



## **TV AZTECA ANNOUNCES NET REVENUE OF Ps.3,583 MILLION AND EBITDA OF Ps.985 MILLION IN THE THIRD QUARTER OF 2021**

**Mexico City, October 26, 2021**—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 2021.

"The gradual recovery of economic activity indicators strengthened the advertising market in Mexico in the period, which, together with the company's competitive content and our special coverage of segments of the Tokyo Olympic Games and the soccer Gold Cup, boosted the demand of numerous advertisers for commercial spaces on TV Azteca," commented Rafael Rodríguez, CEO of TV Azteca." In order to preserve the financial and operational viability of the company, we developed strategies that effectively controlled production costs in all of our programs, which, in the context of increased revenues, generated higher EBITDA levels in the quarter."

### **Third quarter results**

Net revenue for the period was Ps.3,583 million, 44% higher the Ps.2,494 million for the same quarter of last year. Total costs and expenses increased 21% to Ps.2,597 million, from Ps.2,139 million for the previous year.

As a result, the company reported EBITDA of Ps.985 million, compared to Ps.356 million a year ago. TV Azteca generated operating income of Ps.800 million, from an operating income of Ps.120 million in the previous year.

The company recorded net income of Ps.102 million, compared to net loss of Ps.77 million in the same period of 2020.

	3Q 2020	3TQ2021	Change Ps.	%
<b>Net sales</b>	\$2,494	<b>\$3,583</b>	<b>\$1,088</b>	<b>44%</b>
<b>EBITDA</b>	\$356	<b>\$985</b>	<b>\$630</b>	----
<b>Operating result</b>	\$120	<b>\$800</b>	<b>\$680</b>	----
<b>Net result</b>	\$(77)	<b>\$102</b>	<b>\$179</b>	----
<b>Net result per CPO</b>	\$(0.03)	<b>\$0.03</b>	<b>\$0.06</b>	----

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 and as of September 30, 2021 was 2,986 million.

### **Net sales**

The company's advertising sales in Mexico grew 47%, to Ps.3,409 million, from Ps.2,322 million in the previous year, in the context of an improvement in the performance of domestic economic aggregates, as well as the transmission of segments of sporting events such as the Tokyo Olympics and the 2021 soccer Gold Cup.

The sum of revenue of TV Azteca Guatemala and TV Azteca Honduras, as well as the company's content sales outside of Mexico, was Ps.62 million, compared to Ps.59 million the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.112 million from Ps.113 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 21% in the quarter as a result of a 17% growth in production, programming and transmission and telecommunications services costs — to Ps.2,343 million, from Ps.1,995 million a year ago — together with a 76% increase in selling and administrative expenses, to Ps.254 million, compared to Ps.144 million from the previous year.

The increase in costs, which was lower than the revenue growth this period, reflects strategies that strengthen efficiencies in the content production process, which preserve the operational viability of the company, while maintaining the superior quality of the programming.

The costs of Azteca Comunicaciones Perú were Ps.56 million, from Ps.85 million a year ago. The reduction is mainly due to lower costs for the maintenance of the transmission infrastructure.

The increase in selling and administrative expenses reflects fees related to financial advisory services in the period, partially offset by lower operating, travelling and personnel expenses.

### **EBITDA and net results**

The company's EBITDA was Ps.985 million, compared to Ps.356 million in the same period of the previous year. TV Azteca reported operating income of Ps.800 million, from an operating income of Ps.120 million a year ago.

Significant variations below EBITDA were the following:

Ps.22 million in income from affiliates compared to loss of Ps.132 million a year ago, mainly due to positive results of Grupo Orlegi this period compared to a loss in the same quarter of 2020.

Ps.305 million losses in foreign exchange this period, compared to a profit of Ps.345 million a year ago, as a consequence of the net liability monetary position in dollars together with a depreciation of the exchange rate of the peso against the dollar this period, compared with exchange appreciation the previous year.

A Ps.151 million reduction in assets impairment, due to cancellation of a provision for contingencies related to the Atlas soccer team the previous year.

TV Azteca recorded a net income of Ps.102 million in the quarter, from a net loss of Ps.77 million a year ago.

### **Balance Sheet**

As of September 30, 2021, TV Azteca's debt with cost was Ps.12,642 million, compared to Ps.14,410 million from the previous year. The decrease is mainly due to a reduction in the balance of the company's *Certificados Bursátiles*.

In March, the company announced that it repurchased and canceled Ps.1,211 million of its *Certificados Bursátiles* with a principal of Ps.4,000 million due in 2022, as a consequence of the purchase of Certificates in the secondary market.

The balance of cash and cash equivalents at the end of the quarter totaled Ps.3,646 million, compared to Ps.1,782 million a year ago. The company's net debt as of September 30, 2021 was Ps.8,996 million, from Ps.12,628 million from the previous year.

## Nine months' results

Net sales for the first nine months of 2021 grew 35%, to Ps.9,232 million, from Ps.6,813 million in the same period of 2020, largely as a result of higher demand for advertising space in the context recovery of economic activity indicators in Mexico.

Total costs and expenses were Ps.6,960 million, an increase of 6% from Ps.6,588 million in the same period of the previous year. As of result, TV Azteca reported EBITDA of Ps.2,271 million, compared to Ps.225 million in the first nine months of the previous year. Operating income was Ps.1,720 million, from a loss of Ps.529 million a year ago.

The company recorded a net profit of Ps.103 million, compared to a loss of Ps.3,560 million in the same period of 2020.

	9M 2020	9M 2021	Change Ps.	%
<b>Net sales</b>	\$6,813	<b>\$9,232</b>	<b>\$2,419</b>	<b>35%</b>
<b>EBITDA</b>	\$225	<b>\$2,271</b>	<b>\$2,046</b>	----
<b>Operating result</b>	\$(529)	<b>\$1,720</b>	<b>\$2,249</b>	----
<b>Net result</b>	\$(3,560)	<b>\$103</b>	<b>\$3,664</b>	----
<b>Net result per CPO</b>	\$(1.19)	<b>\$0.03</b>	<b>\$1.23</b>	----

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 and as of September 30, 2021 was 2,986 million.

### 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 owns TV Azteca Digital, operator of several of the most visited digital platforms and social networks in Mexico.

TV Azteca is a Grupo Salinas company ([www.gruposalinas.com](http://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](http://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](http://www.TVazteca.com); [www.irtvazteca.com](http://www.irtvazteca.com)), Grupo Elektra ([www.grupoelektra.com.mx](http://www.grupoelektra.com.mx)), Banco Azteca ([www.bancoazteca.com.mx](http://www.bancoazteca.com.mx)), Purpose Financial ([havepurpose.com](http://havepurpose.com)), Afore Azteca ([www.aforeazteca.com.mx](http://www.aforeazteca.com.mx)), Seguros Azteca ([www.segurosazteca.com.mx](http://www.segurosazteca.com.mx)), Punto Casa de Bolsa ([www.puntocasadebolsa.mx](http://www.puntocasadebolsa.mx)), Totalplay ([irtotalplay.mx](http://irtotalplay.mx); [www.totalplay.com.mx](http://www.totalplay.com.mx)) and Totalplay Empresarial ([totalplayempresarial.com.mx](http://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 September 30 of 2020 and 2021 )

	Third Quarter of :						Change
	2020		2021				
<b>Net revenue</b>	<b>Ps 2,494</b>	<b>100%</b>	<b>Ps 3,583</b>	<b>100%</b>	<b>Ps 1,088</b>	<b>44%</b>	
Programming, production and transmission costs	1,995	80%	2,343	65%	348	17%	
Selling and administrative expenses	144	6%	254	7%	110	76%	
Total costs and expenses	2,139	86%	2,597	72%	458	21%	
<b>EBITDA</b>	<b>356</b>	<b>14%</b>	<b>985</b>	<b>28%</b>	<b>630</b>	<b>177%</b>	
Depreciation and amortization	179		166		(13)		
Other expense -Net	57		20		(37)		
<b>Operating profit</b>	<b>120</b>	<b>5%</b>	<b>800</b>	<b>22%</b>	<b>680</b>	<b>567%</b>	
Equity in income from affiliates	(132)		22		154		
Comprehensive financing result:							
Interest expense	(316)		(264)		52		
Other financing expense	(49)		(13)		36		
Interest income	18		29		11		
Exchange loss -Net	345		(305)		(649)		
	(1)		(552)		(551)		
<b>Income before the following provision</b>	<b>(14)</b>	<b>-1%</b>	<b>269</b>	<b>8%</b>	<b>283</b>		
Provision for income tax	(184)		(167)		17		
<b>(Loss) Profit from continuing operations</b>	<b>(198)</b>		<b>102</b>		<b>300</b>		
Impairment of long-live assets	(30)		-		30		
Profit (loss) from discontinued operations	151		-		(151)		
<b>Net income</b>	<b>Ps (77)</b>		<b>Ps 102</b>		<b>Ps 179</b>		
<b>Non-controlling share in net profit</b>	<b>Ps 0</b>		<b>Ps (1)</b>		<b>Ps (1)</b>		
<b>Controlling share in net profit</b>	<b>Ps (77)</b>	<b>-3%</b>	<b>Ps 103</b>	<b>3%</b>	<b>Ps 180</b>		

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED RESULTS OF OPERATIONS**  
(Millions of Mexican pesos of September 30 of 2020 and 2021 )

	<u>Period ended September 30,</u>					
	<u>2020</u>		<u>2021</u>		<u>Change</u>	
<b>Net revenue</b>	<b>Ps 6,813</b>	<b>100%</b>	<b>Ps 9,232</b>	<b>100%</b>	<b>Ps 2,419</b>	<b>35%</b>
Programming, production and transmission costs	6,112	90%	6,313	68%	201	3%
Selling and administrative expenses	476	7%	648	7%	172	36%
Total costs and expenses	6,588	97%	6,960	75%	373	6%
<b>EBITDA</b>	<b>225</b>	<b>3%</b>	<b>2,271</b>	<b>25%</b>	<b>2,046</b>	<b>907%</b>
Depreciation and amortization	546		489		(57)	
Other expense -Net	208		62		(146)	
<b>Operating profit</b>	<b>(529)</b>	<b>-8%</b>	<b>1,720</b>	<b>19%</b>	<b>2,249</b>	
Equity in income from affiliates	(85)		51		136	
Comprehensive financing result:						
Interest expense	(995)		(805)		190	
Other financing expense	(312)		(299)		12	
Interest income	58		63		4	
Exchange Gain -Net	(1,211)		(274)		937	
	(2,460)		(1,316)		1,143	
<b>Income before the following provision</b>	<b>(3,073)</b>	<b>-45%</b>	<b>456</b>	<b>5%</b>	<b>3,528</b>	
Provision for income tax	(544)		(352)		192	
<b>(Loss) Profit from continuing operations</b>	<b>(3,617)</b>		<b>103</b>		<b>3,721</b>	
Impairment of long-live assets	(94)		-		94	
Profit (loss) from discontinued operations	151		-		(151)	
<b>Net income</b>	<b>Ps (3,560)</b>		<b>Ps 103</b>		<b>Ps 3,664</b>	
<b>Non-controlling share in net profit</b>	<b>Ps 1</b>		<b>Ps (0)</b>		<b>Ps (2)</b>	
<b>Controlling share in net profit</b>	<b>Ps (3,561)</b>	<b>-52%</b>	<b>Ps 104</b>	<b>1%</b>	<b>Ps 3,665</b>	

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Millions of Mexican pesos of September 30 of 2020 and 2021)

	At September 30				Change
	2020	2021			
<b>Current assets:</b>					
Cash and cash equivalents	Ps	1,782	Ps	3,646	Ps 1,864
Accounts receivable		4,002		3,583	(419)
Other current assets		2,564		2,225	(339)
<b>Total current assets</b>		<b>8,348</b>		<b>9,454</b>	<b>1,106 13%</b>
Accounts receivable		52		233	181
Exhibition rights		2,697		1,989	(708)
Property, plant and equipment-Net		3,328		2,974	(354)
Television concessions-Net		9,457		9,452	(5)
Other assets		1,318		738	(580)
Deferred income tax asset		2,201		1,970	(231)
<b>Total long term assets</b>		<b>19,053</b>		<b>17,356</b>	<b>(1,697) -9%</b>
<b>Total assets</b>	<b>Ps</b>	<b>27,401</b>	<b>Ps</b>	<b>26,810</b>	<b>Ps (591) -2%</b>
<b>Current liabilities:</b>					
Short-term debt	Ps	174	Ps	2,799	Ps 2,625
Other current liabilities		5,917		7,142	1,225
<b>Total current liabilities</b>		<b>6,091</b>		<b>9,942</b>	<b>3,850 63%</b>
<b>Long-term debt:</b>					
Securities Certificates		3,967		-	(3,967)
Long-term debt		10,269		9,843	(426)
<b>Total long-term debt</b>		<b>14,236</b>		<b>9,843</b>	<b>(4,393) -31%</b>
<b>Other long term liabilities:</b>					
Advertising advances		5,626		4,416	(1,210)
Deferred income tax		665		567	(98)
Other long term liabilities		779		620	(159)
<b>Total other long-term liabilities</b>		<b>7,070</b>		<b>5,602</b>	<b>(1,467) -21%</b>
<b>Total liabilities</b>		<b>27,397</b>		<b>25,387</b>	<b>(2,010) -7%</b>
<b>Total stockholders' equity</b>		<b>4</b>		<b>1,423</b>	<b>1,419</b>
<b>Total liabilities and equity</b>	<b>Ps</b>	<b>27,401</b>	<b>Ps</b>	<b>26,810</b>	<b>Ps (591) -2%</b>

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Millions of Mexican pesos of September 30 of 2020 and 2021 )

	<u>Period ended September 30,</u>	
	<u>2020</u>	<u>2021</u>
Operating activities:		
Income before taxes on earnings	Ps (3,073)	Ps 456
Charges to income not affecting resource	2,873	2,019
<b>Cash flow generated before taxes to income</b>	<b><u>(200)</u></b>	<b><u>2,474</u></b>
Accounts receivable and related parties	499	(765)
Inventories and performance rights	26	64
Accounts payable, accrued expenses and taxes on earnings	589	449
<b>Net cash flow from operating activities</b>	<b><u>913</u></b>	<b><u>2,222</u></b>
<b>Investing activities:</b>		
Acquisitions of property and equipment, intangibles and others	(154)	(481)
<b>Net cash flows from investing activities</b>	<b><u>(154)</u></b>	<b><u>(481)</u></b>
<b>Financing activities:</b>		
Repayment of borrowings, net	(1,710)	(1,214)
Proceeds from borrowings	1,708	-
Interest paid	(1,158)	(367)
Others	(102)	(79)
<b>Net cash flows from financing activities</b>	<b><u>(1,262)</u></b>	<b><u>(1,660)</u></b>
Increase in cash and cash equivalents	(502)	81
Cash and cash equivalents at beginning of year	2,284	3,566
<b>Cash and cash equivalents at end of year</b>	<b><u>Ps 1,782</u></b>	<b><u>Ps 3,646</u></b>