



**TOTAL PLAY ANNOUNCES 97% INCREASE IN EBITDA,
TO Ps. 2,957 MILLION IN THE SECOND QUARTER OF 2021**

**—Revenue grows 53% to Ps.6,839 million in 2Q21,
principally due to a 62% increase in revenue from the residential segment—**

**—Totalplay Residential RGUs increase 56%, to 7'729,277,
as a result of the company's robust offering of technologically advanced services—**

—The number of homes passed increases to 13.2 million—

Mexico City, July 27, 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 second quarter 2021 financial results.

Second quarter results

"Continued preference for Total Play's world-class telecommunications services, further strengthened the company's solid positioning in the market, and translated into substantial growth in the penetration of homes covered with our network and a steady increase in the number of services connected to organizations in the quarter," commented Eduardo Kuri, CEO of Total Play. "The higher demand generated solid revenue increase, which, together with important initiatives to strengthen operating efficiencies, resulted in a notable expansion in the company's EBITDA and profitability for the period."

Revenue for the quarter totaled Ps.6,839 million, 53% above the Ps.4,476 million for the same period of the previous year. Total costs and expenses were Ps.3,882 million, compared to Ps.2,977 million from the previous year.

As a result, Total Play's EBITDA grew 97%, to Ps.2,957 million, from Ps.1,499 million a year ago; the EBITDA margin for the quarter was 43%, ten percentage points higher than the 33% of the previous year. The company recorded operating profit of Ps.884 million, compared to an operating loss of Ps.44 million a year ago.

Total Play reported net income of Ps.560 million versus a loss of Ps.339 million in the same period of 2020.

	2Q 2020	2Q 2021	Change	
			Ps.	%
Revenue from services	\$4,476	\$6,839	\$2,363	53%
EBITDA	\$1,499	\$2,957	\$1,458	97%
Operating result	\$(44)	\$884	\$928	----
Net result	\$(339)	\$560	\$899	----

Amounts in millions of pesos.

EBITDA: operating income before depreciation and amortization

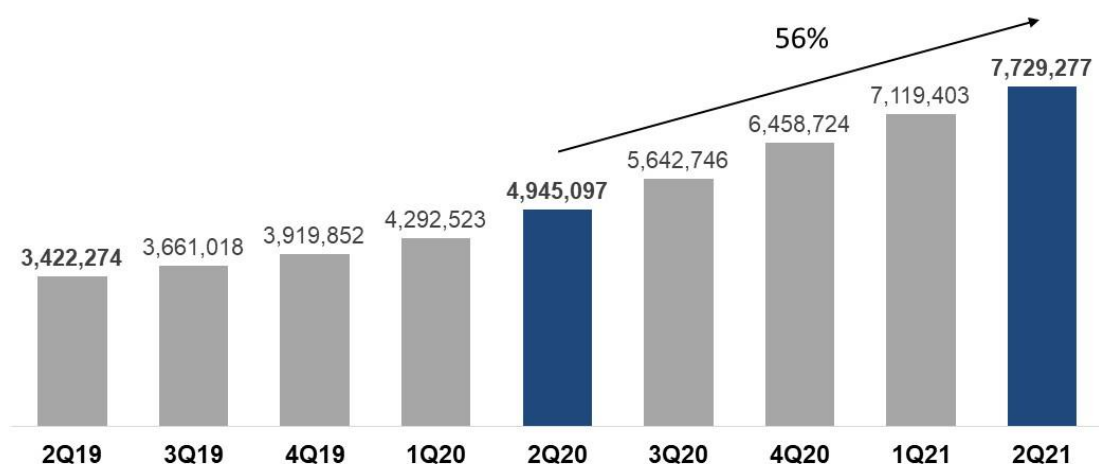
Revenue from services

The company's revenue grew 53%, as a result of a 62% increase in sales from the residential segment, and a 29% increase in revenue from the enterprise business.

Totalplay Residential revenue growth, to Ps.5,258 million, compared to Ps.3,254 million from the previous year, results from a 56% increase in the number of subscribers to the company's services, to 2'929,329.

Revenue generating units (RGUs) grew 56%, to 7'729,277 at the end of the quarter, compared to 4'945,097 the previous year. The number of data RGUs grew 56%, to 2'929,329, voice RGUs grew 62%, to 2'866,068, and video RGUs increased 48%, to 1'933,880.

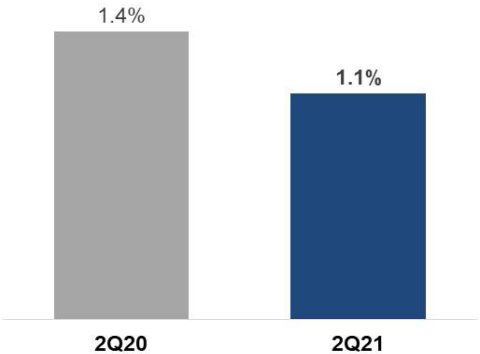
RGUs



The growth of Totalplay Residential reflects the preference of thousands of users for the solid offer of internet services with superior speeds in the market, content on applications and attributes of linear TV that optimize the customer's entertainment experience, as well as voice solutions with worldwide coverage from the mobile

application. In this context, the average disconnection rate for the quarter was 1.1% compared to 1.4% a year ago, and the average revenue per subscriber for the quarter (ARPU) was Ps.615 — outstanding level in the market — unchanged from the previous year.

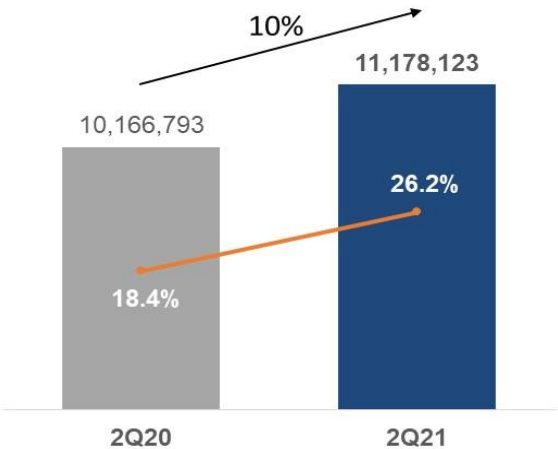
Churn



Given the notable demand for Total Play services, the company makes investments to increase geographic coverage and further expand its subscriber base. The number of homes passed across the country grew 10%, to 11.2 million at the end of the period, from 10.2 million a year ago.

Penetration — proportion of homes passed by Total Play network that have purchased the company's telecommunications services — continued its solid growth and reached 26.2% at the end of the quarter, 7.8 percentage points above the 18.4% a year ago.

Homes passes (millions) and penetration



During the second quarter of 2021, the National Institute of Statistics and Geography (INEGI by its name in Spanish: *Instituto Nacional de Estadística y Geografía*) released the updated number of homes across Mexico, based on the 2020 Population

and Housing Census. On a pro forma basis, using the recently published figures by INEGI, Total Play increased the number of homes passed by 1,326,055 units, to reach a total of 12,504,178 units as of June 30, 2021. Additionally, the company released certain technical restrictions where it carried out pipelines and connections to be able to enter and provide services in properties and restricted housing subdivisions since 2010. This release totals 719,099 units. With these two adjustments, Total Play will register 13,223,277 homes passed as of June 30, 2021. The higher number of homes passed throughout the country further strengthens the solid growth prospects for the company going forward.

The adjustment by INEGI does not imply additional capital investment by the company and only reflects the growth of homes between the previous Census, done by INEGI in 2010, and the new 2020 Census. In future financial results releases, Total Play will adjust the number of homes passed with the new information available from INEGI.

Revenue from the enterprise segment was Ps.1,581 million, compared to Ps.1,222 million from the previous year, largely as a result of higher sales to government clients.

The demand for the company's high-capacity internet services, video surveillance and cloud and management solutions is solid and growing, by a large number of the most important companies in Mexico and by public entities. Total enterprise segment connected services grew 21% to 111,858 at the end of the quarter, compared to 92,207 the previous year.

Costs and expenses

Total costs and expenses grew 30%, as a result of a 46% increase in service costs and a 21% increase in general expenses. The increase in costs, to Ps.1,646 million, from Ps.1,131 million in the previous year, is mainly due to the acquisition of content, cost of sales of telecommunications equipment for business customers, licenses, commissions and leasing of connection links for the optimal functioning of the network.

The increase in expenses, to Ps.2,236 million, from Ps.1,846 million, reflects higher services, advertising and promotion expenses, as well as maintenance costs, within the framework of growing operations in Total Play.

EBITDA and net result

Total Play's EBITDA was Ps.2,957 million compared to Ps.1,499 million from the previous year. The company recorded operating income of Ps.884 million, versus an operating loss of Ps.44 million in the second quarter of 2020.

The main variations below EBITDA were the following:

Ps.530 million increase in depreciation and amortization, as a result of investments in coverage of the fiber optic network, and subscriber acquisition cost —

telecommunications equipment, labor, installation expenses — in the context of strong company growth.

Ps.329 million growth in foreign exchange gain, as a consequence of the net monetary liability position in US dollars, together with a greater appreciation of the exchange rate of the Mexican peso against the US dollar for the quarter compared to the previous period.

Ps.289 million increase in interest charges, mainly derived from growth in long-term financial debt, which has facilitated the expansion of the company.

Total Play reported net income of Ps.560 million, from a loss of Ps.339 million in the same period of 2020.

Balance Sheet

As of June 30, 2021, the company's debt with cost was Ps.30,249 million, compared to Ps.18,297 million from the previous year. The balance of cash and cash equivalents at the end of the quarter totaled Ps.1,130 million, from Ps.130 million a year ago; as a result, net debt was Ps.29,119 million, compared to Ps.18,167 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 November 2020, with an interest rate of 7.5%, due in 2025.

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

The lease liability was Ps.4,576 million, compared to Ps.3,720 million from the previous year.

Cash Flow

As of June 30, 2021, Total Play used flows in investment activities for Ps.7,980 million, which were largely directed to the geographic expansion of its network in the national territory, as well as the purchase of telecommunications equipment network to connect a growing number of users to the company's triple play services.

This amount was partially offset by the generation of cash flow from operating activities of Ps.5,511 million and flow from financing activities of Ps.1,812 million.

As a result, the company's cash and cash equivalents balance decreased by Ps.657 million in the period.

Six months' results

Revenue for the first six months of 2021 were Ps.13,195 million, 49% above the Ps.8,877 million of the previous year, within the framework of dynamic growth in residential and enterprise revenues.

Total costs and expenses grew 32%, to Ps.7,562 million, from Ps.5,736 million, as a result of a 37% increase in services costs — mainly derived from the acquisition of cutting-edge content that satisfies thousands of users, commission payments, cost of telecommunications equipment sold to our clients, payment of licenses and memberships, and leasing of connection links for the optimal operation of the network — as well as a 28% increase in general expenses due to higher expenses of maintenance of the network, services and advertising and promotion.

Total Play reported EBITDA of Ps.5,633 million, 79% above the Ps.3,141 million of the previous year. Operating income was Ps.1,542 million, from Ps.220 million in the same period of 2020.

The company posted a net income of Ps.344 million, compared to a net loss of Ps.709 million a year ago.

	6M 2020	6M 2021	Change	
			Ps.	%
Revenue from services	\$8,877	\$13,195	\$4,318	49%
EBITDA	\$3,141	\$5,633	\$2,492	79%
Operating result	\$220	\$1,542	\$1,322	----
Net result	\$(709)	\$344	\$1,053	----

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.

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

	<u>2Q20</u>		<u>2Q21</u>		<u>Change</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Revenue from services	4,476	100%	6,839	100%	2,363	53%
Cost of services	(1,131)	(25%)	(1,646)	(24%)	(515)	(46%)
Gross profit	3,345	75%	5,193	76%	1,848	55%
General expenses	(1,846)	(41%)	(2,236)	(33%)	(390)	(21%)
EBITDA	1,499	33%	2,957	43%	1,458	97%
Depreciation and amortization	(1,543)	(34%)	(2,073)	(30%)	(530)	(34%)
Operating profit (loss)	(44)	(1%)	884	13%	928	(2109%)
Financial cost:						
Interest revenue	8	0%	7	0%	(1)	(13%)
Accrued interest expense	(321)	(7%)	(610)	(9%)	(289)	(90%)
Other financial (expenses) income - Net	(14)	(0%)	(81)	(1%)	(67)	479%
Foreign exchange (loss) gain - Net	39	1%	368	5%	329	(844%)
Profit (loss) before income tax provision	(332)	(7%)	568	8%	900	(271%)
Income tax provision	(7)	(0%)	(8)	(0%)	(1)	(14%)
Net income (loss) for the period	(339)	(8%)	560	8%	899	(265%)

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

	<u>Accumulated</u>		<u>Accumulated</u>		<u>Change</u>	
	<u>6M20</u>		<u>6M21</u>			
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Revenue from services	8,877	100%	13,195	100%	4,318	49%
Cost of services	(2,387)	(27%)	(3,273)	(25%)	(886)	(37%)
Gross profit	6,490	73%	9,922	75%	3,432	53%
General expenses	(3,349)	(38%)	(4,289)	(33%)	(940)	(28%)
EBITDA	3,141	35%	5,633	43%	2,492	79%
Depreciation and amortization	(2,921)	(33%)	(4,092)	(31%)	(1,171)	(40%)
Other income (expenses) - Net	-	0%	1	0%	1	na
Operating profit	220	2%	1,542	12%	1,322	601%
Financial cost:						
Interest revenue	18	0%	21	0%	3	17%
Accrued interest expense	(513)	(6%)	(1,172)	(9%)	(659)	(128%)
Other financial expenses	(46)	(1%)	(124)	(1%)	(78)	(170%)
Foreign exchange gain (loss) - Net	(375)	(4%)	94	1%	469	(125%)
Profit (loss) before income tax provision	(696)	(8%)	361	3%	1,057	(152%)
Income tax provision	(13)	(0%)	(17)	(0%)	(4)	31%
Net income (loss) for the period	(709)	(8%)	344	3%	1,053	(149%)

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

	As of June 30,					
	2020		2021		Change	
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	130	0%	1,130	2%	1,000	769%
Restricted cash in trusts	1,623	4%	1,081	2%	(542)	(33%)
Customers - net	2,318	6%	2,840	5%	522	23%
Other receivables and recoverable taxes	2,531	6%	3,925	7%	1,394	55%
Inventories	1,396	3%	1,518	3%	122	9%
Prepaid expenses	524	1%	372	1%	(152)	(29%)
Total current assets	8,522	21%	10,866	20%	2,344	28%
NON-CURRENT ASSETS						
Property, plant and equipment - Net	27,122	67%	37,797	70%	10,675	39%
Rights-of-use assets -Net	3,619	9%	4,174	8%	555	15%
Other non-current assets	1,411	3%	1,504	3%	93	7%
Total non-current assets	32,152	79%	43,475	80%	11,323	35%
Total assets	40,674	100%	54,341	100%	13,667	34%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	1,727	4%	1,358	2%	(369)	(21%)
Trade payables	8,440	21%	8,456	16%	16	0%
Other payables and taxes	1,907	5%	2,392	4%	485	25%
Derivative financial instruments	-	0%	137	0%	137	n.m.
Lease liabilities	1,367	3%	1,515	3%	148	11%
Total short-term liabilities	13,441	33%	13,858	26%	417	3%
LONG-TERM LIABILITIES						
Long-term financial debt	16,570	41%	28,891	53%	12,321	74%
Trade payables	69	0%	20	0%	(49)	(71%)
Other long-term payables	215	1%	81	0%	(134)	(62%)
Lease liabilities	2,353	6%	3,060	6%	707	30%
Total long-term liabilities	19,207	47%	32,052	59%	12,845	67%
Total liabilities	32,648	80%	45,910	84%	13,262	41%
STOCKHOLDERS' EQUITY						
	8,026	20%	8,431	16%	405	5%
Total stockholders' equity and liabilities	40,674	100%	54,341	100%	13,667	34%

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

	Years ended june 30,	
	<u>2020</u>	<u>2021</u>
<u>Operating activities:</u>		
(Loss) income before income tax provision	(709)	344
Items not requiring the use of resources:		
Depreciation and amortization	2,921	4,092
Employee benefits	7	15
Items related to investing or financing activities:		
Accrued interest income	(18)	(21)
Accrued interest expense and other financial transactions	514	1,172
Valuation of financial derivative instruments	(24)	(77)
	<u>2,691</u>	<u>5,525</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(162)	(464)
Other receivables	(828)	(551)
Related parties, net	208	172
Inventories	(136)	104
Trade payables	3,766	245
Other payables	308	480
	<u>5,847</u>	<u>5,511</u>
Cash flows generated by operating activities		
	<u>5,847</u>	<u>5,511</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(6,229)	(7,994)
Other assets	(25)	(7)
Collected interest	18	21
	<u>18</u>	<u>21</u>
Cash flows (used in) investing activities		
	<u>(6,236)</u>	<u>(7,980)</u>
<u>Financing activities:</u>		
Loans received	3,175	3,928
Reverse factoring	156	(119)
Interest payment	(994)	(1,453)
Leasing cash flows	(1,395)	(735)
Fiduciary rights	(650)	191
	<u>(650)</u>	<u>191</u>
Net cash flows generated by financing activities		
	<u>292</u>	<u>1,812</u>
Increase in cash and cash equivalents	(97)	(657)
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>130</u>	<u>1,130</u>