	(2,035)
Fiduciary rights	(290)	(325)
	<u>5,591</u>	<u>7,211</u>
Net cash flows generated by financing activities	<u>5,591</u>	<u>7,211</u>
Increase in cash and cash equivalents	<u>180</u>	<u>1,560</u>
Cash and cash equivalents at the beginning of the year	<u>47</u>	<u>227</u>
Cash and cash equivalents at the end of the year	<u>227</u>	<u>1,787</u>