



TOTAL PLAY ANNOUNCES 19% GROWTH IN EBITDA, TO Ps.4,814 MILLION IN THE THIRD QUARTER OF 2023

—Revenue increases 9% and costs and expenses grow 1% in the period, which reaffirms the sustained increase in EBITDA and generates three percentage points growth in EBITDA margin, to 47%—

—Capex for the quarter was Ps.3,739 million, equivalent to 37% of Total Play's revenues, compared to Capex equivalent to 67% of revenue a year ago—

—Subscriber base growth moderation strategy and strict financial discipline significantly strengthen Total Play's cash flow—

Mexico City, October 25, 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 third quarter of 2023.

"Total Play's subscriber base growth moderation strategy continued to generate strong operating efficiencies in the quarter, which resulted in a notable reduction in the growth rate of total costs and expenses, which, together with higher revenue, translated into a 19% increase in EBITDA, and the highest EBITDA margin recorded by the company since it issued public debt," commented Eduardo Kuri, CEO of Total Play. "The sustained EBITDA growth, combined with the Capex of the quarter, reflects strict financial discipline, and contributed to significantly boost the company's cash generation."

"The balance of EBITDA less Capex – a fundamental indicator of cash flow generation – was Ps.1,075 million in the period, compared to Ps.397 million the previous quarter and a negative figure of Ps.2,145 million a year ago, which shows the solid progress in Total Play's liquidity boost plan. This allowed us to achieve a cash and restricted cash balance of Ps.5,578 million at the end of the period, more than double compared to the previous year," added Mr. Kuri.

Third quarter results

Revenue for the quarter totaled Ps.10,136 million, 9% above Ps.9,303 million in the same period of the previous year. Total costs and expenses were Ps.5,322 million, 1% higher compared to Ps.5,248 million the previous year.

As a result, Total Play's EBITDA grew 19%, to Ps.4,814 million, from Ps.4,055 million a year ago; The EBITDA margin for the quarter was 47%, three percentage points above the

previous year. The company recorded operating income of Ps.819 million, compared to Ps.640 million a year ago.

Total Play reported net loss of Ps.2,130 million, from a loss of Ps.1,843 million in the same quarter of 2022.

	3Q 2022	3Q 2023	Change	
			Ps.	%
Revenue from services	\$9,303	\$10,136	\$833	9%
EBITDA	\$4,055	\$4,814	\$759	19%
Operating income	\$640	\$819	\$179	28%
Net result	\$(1,843)	\$(2,130)	\$(287)	(16%)

Amounts in millions of pesos.

EBITDA: Earning before interest, depreciation, and amortization.

Service revenue

The company's revenue grew 9%, as a result of a 12% increase in sales in the residential segment, partially offset by a 9% decrease in revenue from the enterprise business.

Totalplay Residencial's revenue growth, to Ps.8,847 million, compared to Ps.7,890 million the previous year, results from a 10% increase in the number of subscribers of the company's services, to reach 4,624,312 at the close of the quarter. Consistent with the strategy of moderating the growth of Total Play's subscriber base, the percentage increase in the number of users this period is the lowest since the company began issuing public debt. Compared to the previous quarter, the number of net additions grew by 106,142 users.

The average revenue per user (ARPU) for the quarter was Ps.630, compared to Ps.617 a year ago.

As previously announced, in the first quarter of the year the company's investment program in geographic coverage concluded, given that the territory in which its target market is located throughout the country was reached. Accordingly, the number of homes passed at the end of the period was 17.5 million, constant for the first nine months of 2023. Compared to the same quarter 2022, which reported 17.1 million homes passed, growth was 3%.

Penetration — proportion of homes passed by Total Play that have the company's telecommunications services — reached 26.4% at the end of the quarter, up from 24.6% a year ago.

Revenue from the enterprise segment was Ps.1,289 million, from Ps.1,413 million the previous year. The reduction of sales is part of the company's efforts to boost liquidity, reducing its exposure to business projects with slow relative return on investment.

Costs and expenses

Total costs and expenses grew 1%, as a result of a 7% increase in operating expenses and an 8% decrease in service costs.

The increase in expenses, to Ps.3,495 million, from Ps.3,265 million, reflects higher advertising and promotion expenses and fees, in the context of growing operations at the company.

The decrease in costs, to Ps.1,827 million, from Ps.1,983 million the previous year, results mainly from reduction in business projects costs, lower licensing costs and renegotiation of content prices, within the framework of strict budget compliance.

EBITDA and net result

Total Play's EBITDA was Ps.4,814 million compared to Ps.4,055 million the previous year.

Relevant variations below EBITDA were the following:

Increase of Ps.580 million in depreciation and amortization, mainly due to subscriber acquisition cost — telecommunications equipment, labor, and installation expenses.

Growth of Ps.329 million in interest expenses, congruent with an increase in the balance of financial debt.

Total Play reported net loss of Ps.2,130 million, from a loss of Ps.1,843 million in the same period of 2022.

Balance sheet

As of September 30, 2023, the company's debt with cost was Ps.50,280 million, compared to Ps.46,915 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 Bursátiles*.

Consistent with the strategy to expand the company's maturity profile, the short-term debt balance decreased 10%, to Ps.4,448 million, from Ps.4,916 million a year ago.

The lease liability was Ps.6,374 million, compared to Ps.6,485 million the previous year.

The balance of cash and cash equivalents, as well as restricted cash in trusts totaled Ps.5,578 million, more than double compared to Ps.2,698 million a year ago. As a result, the company's net debt was Ps.51,076 million, from Ps.50,702 million the previous year.

The debt ratio — Net Debt / EBITDA for the last two annualized quarters — was 2.78 times, the lowest level since the company issued public debt, as a result of solid EBITDA growth, together with greater relative stability of the net debt balance.

Total Play's fixed assets — which include the accumulated investment in fiber optics, telecommunications equipment, and the cost of acquiring subscribers, among other assets — were Ps.60,365 million, 9% above the Ps.55,483 million a year ago.

Nine months results

Revenue for the first nine months of 2023 was Ps.29,830 million, 12% above the Ps.26,616 million of the previous year, within the framework of solid growth in residential income. Total costs and expenses grew 8%, to Ps.16,204 million, from Ps.15,028 million, as a result of a 14% increase in operating expenses and a 2% decrease in service costs.

Total Play reported EBITDA of Ps.13,626 million, 18% above the Ps.11,588 million of the previous year; The EBITDA margin for the period was 46%, two percentage points above the previous year. Operating income was Ps.1,712 million, from operating income of Ps.2,349 million in the same period of 2022.

The company recorded a net loss of Ps.2,123 million, compared to a loss of Ps.1,814 million a year ago.

	9M 2022	9M 2023	Change	
			Ps.	%
Revenue from services	\$26,616	\$29,830	\$3,214	12%
EBITDA	\$11,588	\$13,626	\$2,038	18%
Operating income	\$2,349	\$1,712	\$(637)	(27%)
Net result	\$(1,814)	\$(2,123)	\$(309)	(17%)

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.

Investor Relations:

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

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

Press Relations:

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

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

	<u>3Q22</u>		<u>3Q23</u>		<u>Change</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Revenue from services	9,303	100%	10,136	100%	833	9%
Cost of services	(1,983)	(21%)	(1,827)	(18%)	(156)	(8%)
Gross profit	7,320	79%	8,309	82%	989	14%
Operating expenses	(3,265)	(35%)	(3,495)	(34%)	230	7%
EBITDA	4,055	44%	4,814	47%	759	19%
Depreciation and amortization	(3,415)	(37%)	(3,995)	(39%)	580	17%
Operating profit	640	7%	819	8%	179	28%
Financial cost:						
Interest revenue	22	0%	48	0%	26	118%
Accrued interest expense	(1,057)	(11%)	(1,386)	(14%)	329	31%
Other financial expenses	(193)	(2%)	(256)	(3%)	(63)	(33%)
Loss exchange gain - Net	(712)	(8%)	(701)	(7%)	(11)	(2%)
Loss before income tax provision	(1,300)	(14%)	(1,476)	(15%)	(176)	(14%)
Income tax provision	(551)	(6%)	(654)	(6%)	103	19%
Minority Interest	8	0%	-	0%	(8)	(100%)
Net Loss for the period	(1,843)	(20%)	(2,130)	(23%)	(287)	(16%)

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

	<u>Accumulated</u>		<u>Accumulated</u>		<u>Change</u>	
	<u>9M22</u>		<u>9M23</u>			
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Revenue from services	26,616	100%	29,830	100%	3,214	12%
Cost of services	(5,859)	(22%)	(5,737)	(19%)	(122)	(2%)
Gross profit	20,757	78%	24,093	81%	3,336	16%
Operating expenses	(9,169)	(34%)	(10,467)	(35%)	1,298	14%
EBITDA	11,588	44%	13,626	46%	2,038	18%
Depreciation and amortization	(9,239)	(35%)	(11,914)	(40%)	2,675	29%
Operating profit	2,349	9%	1,712	6%	(637)	(27%)
Financial cost:						
Interest revenue	60	0%	138	0%	78	130%
Accrued interest expense	(2,939)	(11%)	(4,067)	(14%)	1,128	38%
Other financial expenses	(296)	(1%)	(802)	(3%)	506	171%
Foreign exchange gain - Net	90	0%	2,771	9%	2,681	n.m.
Loss before income tax provision	(736)	(3%)	(248)	(1%)	488	66%
Income tax provision	(1,086)	(4%)	(1,856)	(6%)	770	71%
Minority Interest	8	0%	-	0%	8	100%
Non-controlling participation	-	0%	(19)	(0%)	19	n.a.
Net Loss for the period	(1,814)	(7%)	(2,123)	(7%)	(309)	(17%)

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

	As of September 30,					
	2022		2023		Change	
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	1,272	2%	1,750	2%	478	38%
Restricted cash in trusts	1,426	2%	3,828	4%	2,402	168%
Customers - net	5,284	7%	4,445	5%	(839)	(16%)
Recoverable taxes and other accounts receivable	4,065	5%	4,537	5%	472	12%
Inventories	2,726	3%	2,765	3%	39	1%
Prepaid expenses	919	1%	516	1%	(403)	(44%)
Total current assets	15,692	20%	17,841	21%	2,149	14%
NON-CURRENT ASSETS						
Property, plant and equipment - Net	55,483	70%	60,365	70%	4,882	9%
Rights-of-use assets -Net	6,073	8%	5,445	6%	(628)	(10%)
Other non-current assets	1,595	2%	2,340	3%	745	47%
Total non-current assets	63,151	80%	68,150	79%	4,999	8%
Total assets	78,843	100%	85,991	100%	7,148	9%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	4,916	6%	4,448	5%	(468)	(10%)
Trade payables	11,890	15%	15,499	18%	3,609	30%
Other payables and taxes	4,738	6%	3,987	5%	(751)	(16%)
Derivative financial instruments	766	1%	57	0%	(709)	(93%)
Lease liabilities	1,919	2%	2,399	3%	480	25%
Total short-term liabilities	24,229	31%	26,390	31%	2,161	9%
LONG-TERM LIABILITIES						
Long-term financial debt	41,999	53%	45,832	53%	3,833	9%
Other long-term payables	1,539	2%	4,267	5%	2,728	177%
Derivative financial instruments	-	0%	2,086	2%	2,086	n.a.
Lease liabilities	4,566	6%	3,975	5%	(591)	(13%)
Total long-term liabilities	48,104	61%	56,160	65%	8,056	17%
Total liabilities	72,333	92%	82,550	96%	10,217	14%
STOCKHOLDERS' EQUITY						
	6,510	8%	3,441	4%	(3,069)	(47%)
Total stockholders' equity and liabilities	78,843	100%	85,991	100%	7,148	9%

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

	Nine months period ended September 30,	
	<u>2022</u>	<u>2023</u>
<u>Operating activities:</u>		
Loss before income tax provision	(728)	(267)
Items not requiring the use of resources:		
Depreciation and amortization	9,239	11,914
Employee benefits	23	7
Items related to investing or financing activities:		
Accrued interest income	(60)	(138)
Accrued interest expense and other financial transactions	3,233	4,880
Loss on unrealized changes - net	(78)	(2,832)
Non-controlling participation	(8)	19
	<u>11,621</u>	<u>13,589</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(1,120)	756
Other receivables	4	49
Related parties, net	-	420
Taxes to be recovered	323	(275)
Inventories	(847)	(423)
Advance payments	(453)	392
Trade payables	1,948	2,564
Other payables	<u>1,207</u>	<u>(725)</u>
Cash flows generated by operating activities	<u>12,683</u>	<u>16,347</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(16,970)	(11,815)
Other assets	53	(63)
Collected interest	<u>60</u>	<u>138</u>
Cash flows (used in) investing activities	<u>(16,857)</u>	<u>(11,740)</u>
<u>Financing activities:</u>		
Capital contributions	122	-
Loans received	5,388	3,304
Leasing cash flows	(2,142)	(1,936)
Restricted Cash in Trusts	(539)	(1,840)
Reverse factoring	1,132	(466)
Financial derivative instruments	(9)	-
Interest payment	<u>(2,672)</u>	<u>(3,809)</u>
Net cash flows generated by financing activities	<u>1,280</u>	<u>(4,747)</u>
Increase in cash and cash equivalents	(2,894)	(140)
Cash and cash equivalents at the beginning of the year	<u>4,166</u>	<u>1,890</u>
Cash and cash equivalents at the end of the year	<u>1,272</u>	<u>1,750</u>