



**IN THE CONTEXT OF THE HEALTH CONTINGENCY,
TV AZTECA ANNOUNCES 14% REDUCTION IN NET SALES, TO Ps.2,494 MILLION IN 3Q20**

Mexico City, October 27, 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 third quarter 2020.

“The health contingency has represented an unparalleled challenge for the advertising market in Mexico, therefore, TV Azteca has seen a consequence of this situation in its sales,” said Esteban Galíndez, CFO of TV Azteca.

“However, the superior quality of TV Azteca's products, and the recovery of viewership levels among key audiences, generate optimism on the recovery of the advertising market in 2021. TV Azteca reinforces its commitment to making the best television for Mexican audiences, notwithstanding, with adjustments in the cost structure,” he concluded.

Third quarter results

Net revenue for the period was Ps.2,494 million, 14% below the Ps.2,913 million for the same quarter of last year. Total costs and expenses decreased 13% to Ps.2,136 million, from Ps.2,449 million for the previous year.

As a result, the company reported EBITDA of Ps.358 million, in comparison to Ps.464 million a year ago. TV Azteca generated an operating income of Ps.120 million from operating income of Ps.201 million for the previous year.

The company registered net loss of Ps.77 million, compared to a net income of Ps.194 million for the same period of 2019.

	3Q 2019	3Q 2020	Change	
			Ps.	%
Net sales	\$2,913	\$2,494	\$(419)	-14%
EBITDA	\$464	\$358	\$(106)	-23%
Operating result	\$201	\$120	\$(81)	-40%
Net result	\$194	\$(77)	\$(270)	----
Net result per CPO	\$0.07	\$(0.03)	\$(0.09)	----

Figures in millions of pesos.

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

The number of CPOs outstanding as of September 30, 2020 was 2,984 million, without change from previous year.

Net sales

Advertising sales in Mexico decreased 16% to Ps.2,321 million, from Ps.2,754 million the previous year, as a result of lower demand for advertising space in the domestic media market, in the context of limited economic performance indicators, within the health contingency.

The sum of revenues of TV Azteca Guatemala and TV Azteca Honduras, as well as the company's content sales outside of Mexico, was Ps.60 million, compared to Ps.61 million the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.113 million from Ps.98 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 decreased 13% in the quarter as a result of production, programming, transmission and telecommunications services costs unchanged compared to the previous year — equivalent to Ps.1,995 million — together with a 69% reduction in selling and administrative expenses, to Ps.142 million, from Ps.454 million a year ago.

The reduction in selling and administrative expenses reflects the implementation of important strategies to boost operating efficiency, which translate into lower personnel expenses, fees and operating expenses this quarter.

The costs of Azteca Comunicaciones Perú were Ps.85 million, from Ps.94 million a year ago. The reduction results mainly from lower costs from the transmission infrastructure maintenance.

EBITDA and net results

The company's EBITDA was Ps.358 million, compared to Ps.464 million in the same period of the previous year. TV Azteca reported an operating income of Ps.120 million, from operating income of Ps.201 million a year ago.

Significant variations below EBITDA were the following:

Increase in foreign exchange gain of Ps.345 million, from a foreign exchange loss of Ps.177 million a year ago, as a result of the company's net monetary liability position in dollars, together with exchange rate appreciation this quarter, compared to a depreciation of the previous year.

A charge in the provision of taxes for Ps.184 million this period, compared to the benefit in the provision of taxes for Ps.548 million the previous year. The benefit a year ago was derived from the partial release of the deferred tax asset reserve, based on the analysis of the recovery of the company's tax losses.

TV Azteca registered a net loss of Ps.77 million in the quarter, from a net income of Ps.194 million a year ago.

Cash flow

The cash flows generated by operating activities during the period that ended on September 30, 2020, were Ps.913 million; however, the net cash flows from investing activities and the net flows from financing activities, were negative by Ps.154 million and Ps.1,262 million, respectively, so the company's cash in the period decreased by Ps.502 million.

Balance Sheet

As of September 30, 2020, TV Azteca's outstanding debt was Ps.14,410 million, in comparison to Ps.13,455 million in the previous year. The increase results from the effect of the depreciation of the peso on the debt balance in dollars.

The cash and cash equivalents balance at the end of the quarter, was Ps.1,782 million, in comparison with Ps.2,141 million a year ago. As a result, net debt of the company as of September 30, 2020 was Ps.12,628 million, in comparison to Ps.11,314 million in the previous year.

Strategic advisor

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

Nine months' results

Net sales for the first nine months of 2020 were Ps.6,813 million, 22% lower than the Ps.8,732 million for the same period of 2019, as a result of lower demand for advertising in the context of deterioration of economic performance indicators, within the health contingency.

Total costs and expenses were Ps.6,585 million, an 11% reduction from Ps.7,368 million in the same period of the previous year, as a consequence of strategies that significantly boost efficiencies in content production and labour productivity, partially offset by the depreciation effect of the peso against the dollar, in costs related to the purchase of content abroad, denominated in dollars.

TV Azteca reported EBITDA of Ps.228 million, compared to Ps.1,365 million in the first nine months of the previous year. During the period, there was an operating loss of Ps.529 million, from an operating income of Ps.567 million a year ago. The company recorded a net loss of Ps.3,560 million, compared to a loss of Ps.82 million in the same period of 2019.

	9M 2019	9M 2020	Change	
			Ps.	%
Net sales	\$8,732	\$6,813	\$(1,919)	-22%
EBITDA	\$1,365	\$228	\$(1,136)	-83%
Operating result	\$567	\$(529)	\$(1,096)	----
Net result	\$(82)	\$(3,560)	\$(3,479)	----
Net result per CPO	\$(0.03)	\$(1.19)	\$(1.17)	----

Figures in millions of pesos.

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

The number of CPOs outstanding as of September 30, 2020 was 2,984 million, without change from previous year.

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 (irtotalplay.mx; 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.

Investor Relations:

Bruno Rangel
Grupo Salinas
Tel. +52 (55) 2601-5400, ext. 11502
jrangelk@gruposalinas.com.mx

Rolando Villarreal
TV Azteca, S.A.B. de C.V.
Tel. +52 (55) 2601-5400, ext. 11508
rvillarreal@tvazteca.com.mx

Press Relations:

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

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
(Millions of Mexican pesos of September 30 of 2019 and 2020)

	<u>Third Quarter of :</u>						<u>Change</u>		
	<u>2019</u>		<u>2020</u>						
Net revenue	Ps	2,913	100%	Ps	2,494	100%	Ps	(419)	-14%
Programming, production and transmission costs		1,995	68%		1,995	80%		(1)	0%
Selling and administrative expenses		454	16%		142	6%		(312)	-69%
Total costs and expenses		2,449	84%		2,136	86%		(313)	-13%
EBITDA		464	16%		358	14%		(106)	-23%
Depreciation and amortization		191			179			(12)	
Other expense -Net		72			59			(13)	
Operating profit		201	7%		120	5%		(81)	-40%
Equity in income from affiliates		(22)			(132)			(110)	
Comprehensive financing result:									
Interest expense		(340)			(316)			24	
Other financing expense		(65)			(49)			16	
Interest income		39			18			(20)	
Exchange loss -Net		(177)			345			522	
		(542)			(1)			541	
Income before the following provision		(364)	-12%		(14)	-1%		350	
Provision for income tax		548			(184)			(732)	
Profit (Loss) from continuing operations		185			(198)			(382)	
Impairment of long-live assets		-			(30)			(30)	
Profit (loss) from discontinued operations		9			151			142	
Net income	Ps	194		Ps	(77)		Ps	(270)	
Non-controlling share in net profit	Ps	0		Ps	0		Ps	0	
Controlling share in net profit	Ps	194	7%	Ps	(77)	-3%	Ps	(271)	

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
(Millions of Mexican pesos of September 30 of 2019 and 2020)

	<u>Period ended September 30,</u>					
	<u>2019</u>		<u>2020</u>		<u>Change</u>	
	<u>Ps</u>		<u>Ps</u>		<u>Ps</u>	
Net revenue	8,732	100%	6,813	100%	(1,919)	-22%
Programming, production and transmission costs	6,233	71%	6,112	90%	(122)	-2%
Selling and administrative expenses	1,134	13%	473	7%	(661)	-58%
Total costs and expenses	7,368	84%	6,585	97%	(783)	-11%
EBITDA	1,365	16%	228	3%	(1,136)	-83%
Depreciation and amortization	574		546		(29)	
Other expense -Net	223		211		(12)	
Operating profit	567	6%	(529)	-8%	(1,096)	
Equity in income from affiliates	(22)		(85)		(62)	
Comprehensive financing result:						
Interest expense	(1,016)		(995)		21	
Other financing expense	(134)		(312)		(177)	
Interest income	96		58		(38)	
Exchange Gain -Net	(34)		(1,211)		(1,177)	
	(1,088)		(2,460)		(1,372)	
Income before the following provision	(542)	-6%	(3,073)	-45%	(2,531)	
Provision for income tax	620		(544)		(1,165)	
Profit (Loss) from continuing operations	78		(3,617)		(3,695)	
Impairment of long-live assets	-		(94)		(94)	
Profit (loss) from discontinued operations	(160)		151		311	
Net income	(82)		(3,560)		(3,479)	
Non-controlling share in net profit	0		1		1	
Controlling share in net profit	(82)	-1%	(3,561)	-52%	(3,480)	

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos of September 30 of 2019 and 2020)

	<u>At September 30</u>				<u>Change</u>
	<u>2019</u>	<u>2020</u>			
Current assets:					
Cash and cash equivalents	Ps 2,141	Ps 1,782			Ps (359)
Accounts receivable	3,785	4,002			217
Other current assets	4,168	2,565			(1,603)
Total current assets	10,094	8,349			(1,745) -17%
Accounts receivable	28	-			(28)
Exhibition rights	2,447	2,697			250
Property, plant and equipment-Net	3,766	3,328			(438)
Television concessions-Net	9,447	9,457			10
Other assets	1,725	1,369			(356)
Deferred income tax asset	1,663	2,201			538
Total long term assets	19,076	19,052			(24) 0%
Total assets	Ps 29,170	Ps 27,401			Ps (1,769) -6%
Current liabilities:					
Short-term debt	Ps 1,708	Ps 174			Ps (1,534)
Other current liabilities	5,056	6,160			1,104
Total current liabilities	6,764	6,334			(430) -6%
Long-term debt:					
Securities Certificates	3,975	3,967			(8)
Long-term debt	7,772	10,269			2,497
Total long-term debt	11,747	14,236			2,489 21%
Other long term liabilities:					
Advertising advances	7,003	5,625			(1,378)
Deferred income tax	534	665			131
Other long term liabilities	456	537			81
Total other long-term liabilities	7,993	6,827			(1,166) -15%
Total liabilities	26,504	27,397			893 3%
Total stockholders' equity	2,666	4			(2,662) -100%
Total liabilities and equity	Ps 29,170	Ps 27,401			Ps (1,769) -6%

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of Mexican pesos of September 30 of 2019 and 2020)

	<u>Period ended September 30,</u>	
	<u>2019</u>	<u>2020</u>
Operating activities:		
Income before taxes on earnings	Ps (542)	Ps (3,073)
Charges to income not affecting resource	1,628	2,873
Cash flow generated before taxes to income	<u>1,086</u>	<u>(200)</u>
Accounts receivable	1,644	499
Inventories and performance rights	(288)	26
Accounts payable, accrued expenses and taxes on earnings	(218)	589
Net cash flow from operating activities	<u>2,224</u>	<u>913</u>
Investing activities:		
Acquisitions of property and equipment, intangibles and others	(156)	(154)
Investment in associates	(265)	-
Net cash flows from investing activities	<u>(421)</u>	<u>(154)</u>
Financing activities:		
Repayment of borrowings, net	-	(1,710)
Proceeds from borrowings	-	1,708
Interest paid	(1,202)	(1,158)
Others	(162)	(102)
Net cash flows from financing activities	<u>(1,364)</u>	<u>(1,262)</u>
Increase in cash and cash equivalents	439	(502)
Cash and cash equivalents at beginning of year	1,702	2,284
Cash and cash equivalents at end of year	<u>Ps 2,141</u>	<u>Ps 1,782</u>