



## **TV AZTECA COMPLETES MEDIATION WITH BONDHOLDERS**

### **— Company reiterates its commitment to continued dialogue with holders of its Senior Notes due 2024 —**

**Mexico City, November 14, 2023**—TV Azteca, S.A.B. de C.V. (BMV: AZTECACPO; Latibex: XTZA) (the “Company” or “TV Azteca”), one of the two largest producers of Spanish-language television programming in the world, announced that it has completed court-supervised mediation proceedings with an ad hoc group of unaffiliated holders (the “Holders”) of the Company’s Senior Notes due 2024 and The Bank of New York Mellon, the trustee under the notes.

For a period of 67 days beginning on September 7, 2023, the Company, the trustee and the Holders participated in a U.S. court-ordered mediation supervised by Retired Bankruptcy Judge Kevin J. Carey. The parties engaged in extensive good faith negotiations and exchanged multiple proposals designed to restructure the 2024 notes. At the conclusion of the mediation, the parties were unable to reach a consensual resolution.

The Company continues to believe that a consensual restructuring of its 2024 notes is in the best interests of all parties and remains committed to continued dialogue with the Holders in an effort to achieve that result.

In connection with the mediation, the Company executed separate confidentiality agreements with each of the Holders and the trustee and provided them with certain non-public information relating to the Company. Pursuant to the confidentiality agreements, the Company agreed to publicly disclose the necessary Cleansing Materials (as defined in the confidentiality agreements) following conclusion of the mediation.

The Cleansing Materials are attached to this press release as Exhibit A. This information is being disclosed, together with this press release, on the following website <https://www.irtvazteca.com/es/comunicados-de-prensa> to comply with the Company’s obligations under the Confidentiality Agreements.

## **Advisors**

Paul, Weiss, Rifkind, Wharton & Garrison LLP served as US legal counsel, Moelis & Company LLC and Alfaro, Dávila y Scherer, S.C. served as financial advisors, and Sainz Abogados, S.C. and Rivera Gaxiola, Kálloi, Fernández, Del Castillo, Quevedo, Lagos y Machuca Abogados served as Mexican legal counsel to the Company.

## **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 más +, 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.*

*This release contains forward-looking statements. These forward-looking statements are not based on historical facts, but instead reflect TV Azteca's current expectations regarding future results and events. These forward-looking statements generally can be identified by the use of statements that include verbs and phrases such as "consider," "expect," "anticipate," "intend," "plan," "predict," "it is possible," or other similar words or phrases. Similarly, statements that describe TV Azteca's objectives, plans and goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of TV Azteca to be different from any future results, performance or achievements expressed or contained in these statements.*

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# Financial Projections

October 2023



MOELIS & COMPANY

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The material that follows presents general background information about the Company as of the date of this presentation and it is based on information provided by the Company to the best of its knowledge. The information contained in this presentation is in summary form, does not purport to be complete and may be changed. It is not intended to be relied upon as legal, business, tax or other advice and does not form the basis for an informed investment decision.

No authority has approved or disapproved the information contained in this presentation, or the accuracy or the veracity of the information contained herein. This presentation is neither an offer for sale nor a solicitation of any offer to buy any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment to purchase securities. The securities referred to in this presentation have not been and will not be registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), and therefore, may not be offered or sold publicly in Mexico except as provided in the Mexican *Ley del Mercado de Valores*. The securities referred to in this presentation have not been and will not be registered with the U.S. Securities and Exchange Commission and may only be offered or sold pursuant to an exemption from the registration requirements of the U.S. federal securities laws.

This presentation contains various statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. These statements are based upon the current beliefs and expectations of our management as well as on assumptions made by management based upon information currently available to it. Such beliefs, expectations and assumptions are subject to risks and uncertainties and can change as a result of future economic, competitive and market conditions, all of which are difficult or impossible to predict accurately and many of which are beyond our control.

Nothing in this presentation is intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell any security, or an offer to sell or a solicitation of offers to purchase any security.

I.

# Executive Summary

# Executive Summary

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TV Azteca S.A.B. de C.V. appreciates the opportunity to provide the Mediator and Creditors' Advisors an update on the Company's financial projections.

- **The Company has undergone a comprehensive revision of its business plan; the following pages present its most recent financial projections**
- **As a result of the continued deterioration of the TV broadcasting industry and Mexico's economy as well as additional pressures on the Company's cash flow generating capabilities, TVA updated its business plan and financial projections**
  - Industry headwinds include the continued decline of the Mexican Over-The-Air ("OTA") market in recent years, a more competitive local environment, adverse pricing competition across the industry, and a significant reduction in government advertisement spending
  - In addition, the Covid-19 pandemic had a significant, twofold impact on the Company's operations and financial outlook: i) customers have greatly reduced advertising spending to withstand the associated economic slowdown, and ii) Over-The-Air TV advertising's decline has accelerated
- **Developments in the industry have considerably delayed the cash flow generation timeline for multiple initiatives, and continue to exert pressure on the Company's operations**
  - Digital, TVA's initiative that consists of entering and expanding in digital media through content created for platforms, has grown slower than expected; however, the Company has managed to secure exclusive licenses for E-Sports in Mexico, strengthening its presence in the industry
  - Dopamine, the Company's premium content producer for third-parties, has not performed as initially projected, mainly due to the aforementioned industry headwinds and macroeconomic challenges
- **As a result of this challenging environment, TVA has proactively implemented several cost reduction initiatives in order to preserve cash flow generation since 2018**
  - Initiatives have consisted of strict measures to limit spending, find cost efficiencies and shift away from low margin content
  - However, certain initiatives have experienced significant delays, causing EBITDA to remain stagnant on an inflation-adjusted basis
- **A realistically achievable business plan would not generate sufficient cash flows to meet its existing debt obligations in-full given the Company's current capital structure**
  - TV Azteca requires a restructuring of its Senior Notes in order to successfully navigate the aforementioned industry headwinds

II.

# Business Plan

# Assumptions

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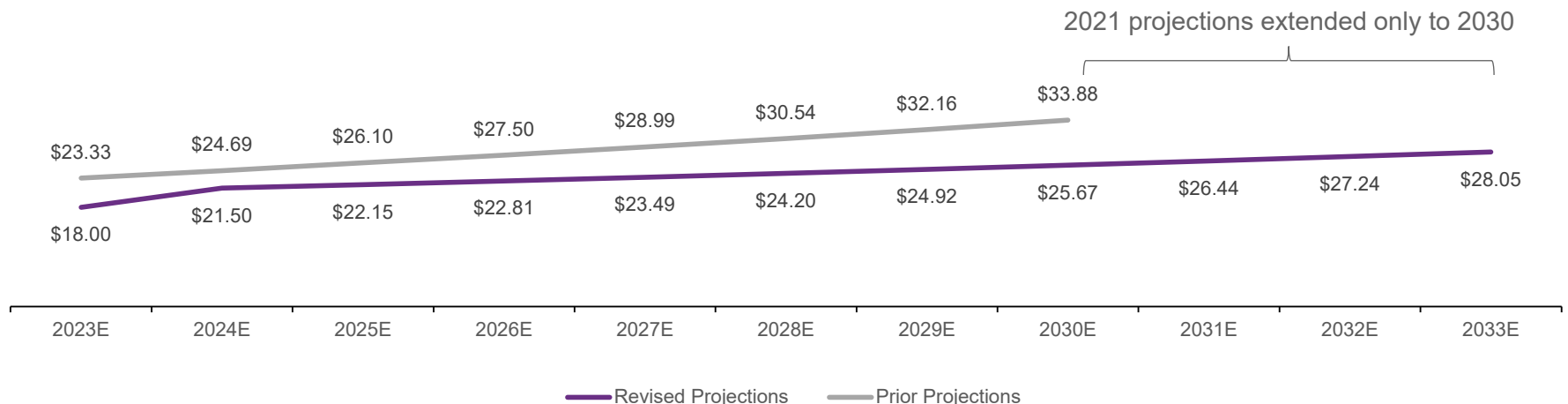
All figures MXN millions (unless stated otherwise)

The Company's financial projections consider the following market and macroeconomic assumptions.

## MACROECONOMIC & MARKET ASSUMPTIONS

- **Slow down in growth due to prolonged high interest rate environment, with short-term interest rates reaching 11.0% in 2023, impacting TVA's advertisement revenues**
  - Advertisement spending is sensitive to business cycles, and tends to be reduced during down cycles
  - Additionally, high volatility in the MXN/USD exchange rate causes uncertainty, resulting in additional pressure to advertisement revenues
- **Government advertisement spending is not expected to grow throughout the projected time frame, as it has continued to decrease since 2016**
- **The OTA advertising market will grow in line with inflation (and decrease in USD terms), which is offset by increasing TVA's market share, resulting in relatively flat OTA advertising revenues**
  - Digital advertising will continue to gain market share, which will require TVA to continue investing in new content and programs
- **Major sporting events, which generate incremental costs, are included in the financial projections**
  - Participating in these major sporting events is very relevant for the Company to be able to maintain its viewership base

## USD / MXN FX RATE CURVE



Note: FX curve through 2026 sourced from Bloomberg and extrapolated for following years of the projections

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# Assumptions (Cont'd)

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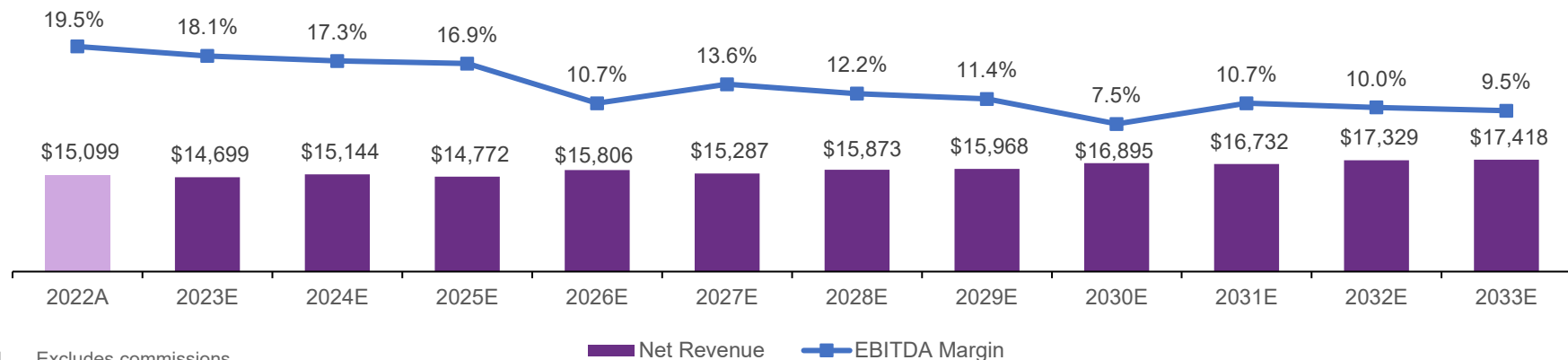
All figures MXN millions (unless stated otherwise)

The Company's revenues in the revised projections are impacted by the following assumptions.

## MAIN REVENUE ASSUMPTIONS

- Increased revenue from the launch of a new Gaming platform (included in Others)
- TVA reflects its recent alliance with Fox Sports, enabling TVA to sell advertisement space in Fox Sports' platform
- Projections assume the Company broadcasts major sporting events, which are expected to increase revenue and associated costs
  - Events include the FIFA World Cups in Mexico/U.S./Canada in 2026 and a TBD location in 2030, as well as the Olympic Games in Paris in 2024 and Los Angeles 2028
  - Broadcasting of these events is critical to TV Azteca's ability to maintain its audience, especially since the 2026 FIFA World Cup and 2028 Olympic games will be hosted in North America
  - Additionally, loss of market share and lower ratings as a result of not broadcasting these events would take multiple years to recover
- Revision and downward adjustment to Dopamine's performance is primarily attributed to multiple industry headwinds and macroeconomic challenges that have caused delays in Dopamine's commercialization results
- On a consolidated basis, costs and SG&A are expected to grow at a higher rate than top-line revenues, with revenues lagging in growth given the migration towards digital platforms

## NET REVENUE<sup>(1)</sup> & EBITDA MARGIN



# Assumptions (Cont'd)

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All figures MXN millions (unless stated otherwise)

The Company's Costs & SG&A expenses in the projections are impacted by the following considerations.

## MAIN COST ASSUMPTIONS

- Costs are mainly comprised of production and programming of content
- Significant increase and impact in costs due to the broadcasting rights of special events
  - Additionally, in years without special events, costs are slightly reduced
- Higher production costs nationally and internationally
  - The Company is implementing initiatives to simplify its product offerings by focusing on live sports and reality TV
  - However, international production costs continue to increase given FX market dynamics
- Key talented executives and producers of highly-rated programs

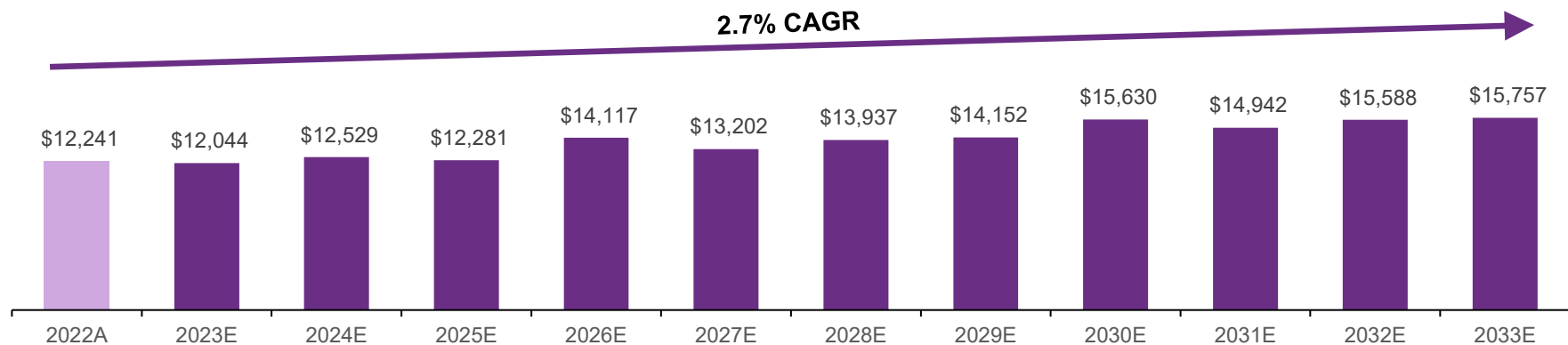
## MAIN SG&A ASSUMPTIONS

- In 2021, as a result of multiple expense-reduction initiatives, the Company implemented personnel reductions
- Moving forward, the Company's financial projections do not factor in a significant corporate restructuring, as its current SG&A base is required to sustain its operations
  - TVA seeks to recover previous capabilities and operations with its current SG&A base
- Slight increase in administrative expenses incurred in order to operate on a daily basis

## CAPITAL EXPENDITURE ASSUMPTIONS

- During Covid-19, several required capital expenditures were foregone – those projects have been resumed in the last twelve months, but still lag behind required spend / timeline and will require cash outlays during the projection period

## PROJECTED COST & SG&A



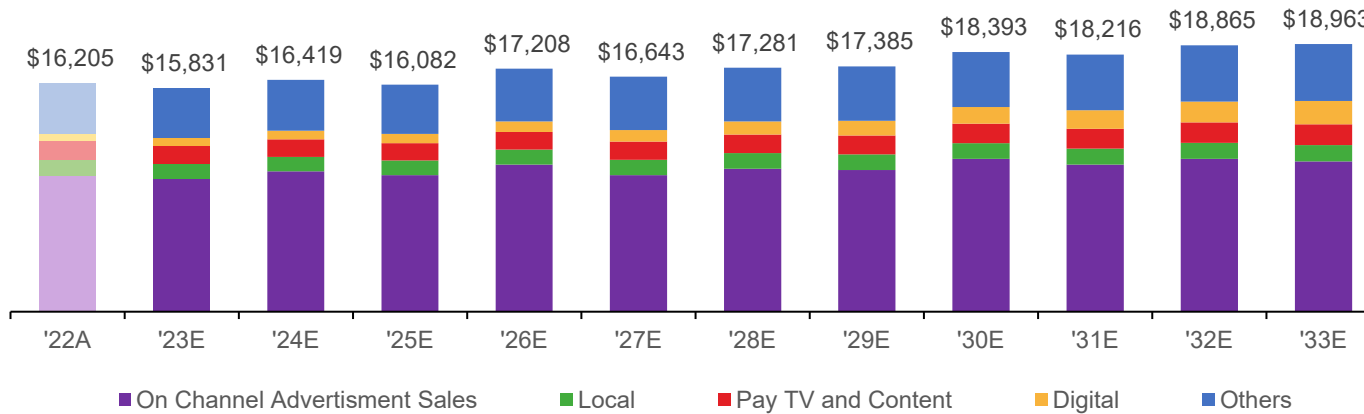
# Revised Financial Projections

## Financial Snapshot

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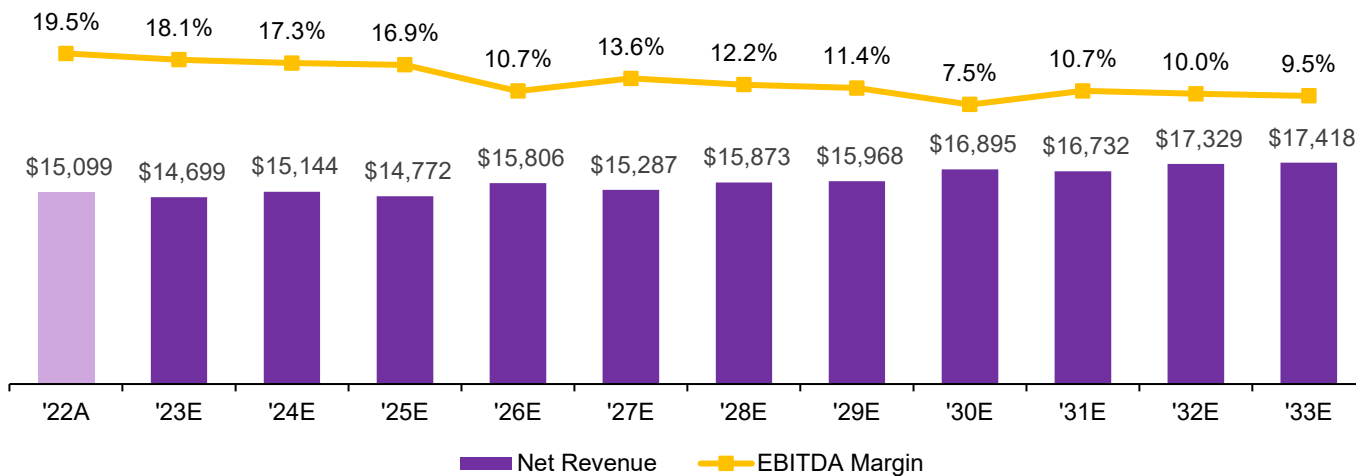
All figures MXN millions (unless stated otherwise)

### GROSS REVENUE<sup>(1)</sup>



**Gross Revenue CAGR**  
**1.44%**

### NET REVENUE<sup>(1)</sup> AND EBITDA MARGIN



**Net Revenue CAGR**  
**1.31%**

Source: Company Management

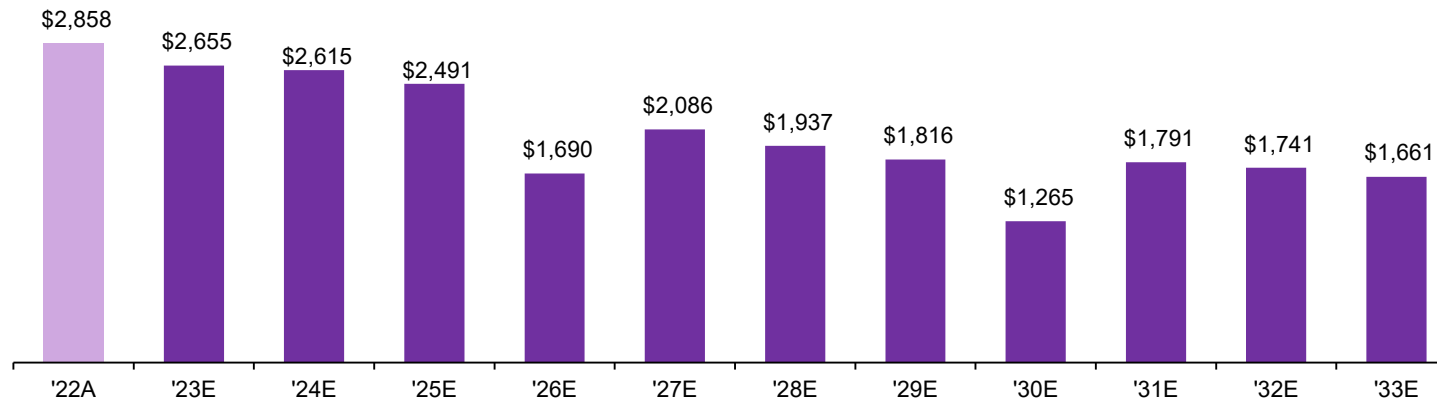
1. Gross Revenue is before exclusion of commissions; Net Revenue excludes commissions

# Revised Financial Projections Financial Snapshot (Cont'd)

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All figures MXN millions (unless stated otherwise)

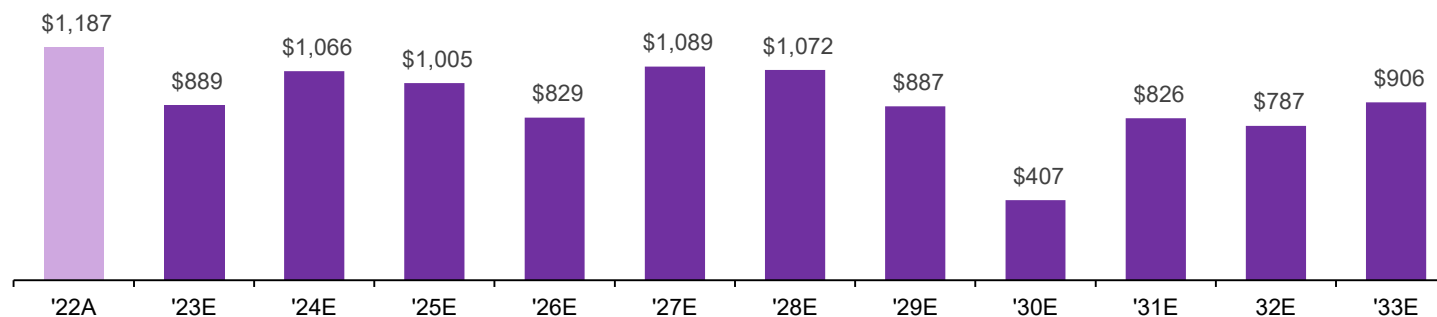
## EBITDA



### Commentary

- Although the go-forward business has a generally stabilized SG&A structure, increased costs and a high rate environment are projected to compress EBITDA margins over time
- Coverage of the World Cup in 2026 and 2030 drive only marginal revenue gains but incur significant additional costs, negatively affecting EBITDA in those years

## UNLEVERED FREE CASH FLOW



### Commentary

- Capital expenditure requirements designed both (i) to catch-up programs which were foregone during COVID-19 and (ii) to maintain pace with competitors' capital investments are projected contribute to declining Unlevered Free Cash Flow

Source: Company Management

# Revised Financial Projections

## Detailed Financial Projections

SUBJECT TO FRE 408 AND STATE LAW EQUIVALENTS  
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All figures MXN millions (unless stated otherwise)

### Detailed Financial Projections 2023E – 2033E

Financial Projections	Fiscal Year-End 12/31											
	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
<b>Revenue</b>												
On Channel Advertisement Sale	\$9,672	\$9,433	\$9,939	\$9,668	\$10,418	\$9,679	\$10,131	\$10,035	\$10,830	\$10,423	\$10,822	\$10,649
Local	1,076	1,063	1,035	1,056	1,072	1,085	1,098	1,111	1,122	1,133	1,144	1,156
Pay TV and Content	1,387	1,294	1,250	1,224	1,253	1,284	1,315	1,347	1,379	1,413	1,447	1,483
Digital	504	534	590	661	740	829	928	1,040	1,165	1,304	1,461	1,636
Others - Net	3,566	3,507	3,605	3,474	3,725	3,766	3,808	3,852	3,897	3,943	3,991	4,040
<b>Total Revenue</b>	<b>\$16,205</b>	<b>\$15,831</b>	<b>\$16,419</b>	<b>\$16,082</b>	<b>\$17,208</b>	<b>\$16,643</b>	<b>\$17,281</b>	<b>\$17,385</b>	<b>\$18,393</b>	<b>\$18,216</b>	<b>\$18,865</b>	<b>\$18,963</b>
(-) Commissions	(1,106)	(1,132)	(1,275)	(1,310)	(1,402)	(1,356)	(1,408)	(1,416)	(1,498)	(1,484)	(1,537)	(1,545)
<b>Total Revenue, Net</b>	<b>\$15,099</b>	<b>\$14,699</b>	<b>\$15,144</b>	<b>\$14,772</b>	<b>\$15,806</b>	<b>\$15,287</b>	<b>\$15,873</b>	<b>\$15,968</b>	<b>\$16,895</b>	<b>\$16,732</b>	<b>\$17,329</b>	<b>\$17,418</b>
<b>Cost &amp; SG&amp;A</b>												
Core Costs	(8,210)	(7,472)	(7,801)	(7,819)	(9,366)	(8,372)	(9,028)	(9,162)	(10,558)	(9,786)	(10,346)	(10,426)
Other Lines of Business	(3,054)	(3,449)	(3,587)	(3,282)	(3,531)	(3,569)	(3,608)	(3,648)	(3,688)	(3,729)	(3,771)	(3,815)
TVA Expenses	(977)	(1,123)	(1,141)	(1,181)	(1,220)	(1,260)	(1,300)	(1,342)	(1,384)	(1,426)	(1,471)	(1,516)
<b>Total Cost &amp; SG&amp;A</b>	<b>(\$12,241)</b>	<b>(\$12,044)</b>	<b>(\$12,529)</b>	<b>(\$12,281)</b>	<b>(\$14,117)</b>	<b>(\$13,202)</b>	<b>(\$13,937)</b>	<b>(\$14,152)</b>	<b>(\$15,630)</b>	<b>(\$14,942)</b>	<b>(\$15,588)</b>	<b>(\$15,757)</b>
<b>Operating Profit</b>	<b>\$2,858</b>	<b>\$2,655</b>	<b>\$2,615</b>	<b>\$2,491</b>	<b>\$1,690</b>	<b>\$2,086</b>	<b>\$1,937</b>	<b>\$1,816</b>	<b>\$1,265</b>	<b>\$1,791</b>	<b>\$1,741</b>	<b>\$1,661</b>
(-) Depreciation & Amortization	(758)	(660)	(677)	(652)	(632)	(617)	(604)	(594)	(588)	(585)	(582)	(581)
<b>Operating Income</b>	<b>\$2,100</b>	<b>\$1,995</b>	<b>\$1,938</b>	<b>\$1,839</b>	<b>\$1,057</b>	<b>\$1,469</b>	<b>\$1,333</b>	<b>\$1,222</b>	<b>\$676</b>	<b>\$1,206</b>	<b>\$1,159</b>	<b>\$1,080</b>
(+) Depreciation & Amortization	758	660	677	652	632	617	604	594	588	585	582	581
<b>EBITDA</b>	<b>\$2,858</b>	<b>\$2,655</b>	<b>\$2,615</b>	<b>\$2,491</b>	<b>\$1,690</b>	<b>\$2,086</b>	<b>\$1,937</b>	<b>\$1,816</b>	<b>\$1,265</b>	<b>\$1,791</b>	<b>\$1,741</b>	<b>\$1,661</b>
<i>% of Net Revenue</i>	18.9%	18.1%	17.3%	16.9%	10.7%	13.6%	12.2%	11.4%	7.5%	10.7%	10.0%	9.5%
(+/-) Change in NWC	(635)	(873)	(664)	(639)	(227)	(250)	(148)	(243)	(316)	(268)	(260)	(83)
(-) Capex	(406)	(294)	(303)	(295)	(316)	(306)	(317)	(319)	(338)	(335)	(347)	(348)
(-) Unlevered Taxes	(630)	(598)	(581)	(552)	(317)	(441)	(400)	(367)	(203)	(362)	(348)	(324)
<b>Unlevered Free Cash Flow</b>	<b>\$1,187</b>	<b>\$889</b>	<b>\$1,066</b>	<b>\$1,005</b>	<b>\$829</b>	<b>\$1,089</b>	<b>\$1,072</b>	<b>\$887</b>	<b>\$407</b>	<b>\$826</b>	<b>\$787</b>	<b>\$906</b>

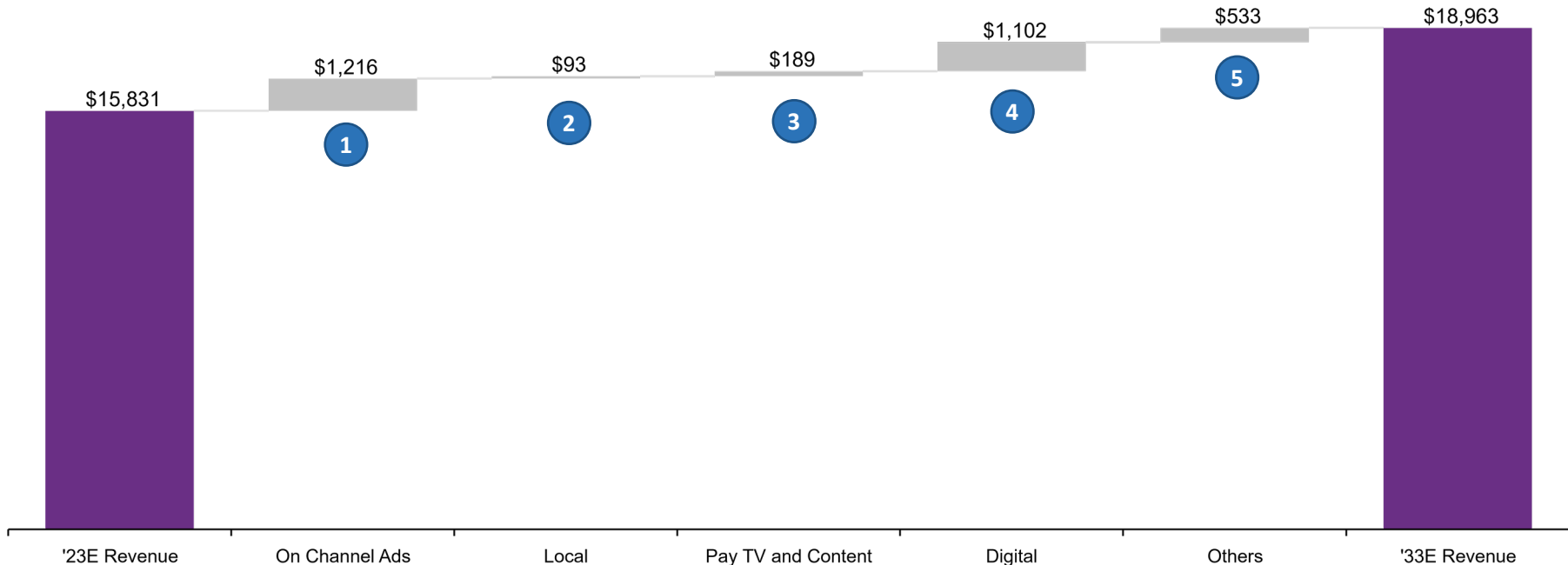
Source: Company Management

# Revised Financial Projections 2023 to 2033 Gross Revenue Bridge

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All figures MXN millions (unless stated otherwise)

## 2023E – 2033E Gross Revenue<sup>(1)</sup> Bridge



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- 1 **On channel advertising:** 1.2% 2023E-2033E CAGR resulting from a decreasing global OTA market, driven mainly by a shift from traditional towards digital advertising
- 2 **Local:** 0.8% 2023E-2033E CAGR, primarily attributed to a slowdown in regional market broadcasting programs
- 3 **Pay TV and Content:** 1.4% 2023E-2033E CAGR, which heavily relies on TVA content being sold to third-party OTT media services
- 4 **Digital:** 11.8% 2023E-2033E CAGR given global trend towards digital content, with sales expected to represent ~8% of total revenue in 2033
- 5 **Others:** 1.4% 2023E-2033E CAGR; mainly comprised of Gaming, Dopamine, Mazatlán Football team and TVA's Golf tournament (which is not expected to continue beyond 2024)

Source: Company Management  
1. Before exclusion of commissions

# Revised Financial Projections

## Revenue Growth & Structure Summary

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The assumptions previously presented translate into specific growth rates for each line of business which are presented in the following table.

Projected Growth Rates	Fiscal Year-End 12/31											CAGR
	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	'23E - '33E
On Channel Advertisement Sale	(2.5%)	5.4%	(2.7%)	7.8%	(7.1%)	4.7%	(0.9%)	7.9%	(3.8%)	3.8%	(1.6%)	1.2%
Local	(1.2%)	(2.6%)	2.0%	1.5%	1.3%	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	0.8%
Pay TV and Content	(6.7%)	(3.4%)	(2.1%)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	1.4%
Digital	6.0%	10.5%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.8%
Others - Net	(1.7%)	2.8%	(3.6%)	7.2%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.4%
<b>Total Revenue</b>	<b>(2.3%)</b>	<b>3.7%</b>	<b>(2.1%)</b>	<b>7.0%</b>	<b>(3.3%)</b>	<b>3.8%</b>	<b>0.6%</b>	<b>5.8%</b>	<b>(1.0%)</b>	<b>3.6%</b>	<b>0.5%</b>	<b>1.8%</b>
<b>Projected Revenue Structure</b>												
On Channel Advertisement Sale	59.6%	60.5%	60.1%	60.5%	58.2%	58.6%	57.7%	58.9%	57.2%	57.4%	56.2%	
Local	6.7%	6.3%	6.6%	6.2%	6.5%	6.4%	6.4%	6.1%	6.2%	6.1%	6.1%	
Pay TV and Content	8.2%	7.6%	7.6%	7.3%	7.7%	7.6%	7.7%	7.5%	7.8%	7.7%	7.8%	
Digital	3.4%	3.6%	4.1%	4.3%	5.0%	5.4%	6.0%	6.3%	7.2%	7.7%	8.6%	
Others - Net	22.2%	22.0%	21.6%	21.6%	22.6%	22.0%	22.2%	21.2%	21.6%	21.2%	21.3%	
<b>Total Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

*While the Company will leverage its historical On Channel Advertisement capabilities to harvest revenue, the go-forward business model is designed to shift more revenue to Digital and to make use of Dopamine's premium content to create a halo effect for other TV Azteca properties*

III.

# Comparison of 2021 vs. 2023 Projections Through 2030



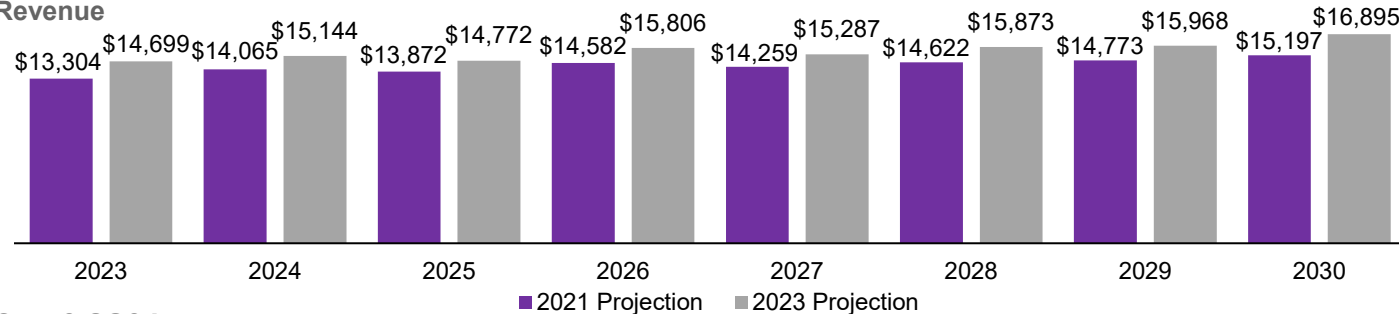
# September 2021 vs. October 2023 Projections

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All figures MXN millions (unless stated otherwise)

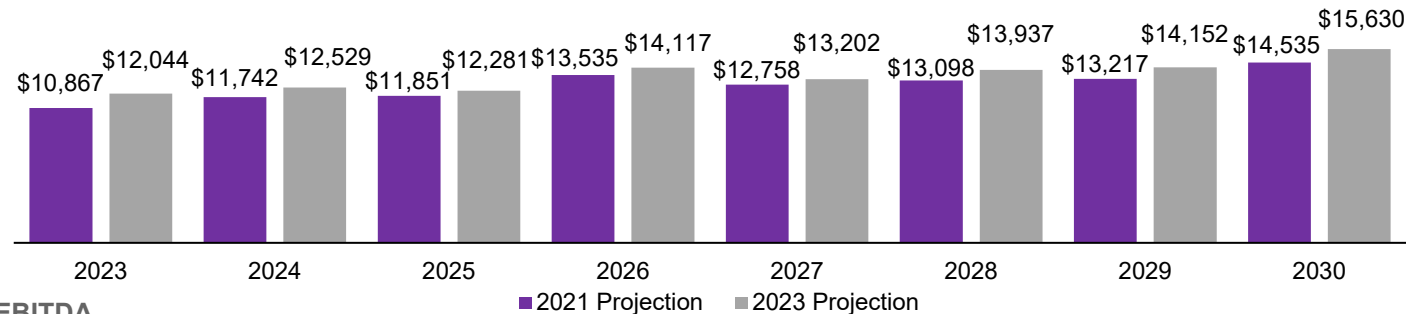
## COMPARISON OF PROJECTIONS

### Revenue



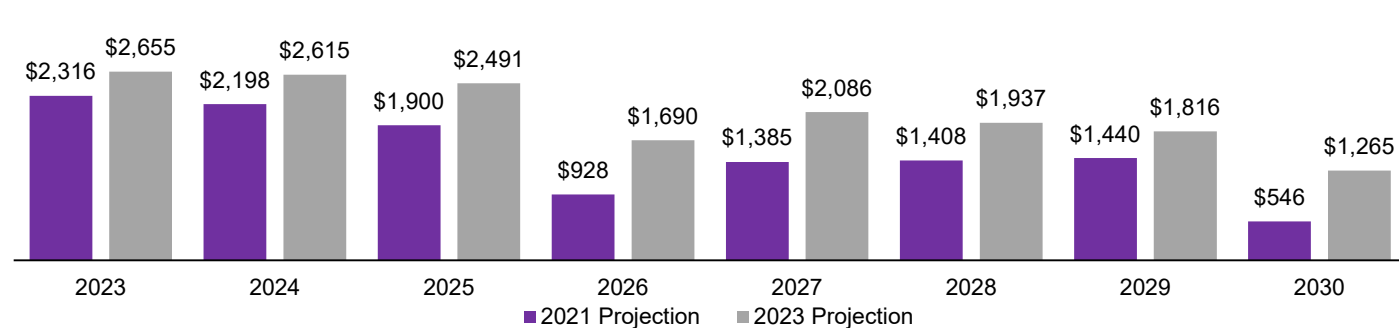
**2023 revenue projection ~8.5% higher than 2021 projection**

### Cost & SG&A



**2023 Costs and SG&A projection ~6.2% higher than 2021 projection**

### EBITDA



**2023 EBITDA projection ~36.6% higher than 2021 projection**

**New projections from 2023 to 2030 are generally more favorable than projections from September 2021**

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IV.

# Company's November 6, 2023 Proposal

# Company's November 6, 2023 Proposal

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## ACCRUED INTEREST

**UPFRONT PAYMENT** ▪ \$45mm

## TRANCHE A

**PRINCIPAL** ▪ \$225mm

**MATURITY** ▪ August 2030 (6-year extension)

**INTEREST RATE** ▪ 8.75% annually (50bps increase of interest rate) on new principal balance, payable semi-annually in cash

**SECURITY**

- First priority lien on all unencumbered assets
- Second priority lien on all assets securing the Banco Azteca Facility

**AMORTIZATION SCHEDULE**

- 2024: 0%
- 2025: 0%
- 2026: 10% = \$22.5mm
- 2027: 10% = \$22.5mm
- 2028: 15% = \$33.75mm
- 2029: 25% = \$56.25mm
- 2030: 40% = \$90mm

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# Company's November 6, 2023 Proposal

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## TRANCHE B

<b>PRINCIPAL</b>	<ul style="list-style-type: none"> <li>▪ \$235mm</li> </ul>
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>▪ August 2034</li> </ul>
<b>INTEREST RATE</b>	<ul style="list-style-type: none"> <li>▪ 2.00% annually, payable semi-annually in cash</li> </ul>
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>▪ First priority lien on all unencumbered assets (pari passu with Tranche A)</li> <li>▪ Second priority lien on all assets securing the Banco Azteca Facility (pari passu with Tranche A)</li> </ul>
<b>AMORTIZATION</b>	<ul style="list-style-type: none"> <li>▪ 100% of excess annual cash flow until 2034 (subject to minimum cash balance)                             <ul style="list-style-type: none"> <li>○ Minimum cash balance formula accounts for (i) cash subject to use by gaming segment, plus (ii) advertisers' advances, plus (iii) reserve for acquisition of exhibition rights for special events, plus (iv) MXN 1,100mm (MXN 200mm reduction from previous proposal)</li> </ul> </li> <li>▪ To include appropriate covenants and mechanism (e.g., collateral trust, independent auditor)</li> <li>▪ Fixed amortization of up to 25% of Tranche B Notes balance starting in 2031, evenly distributed through 2034. Assuming 75% or less of the Tranche B Notes have been repaid via Excess Cash Flows by 2031, this implies:                             <ul style="list-style-type: none"> <li>○ 2031: 2% = \$4.7mm</li> <li>○ 2032: 5% = \$11.8mm</li> <li>○ 2033: 8% = \$18.8mm</li> <li>○ 2034: 10% = \$23.5mm</li> <li>○ To the extent that more than 75% of Tranche B Notes have been repaid via Excess Cash Flow by 2031, these amounts are correspondingly reduced pro-rata</li> </ul> </li> </ul>
<b>CONVERSION</b>	<ul style="list-style-type: none"> <li>▪ If at least 60% of the remaining 75% of Tranche B Notes not subject to the above amortization schedule have not been paid as of maturity, remaining Tranche B Notes convertible into 5% equity in the Company                             <ul style="list-style-type: none"> <li>○ Upon repayment of at least 60% of this remaining 75% of Tranche B Notes, equity conversion right falls away</li> </ul> </li> <li>▪ If less than 40% of the remaining 75% of Tranche B Notes remain outstanding at maturity, outstanding balance of Tranche B Notes are extinguished</li> </ul>

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v.

# Bondholders' November 10, 2023 Proposal

# Bondholders' November 10, 2023 Proposal

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## ACCRUED INTEREST

- UPFRONT PAYMENT
  - Past due interest through the closing date will be settled in cash (estimated at \$105mm at closing)

## TRANCHE A

- PRINCIPAL
  - Issue Size: \$400mm

- MATURITY
  - Maturity: August 2030 (6-Year Extension)

- INTEREST RATE
  - Coupon: 7.75% Cash

- SECURITY & OTHER PROVISIONS
  - Guarantees: All material subsidiaries
  - Security: 1st priority on all unencumbered assets; 2nd priority lien on all assets securing the Banco Azteca Facility; lien in Collateral Trust Proceeds in accordance with the foregoing priority waterfall
  - Covenants: TBD but to include \$25mm cap on new working capital associated with affiliate transactions

- AMORTIZATION SCHEDULE
  - Amortization: The New Tranche A Notes shall be amortized via the mandatory amortization schedule below, subject to excess amortization under the Excess Cash Flow Sweep (as defined below) which will be applied in reverse order of maturity.
    - 2024: 0%
    - 2025: 0%
    - 2026: 7.5% (\$30m)
    - 2027: 10% (\$40m)
    - 2028: 20% (\$80m)
    - 2029: 30% (\$120m)
    - 2030: 32.5% (\$130m)

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# Bondholders' November 10, 2023 Proposal

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OTHER	
<b>PROFESSIONAL FEES</b>	<ul style="list-style-type: none"> <li>Professional fees incurred through the closing date by the holders of the Existing Notes (the "Bondholders") and the Indenture Trustee for the Existing Notes (the "Indenture Trustee") will be directly reimbursed by the Company at closing (including litigation fees)</li> </ul>
<b>REDEMPTION PREMIUM</b>	<ul style="list-style-type: none"> <li>Waived by Bondholders</li> </ul>
<b>CONDITION PRECEDENT TO CLOSING</b>	<ul style="list-style-type: none"> <li>At closing of the exchange, net working capital representing amounts owed by Company affiliates to the Company shall be reduced to no more than MXN\$500mm</li> </ul>
<b>COLLATERAL TRUST</b>	<ul style="list-style-type: none"> <li>A United States domiciled collateral trust (the "Collateral Trust") will be established to receive specified MXN/USD revenues of the Company, modelled after the existing Total Play Master Trust. Upon an event of default, security agent (the "Collateral Trust Trustee") will assume control of structure and will distribute proceeds in accordance with intercreditor waterfall which will model the priority scheme set forth herein ("Collateral Trust Proceeds")</li> <li>Upon the establishment of the Collateral Trust, the Collateral Trust Trustee shall be acceptable to the Bondholders</li> </ul>
<b>EXCESS CASH FLOW SWEEP</b>	<ul style="list-style-type: none"> <li>Subject to agreed formula (with MXN\$500,000,000 of minimum cash), after repayment of cash interest on the New Notes and required amortization of the New Tranche A Notes, excess cash flows passing through the Collateral Trust will be applied for early incremental repayment of the New Tranche A Notes ("Excess Cash Flow Sweep")</li> <li>Calculation of the Excess Cash Flow Sweep shall be subject to regular audits by a disinterested third party</li> </ul>
<b>AMENDED INTERCREDITOR AGREEMENT</b>	<ul style="list-style-type: none"> <li>New Notes Trustee will enter into an amended intercreditor agreement with Banco Azteca</li> </ul>

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