



TOTAL PLAY ANNOUNCES REVENUE OF Ps.8,897 MILLION AND EBITDA OF Ps.3,805 MILLION IN THE SECOND QUARTER OF 2022

Mexico City, July 28, 2022— 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 second quarter of 2022.

Second quarter results

Revenue for the quarter totaled Ps.8,897 million, compared to Ps.6,839 million from the previous year. Total costs and expenses were Ps.5,092 million, from Ps.3,882 million a year ago.

As a result, Total Play's EBITDA totaled Ps.3,805 million, from Ps.2,957 million in the previous year. The company posted an operating profit of Ps.734 million, compared to Ps.884 million a year ago. Total Play reported a net loss of Ps.447 million, from a profit of Ps.560 million in the same period of 2021.

Revenue from services

The growth in the company's revenue in the period results from an increase in sales in the residential segment, due to greater demand from households for Total Play's telecommunications services. The number of residential users at the end of the quarter was 4 million, compared to 2.9 million a year ago.

Costs and expenses

Total costs and expenses grew 31%, as a result of a 22% increase in service costs and a 38% increase in general expenses. The growth in costs, to Ps.2,006 million, from Ps.1,646 million in the previous year, results mainly from the purchase of content, memberships, licenses for the operation of the network and leasing of connection links.

The increase in expenses, to Ps.3,086 million, from Ps.2,236 million, reflects higher expenses for services, advertising and promotion, maintenance, as well as call center, in the context of growing operations at the company.

EBITDA and net result

Total Play's EBITDA was Ps.3,805 million compared to Ps.2,957 million in the previous year.

The main variations below EBITDA were as follows:

Growth of Ps.998 million in depreciation and amortization, as a result of subscriber acquisition costs — telecommunications equipment, labor and installation expenses — as well as investments in fiber optic network coverage.

Increase of Ps.358 million in interest expense, derived mainly from growth in long-term financial debt.

Decrease of Ps.308 million in foreign exchange gain in the period, as a result of the net liability monetary position in foreign currency, together with a lower appreciation of the exchange rate of the peso against the basket of currencies in which the monetary liabilities of the company are denominated this quarter, compared to the previous year.

Total Play reported a net loss of Ps.447 million, from a net income of Ps.560 million in the same period of 2021.

Balance sheet

As of June 30, 2022, the company's debt with cost was Ps.44,287 million, compared to Ps.30,121 million in the previous year.

The growth of the debt balance is mainly related to the issuance of Senior Notes in international markets for US\$600 million, in September 2021.

The lease liability was Ps.5,941 million, compared to Ps.4,576 million in 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)

	2Q21		2Q22		Change	
	\$	%	\$	%	\$	%
Revenue from services	6,839	100%	8,897	100%	2,058	30%
Cost of services	(1,646)	(24%)	(2,006)	(23%)	(360)	(22%)
Gross profit	5,193	76%	6,891	77%	1,698	33%
General expenses	(2,236)	(33%)	(3,086)	(35%)	(850)	(38%)
EBITDA	2,957	43%	3,805	43%	848	29%
Depreciation and amortization	(2,073)	(30%)	(3,071)	(35%)	(998)	(48%)
Operating profit (loss)	884	13%	734	8%	(150)	(17%)
Financial cost:						
Interest revenue	7	0%	24	0%	17	243%
Accrued interest expense	(610)	(9%)	(968)	(11%)	(358)	(59%)
Other financial (expenses) income - Net	(81)	(1%)	35	0%	116	143%
Foreign exchange (loss) gain - Net	368	5%	60	1%	(308)	84%
Profit (loss) before income tax provision	568	8%	(115)	(1%)	(683)	120%
Income tax provision	(8)	(0%)	(332)	(4%)	(324)	na
Net income (loss) for the period	560	8%	(447)	(5%)	(1,007)	180%

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

	Accumulated		Accumulated		Change	
	6M21		6M22			
	\$	%	\$	%	\$	%
Revenue from services	13,195	100%	17,313	100%	4,118	31%
Cost of services	(3,273)	(25%)	(3,876)	(22%)	(603)	(18%)
Gross profit	9,922	75%	13,437	78%	3,515	35%
General expenses	(4,289)	(33%)	(5,904)	(34%)	(1,615)	(38%)
EBITDA	5,633	43%	7,533	44%	1,900	34%
Depreciation and amortization	(4,092)	(31%)	(5,823)	(34%)	(1,731)	(42%)
Other income (expenses) - Net	1	0%	-	0%	(1)	na
Operating profit	1,542	12%	1,710	10%	168	11%
Financial cost:						
Interest revenue	21	0%	38	0%	17	81%
Accrued interest expense	(1,172)	(9%)	(1,882)	(11%)	(710)	(61%)
Other financial expenses	(124)	(1%)	(103)	(1%)	21	17%
Foreign exchange gain (loss) - Net	94	1%	802	5%	708	0%
Profit (loss) before income tax provision	361	3%	565	3%	204	(57%)
Income tax provision	(17)	(0%)	(535)	(3%)	(518)	na
Net income (loss) for the period	344	3%	30	0%	(314)	91%

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

	As of June 30,				Change	
	2021		2022			
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	1,130	2%	1,688	2%	558	49%
Restricted cash in trusts	1,081	2%	1,829	2%	748	69%
Customers - net	2,840	5%	4,960	7%	2,120	75%
Other receivables and recoverable taxes	3,925	7%	3,974	5%	49	1%
Inventories	1,518	3%	2,379	3%	861	57%
Prepaid expenses	372	1%	698	1%	326	88%
Total current assets	10,866	20%	15,528	21%	4,662	43%
NON-CURRENT ASSETS						
Property, plant and equipment - Net	37,797	70%	52,019	70%	14,222	38%
Rights-of-use assets -Net	4,174	8%	5,590	7%	1,416	34%
Other non-current assets	1,504	3%	1,620	2%	116	8%
Total non-current assets	43,475	80%	59,229	79%	15,754	36%
Total assets	54,341	100%	74,757	100%	20,416	38%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	1,230	2%	4,569	6%	3,339	271%
Trade payables	8,456	16%	10,452	14%	1,996	24%
Other payables and taxes	2,520	5%	4,194	6%	1,674	66%
Derivative financial instruments	137	0%	336	0%	199	n.m.
Lease liabilities	1,515	3%	1,737	2%	222	15%
Total short-term liabilities	13,858	26%	21,288	28%	7,430	54%
LONG-TERM LIABILITIES						
Long-term financial debt	28,891	53%	39,718	53%	10,827	37%
Trade payables	20	0%	4	0%	(16)	(80%)
Other long-term payables	80	0%	981	1%	901	1126%
Lease liabilities	3,061	6%	4,204	6%	1,143	37%
Total long-term liabilities	32,052	59%	44,907	60%	12,855	40%
Total liabilities	45,910	84%	66,195	89%	20,285	44%
STOCKHOLDERS' EQUITY						
	8,431	16%	8,562	11%	131	2%
Total stockholders' equity and liabilities	54,341	100%	74,757	100%	20,416	38%

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

	Years ended June 30,	
	<u>2021</u>	<u>2022</u>
<u>Operating activities:</u>		
(Loss) income before income tax provision	361	565
Items not requiring the use of resources:		
Depreciation and amortization	4,092	5,823
Employee benefits	15	16
Items related to investing or financing activities:		
Accrued interest income	(21)	(38)
Accrued interest expense and other financial transactions	1,172	1,882
Valuation of financial derivative instruments	(77)	557
	<u>5,542</u>	<u>8,805</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(464)	(1,211)
Other receivables	(21)	15
Related parties, net	172	17
Taxes to be recovered	(473)	353
Inventories	104	(500)
Advance payments	36	(231)
Trade payables	244	1,128
Other payables	<u>372</u>	<u>533</u>
Cash flows generated by operating activities	<u>5,512</u>	<u>8,909</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(7,994)	(10,792)
Other assets	(7)	20
Collected interest	<u>21</u>	<u>38</u>
Cash flows (used in) investing activities	<u>(7,980)</u>	<u>(10,734)</u>
<u>Financing activities:</u>		
Loans received	3,928	2,792
Leasing cash flows	(735)	(1,150)
Interest payment	(1,454)	(1,946)
Restricted Cash in Trusts	191	(943)
Reverse factoring	(119)	557
Capital contributions	<u>-</u>	<u>37</u>
Net cash flows generated by financing activities	<u>1,811</u>	<u>(653)</u>
Increase in cash and cash equivalents	(657)	(2,478)
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>1,130</u>	<u>1,688</u>