



**IN THE CONTEXT OF THE HEALTH CONTINGENCY,
TV AZTECA ANNOUNCES 21% REDUCTION IN NET SALES, TO Ps.2,462 MILLION IN 1Q20**

Mexico City, May 26, 2020—TV Azteca, S.A.B. de C.V. (BMV: AZTECACPO; Latibex: XTZA), one of the two largest producers of Spanish-language television programming in the world, today announced financial results for the first quarter 2020.

"The uncertainty regarding the negative impact of the arrival of COVID-19 in Mexico prevented the generation of expected revenues, since advertising spending by our clients was considerably reduced," commented Esteban Galíndez, CFO of TV Azteca. "Additionally, the difficult environment resulted in a significant depreciation of the Mexican peso, which increased our dollar-denominated costs, and significantly deteriorated profitability."

First quarter results

Net revenue for the period was Ps.2,462 million, in comparison with Ps.3,110 million for the same quarter of last year. Total costs and expenses were Ps.2,734 million, from Ps.2,676 million for the previous year.

As a result, TV Azteca reported a negative EBITDA figure of Ps.273 million, in comparison with a positive result of Ps.434 million a year ago. TV Azteca generated an operating loss of Ps.537 million, in comparison with an operating income of Ps.165 million for the previous year.

The company registered a net loss of Ps.2,776 million, compared to a net loss of Ps.387 million for the same period of 2019.

	1Q 2019	1Q 2020	Change	
			Ps.	%
Net sales	\$3,110	\$2,462	\$(648)	-21%
EBITDA	\$434	\$(273)	\$(707)	----
Operating income	\$165	\$(537)	\$(701)	----
Net result	\$(387)	\$(2,776)	\$(2,389)	----
Net result per CPO	\$(0.13)	\$(0.93)	\$(0.80)	----

Figures in millions of pesos.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

The number of CPOs outstanding as of March 31, 2019 was 2,987 million and as of March 31, 2020 was 2,984 million.

Net Sales

Advertising sales in Mexico decreased 26% to Ps.1,794 million, from Ps.2,419 million the previous year — despite solid audience levels — derived from lower demand for advertising time, in the context of deterioration of economic performance indicators, within the health emergency. Also, the presales negotiation period, later than usual, has delayed the advertising spending by a significant number of clients.

The sum of revenues of TV Azteca Guatemala and TV Azteca Honduras, the company's content sales outside of Mexico, and revenues related to the *WGC Mexico Championship Golf Tournament* – organized by TV Azteca – was Ps.566 million, compared to Ps.595 million the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.102 million, in comparison with Ps.96 million a year ago. The revenue resulted from telecommunications services and reimbursements from the Peruvian government for maintenance and operation of the fiber optic network.

Costs and SG&A Expenses

Total costs and expenses increased 2% in the quarter as a result of a 7% increase in production, programming, transmission and telecommunications services costs to Ps.2,505 million, from Ps.2,342 million a year ago, together with a 31% reduction in sales and administrative expenses, to Ps.229 million, from Ps.334 million in the previous year.

The increase in costs this period is related, to a large extent, to the depreciation effect of the peso versus the US dollar, on costs related to the purchase of content abroad, denominated in dollars.

The costs of Azteca Comunicaciones Perú were Ps.97 million, from Ps.93 million a year ago. The increase derives mainly from higher costs from the transmission infrastructure maintenance.

The reduction in selling and administrative expenses at TV Azteca reflects lower fees and travel expenses this quarter, within the framework of decreased operations in the company.

EBITDA and net results

The company's EBITDA was negative by Ps.273 million, compared to a positive figure of Ps.434 million in the same period of the previous year. TV Azteca reported an operating loss of Ps.537 million, from operating income of Ps.165 million a year ago.

Significant variations below EBITDA were the following:

Foreign exchange loss of Ps.1,710 million this quarter compared to exchange rate gain of Ps.92 million a year ago, as a result of the company's net monetary liability position in dollars together with exchange rate depreciation this quarter, compared with appreciation a year ago.

A Ps.55 million decrease in discontinued operations, as a result of the deconsolidation of the Atlas soccer team in the results of TV Azteca, which was previously announced.

TV Azteca registered net loss of Ps.2,776 million for the quarter, compared to a net loss of Ps.387 million for the same period a year ago.

Debt

As of March 31, 2020, TV Azteca's outstanding debt was Ps.14,954 million, in comparison to Ps.13,295 million in the previous year. The increase results from the effect of the depreciation of the peso this period on the debt balance in dollars.

During the quarter, TV Azteca refinanced its Ps.1,708 million loan with Banco Azteca. Under the terms of the refinancing, the company will pay amounts equivalent to 10% annually on unpaid balances until the credit is fully amortized. The interest rate is TIIE + 200 basis points.

The cash and cash equivalents balance at the end of the quarter, was Ps.1,516 million, in comparison with Ps.2,117 million a year ago. As a result, net debt of the company as of March 31, 2020 was Ps.13,438 million, in comparison to Ps.11,178 million in the previous year.

Derived from the adverse effects – current and future – from the health contingency on the media sector, the company will evaluate contracting a strategic advisor to define alternatives that maximize the value of the company in the new environment.

About TV Azteca

TV Azteca is one of the two largest producers of Spanish-language television programming in the world, operating four television networks in Mexico: Azteca uno, Azteca 7, adn40 and a+, through more than 300 owned and operated stations across the country. The company also operates TV Azteca Digital, the operator of several Mexico's most visited websites and social media platforms.

TV Azteca 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. These companies include TV Azteca (www.TVazteca.com; www.irtvazteca.com), Grupo Elektra (www.grupoelektra.com.mx), Banco Azteca (www.bancoazteca.com.mx), Purpose Financial (havepurpose.com), Afore Azteca (www.aforeazteca.com.mx), Seguros Azteca (www.segurosazteca.com.mx), Punto Casa de Bolsa (www.puntocasadebolsa.mx), Totalplay (www.totalplay.com.mx) and Totalplay Empresarial (totalplayempresarial.com.mx). TV Azteca and Grupo Elektra trade shares on the Mexican Stock Market and in Spains' Latibex market. 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 TV Azteca and its subsidiaries are presented in documents sent to the securities authorities.

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TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
(Millions of Mexican pesos of March 31 of 2019 and 2020)

	<u>First Quarter of :</u>						<u>Change</u>	
	<u>2019</u>		<u>2020</u>					
Net revenue	Ps 3,110	100%	Ps 2,462	100%	Ps (648)		-21%	
Programming, production and transmission costs	2,342	75%	2,505	102%	163		7%	
Selling and administrative expenses	334	11%	229	9%	(105)		-31%	
Total costs and expenses	2,676	86%	2,734	111%	59		2%	
EBITDA	434	14%	(273)	-11%	(707)			
Depreciation and amortization	193		181		(12)			
Other expense -Net	76		83		7			
Operating profit (loss)	165	5%	(537)	-22%	(701)			
Equity in income from affiliates	3		54		51			
Comprehensive financing result:								
Interest expense	(336)		(338)		(2)			
Other financing expense	(57)		(90)		(33)			
Interest income	28		24		(4)			
Exchange loss -Net	92		(1,710)		(1,801)			
	(273)		(2,114)		(1,841)			
Income before the following provision	(105)	-3%	(2,596)	-105%	(2,491)			
Provision for income tax	(226)		(180)		46			
(Loss) from continuing operations	(332)		(2,776)		(2,445)		-737%	
(Loss) from discontinued operations	(55)		-		55			
Net income	Ps (387)		Ps (2,776)		Ps (2,390)			
Non-controlling share in net profit	Ps 0		Ps (0)		Ps (0)			
Controlling share in net profit	Ps (387)	-12%	Ps (2,776)	-113%	Ps (2,389)		-618%	

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos of March 31 of 2019 and 2020)

	At March 31				Change
	2019	2020			
Current assets:					
Cash and cash equivalents	Ps 2,117	Ps 1,516			Ps (601)
Accounts receivable	4,240	4,508			268
Other current assets	3,929	3,137			(792)
Total current assets	10,286	9,161			(1,125) -11%
Accounts receivable	61	22			(39)
Exhibition rights	2,334	2,403			69
Property, plant and equipment-Net	3,934	3,671			(263)
Television concessions-Net	9,426	9,462			36
Other assets	1,851	1,884			33
Deferred income tax asset	788	2,201			1,413
Total long term assets	18,394	19,643			1,249 7%
Total assets	Ps 28,680	Ps 28,804			Ps 124 0%
Current liabilities:					
Short-term debt	Ps 1,708	Ps 174			Ps (1,534)
Other current liabilities	4,670	5,614			944
Total current liabilities	6,378	5,788			(590) -9%
Long-term debt:					
Securities Certificates	3,971	3,973			2
Long-term debt	7,616	10,807			3,191
Total long-term debt	11,587	14,780			3,193 28%
Other long term liabilities:					
Advertising advances	6,657	5,926			(731)
Deferred income tax	721	496			(225)
Other long term liabilities	436	590			154
Total other long-term liabilities	7,814	7,012			(802) -10%
Total liabilities	25,779	27,580			1,801 7%
Total stockholders' equity	2,901	1,224			(1,677) -58%
Total liabilities and equity	Ps 28,680	Ps 28,804			Ps 124 0%

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of Mexican pesos of March 31 of 2019 and 2020)

	<u>Period ended March 31,</u>	
	<u>2019</u>	<u>2020</u>
Operating activities:		
Income before taxes on earnings	Ps (105)	Ps (2,596)
Charges to income not affecting resource	420	2,044
Cash flow generated before taxes to income	<u>315</u>	<u>(552)</u>
Accounts receivable	1,040	(62)
Inventories and performance rights	299	480
Accounts payable, accrued expenses and taxes on earnings	(629)	(44)
Net cash flow from operating activities	<u>1,026</u>	<u>(178)</u>
Investing activities:		
Acquisitions of property and equipment, intangibles and others	(333)	(96)
Net cash flows from investing activities	<u>(333)</u>	<u>(96)</u>
Financing activities:		
Repayment of borrowings, net	-	(1,708)
Proceeds from borrowings		1,708
Interest paid	(336)	(499)
Others	58	4
Net cash flows from financing activities	<u>(278)</u>	<u>(495)</u>
Increase in cash and cash equivalents	415	(768)
Cash and cash equivalents at beginning of year	1,702	2,284
Cash and cash equivalents at end of year	<u>Ps 2,117</u>	<u>Ps 1,516</u>