



TOTAL PLAY ANNOUNCES REVENUE OF Ps.9,736 MILLION AND EBITDA OF Ps.4,379 MILLION IN THE FOURTH QUARTER OF 2022

Mexico City, February 23, 2023— Total Play Telecomunicaciones, S.A.P.I. de C.V. ("Total Play"), a leading telecommunications company in Mexico, which offers internet access, pay television and telephone services, through one of the largest 100% fiber optic networks in the country, today announced financial results for the fourth quarter of 2022.

Fourth quarter results

Revenue for the quarter totaled Ps.9,736 million, compared to Ps.7,623 million of the previous year. Total costs and expenses were Ps.5,357 million, from Ps.4,292 million a year ago.

As a result, Total Play's EBITDA totaled Ps.4,379 million, from Ps.3,331 million the previous year. The company registered operating income of Ps.747 million, compared to Ps.824 million a year ago. Total Play reported a net loss of Ps.101 million, from a loss of Ps.1,003 million in the same period of 2021.

Revenue from services

The growth in Total Play revenue in the quarter is mainly the result of increased sales in the residential segment, due to higher household demand for the company's telecommunications services. The continuous increase in Total Play revenue is reaffirmed this period despite intense competition in the industry — which affects market prices — and the normalization of face-to-face activities throughout the country. This shows the growing preference of users for the superior attributes of our internet, pay television and telephony services, which optimally satisfy the connectivity and entertainment needs of millions of homes.

Costs and expenses

Total costs and expenses grew 25%, as a result of a 10% increase in service costs and a 33% increase in general expenses. The growth in costs, to Ps.1,729 million, from Ps.1,572 million the previous year, mainly results from the purchase of content, memberships, licenses, link rental and other interconnection services for the operation of the network.

The increase in expenses, to Ps.3,628 million, from Ps.2,720 million, reflects higher personnel, advertising and promotion, maintenance, and call center expenses, in the context of growing operations in the company.

EBITDA and net result

Total Play EBITDA was Ps.4,379 million compared to Ps.3,331 million the previous year.

Relevant variations below EBITDA were the following:

Growth of Ps.1,125 million in depreciation and amortization, as a result of user acquisition cost — telecommunications equipment, labor and installation expenses — as well as investments in fiber optic network coverage.

Increase of Ps.352 million in interest payments, mainly derived from the increase in the balance of financial debt.

Growth of Ps.280 million in other financial expenses as a result of expenses related to debt issues and derivative financial instruments.

Exchange gain of Ps.1,248 million this period, compared to a loss of Ps.50 million a year ago, as a result of the net liability monetary position in foreign currency, together with the appreciation of the peso against the basket of currencies in which the company's monetary liabilities are denominated this quarter, compared to depreciation a year ago.

Total Play reported a net loss of Ps.101 million, from a loss of Ps.1,003 million in the same period of 2021.

Balance sheet

As of December 31, 2022, the company's debt with cost was Ps.49,533 million, compared to Ps.41,496 million the previous year. The growth of the debt balance is related to the issuance of *Certificados Bursátiles* and loans with financial institutions during the period.

The lease liability was Ps.7,073 million, compared to Ps.5,409 million of the previous year.

The company's fixed assets — which include the accumulated investment in fiber optics, telecommunications equipment and the cost of acquiring subscribers, among other assets — was Ps.58,165 million, 27% higher than the Ps.45,851 million of 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.P.I. DE C.V. AND SUBSIDIARIES
CONSOLIDATED QUARTERLY INCOME STATEMENTS
(Millions of Mexican pesos)

	<u>4Q21</u>		<u>4Q22</u>		<u>Change</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Revenue from services	7,623	100%	9,736	100%	2,113	28%
Cost of services	(1,572)	(21%)	(1,729)	(18%)	(157)	(10%)
Gross profit	6,051	79%	8,007	82%	1,956	32%
General expenses	(2,720)	(36%)	(3,628)	(37%)	(908)	(33%)
EBITDA	3,331	44%	4,379	45%	1,048	31%
Depreciation and amortization	(2,507)	(33%)	(3,632)	(37%)	(1,125)	(45%)
Operating profit	824	11%	747	8%	(77)	(9%)
Financial cost:						
Interest revenue	22	0%	38	0%	16	73%
Accrued interest expense	(937)	(12%)	(1,289)	(13%)	(352)	(38%)
Other financial expenses	(36)	(0%)	(316)	(3%)	(280)	n.m.
Foreign exchange (loss) gain - Net	(50)	(1%)	1,248	13%	1,298	n.m.
(Loss) profit before income tax provision	(177)	(2%)	428	4%	605	n.m.
Income tax provision	(826)	(11%)	(547)	(6%)	279	34%
Non-controlling participation	-	0%	19	0%	19	n.a.
Participation in results of associates	-	0%	(1)	(0%)	(1)	n.a.
Net Loss for the period	(1,003)	(13%)	(101)	(1%)	902	90%

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

	Accumulated		Accumulated		Change	
	12M21		12M22			
	\$	%	\$	%	\$	%
Revenue from services	28,089	100%	36,352	100%	8,263	29%
Cost of services	(6,481)	(23%)	(7,588)	(21%)	(1,107)	(17%)
Gross profit	21,608	77%	28,764	79%	7,156	33%
General expenses	(9,588)	(34%)	(12,797)	(35%)	(3,209)	(33%)
EBITDA	12,020	43%	15,967	44%	3,947	33%
Depreciation and amortization	(8,902)	(32%)	(12,871)	(35%)	(3,969)	(45%)
Operating profit	3,118	11%	3,096	9%	(22)	(1%)
Financial cost:						
Interest revenue	54	0%	98	0%	44	81%
Accrued interest expense	(3,012)	(11%)	(4,228)	(12%)	(1,216)	(40%)
Other financial expenses	(230)	(1%)	(612)	(2%)	(382)	(166%)
Foreign exchange (loss) gain - Net	(578)	(2%)	1,338	4%	1,916	n.m.
Loss before income tax provision	(648)	(2%)	(308)	(1%)	340	52%
Income tax provision	(846)	(3%)	(1,633)	(4%)	(787)	(93%)
Non-controlling participation	-	0%	27	0%	27	n.a.
Participation in results of associates	-	0%	(1)	(0%)	(1)	n.a.
Net Loss for the period	(1,494)	(5%)	(1,915)	(5%)	(421)	(28%)

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

	As of December 31,					
	2021		2022		Change	
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	4,166	6%	1,890	2%	(2,276)	(55%)
Restricted cash in trusts	887	1%	1,988	2%	1,101	124%
Customers - net	3,749	6%	5,506	7%	1,757	47%
Derivative financial instruments	228	0%	-	0%	(228)	(100%)
Recoverable taxes and other accounts receivable	4,235	6%	4,268	5%	33	1%
Inventories	1,880	3%	2,342	3%	462	25%
Prepaid expenses	467	1%	908	1%	441	94%
Total current assets	15,612	23%	16,902	20%	1,290	8%
NON-CURRENT ASSETS						
Property, plant and equipment - Net	45,851	67%	58,165	70%	12,314	27%
Rights-of-use assets -Net	4,997	7%	6,703	8%	1,706	34%
Other non-current assets	1,647	2%	1,652	2%	5	0%
Total non-current assets	52,495	77%	66,520	80%	14,025	27%
Total assets	68,107	100%	83,422	100%	15,315	22%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	2,615	4%	6,973	8%	4,358	167%
Trade payables	8,767	13%	13,442	16%	4,675	53%
Other payables and taxes	2,967	4%	4,226	5%	1,259	42%
Derivative financial instruments	6	0%	126	0%	120	n.m.
Lease liabilities	1,651	2%	2,108	3%	457	28%
Total short-term liabilities	16,006	24%	26,875	32%	10,869	68%
LONG-TERM LIABILITIES						
Long-term financial debt	38,881	57%	42,560	51%	3,679	9%
Trade payables	4	0%	-	0%	(4)	(100%)
Other long-term payables	431	1%	2,066	2%	1,635	n.m.
Derivative financial instruments	-	0%	764	1%	764	n.a.
Lease liabilities	3,758	6%	4,965	6%	1,207	32%
Total long-term liabilities	43,074	63%	50,355	60%	7,281	17%
Total liabilities	59,080	87%	77,230	93%	18,150	31%
STOCKHOLDERS' EQUITY						
	9,027	13%	6,192	7%	(2,835)	(31%)
Total stockholders' equity and liabilities	68,107	100%	83,422	100%	15,315	22%

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

	Years ended December 31,	
	<u>2021</u>	<u>2022</u>
<u>Operating activities:</u>		
(Loss) income before income tax provision	(1,474)	(281)
Items not requiring the use of resources:		
Depreciation and amortization	8,902	12,871
Employee benefits	19	27
Items related to investing or financing activities:		
Accrued interest income	(54)	(98)
Accrued interest expense and other financial transactions	3,012	4,228
Valuation of financial derivative instruments	(436)	347
	<u>9,969</u>	<u>17,094</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(1,373)	(1,756)
Other receivables	(103)	(91)
Related parties, net	(207)	(91)
Taxes to be recovered	(745)	245
Inventories	(258)	(463)
Advance payments	(59)	(442)
Trade payables	773	3,249
Other payables	<u>1,502</u>	<u>764</u>
Cash flows generated by operating activities	<u>9,499</u>	<u>18,509</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(17,959)	(22,460)
Other assets	307	82
Collected interest	<u>54</u>	<u>98</u>
Cash flows (used in) investing activities	<u>(17,598)</u>	<u>(22,280)</u>
<u>Financing activities:</u>		
Loans received	15,303	8,037
Leasing cash flows	(1,670)	(2,464)
Interest payment	(3,240)	(4,521)
Restricted Cash in Trusts	385	(1,101)
Reverse factoring	(352)	1,422
Capital contributions	5,052	122
Contributions for future capital increases	<u>(5,000)</u>	<u>-</u>
Net cash flows generated by financing activities	<u>10,478</u>	<u>1,495</u>
Increase in cash and cash equivalents	2,379	(2,276)
Cash and cash equivalents at the beginning of the year	<u>1,787</u>	<u>4,166</u>
Cash and cash equivalents at the end of the year	<u>4,166</u>	<u>1,890</u>