



**IN THE CONTEXT OF THE HEALTH CONTINGENCY,
TV AZTECA ANNOUNCES 4% REDUCTION IN NET SALES, TO Ps.3,912 MILLION IN 4Q20**

**—In 2020, revenues decreased 16%, to Ps.10,725 million,
and EBITDA declined 36%, to Ps.1,653 million—**

Mexico City, February 23, 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 fourth quarter 2020 and full year 2020.

"The deterioration of economic activity indicators derived from the health contingency, continued to affect the dynamism in the broadcast television advertising market in Mexico, thus, despite solid audience levels, TV Azteca reported a decrease in net sales in the quarter," commented Rafael Rodríguez, CEO of TV Azteca. "During the year, the decrease in sales reached double digits, and despite notable efforts to reduce costs and expenses, profitability was significantly lower".

"The perspectives entail great challenges, since the recovery of the domestic advertising market is not immediate, and the risk of low dynamism persists for various economic sectors in the medium term," added Mr. Rodríguez.

Fourth Quarter Results

Net revenue for the period was Ps.3,912 million, 4% below the Ps.4,082 million for the same quarter of last year. Total costs and expenses decreased 13% to Ps.2,484 million, from Ps.2,863 million for the previous year.

As a result, the company's EBITDA grew 17%, to Ps.1,428 million, compared to Ps.1,219 million a year ago. TV Azteca reported operating income of Ps.1,192 million, from operating income of Ps.958 million a year ago.

The company registered net income of Ps.1,344 million, compared to a net income of Ps.1,132 million for the same period of 2019.

	4Q 2019	4Q 2020	Change	
			Ps.	%
Net sales	\$4,082	\$3,912	\$(170)	-4%
EBITDA	\$1,219	\$1,428	\$209	17%
Operating income	\$958	\$1,192	\$235	24%
Net result	\$1,132	\$1,344	\$212	19%
Net result per CPO	\$0.38	\$0.45	\$0.07	19%

Figures in millions of pesos.

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

The number of CPOs outstanding as of December 31, 2019 was 2,984 million and as of December 31, 2020 was 2,986 million.

Net sales

Advertising sales for the company in Mexico decreased 5% to Ps.3,736 million, from Ps.3,927 million the previous year, as a result of lower demand for advertising spaces 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.69 million, compared to Ps.57 million the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.107 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 a 7% reduction in production, programming, transmission and telecommunications services costs —to Ps.2,267 million, from Ps.2,443 million a year ago— together with a 48% reduction in selling and administrative expenses, to Ps.217 million, compared to Ps.421 million from the previous year.

The reduction in costs this period is related to strict budgets in the generation of content, while the superior quality of the programming was preserved.

The costs of Azteca Comunicaciones Perú were Ps.61 million, from Ps.87 million a year ago. The reduction results mainly from lower costs from the transmission infrastructure maintenance.

The reduction in selling and administrative expenses reflects the implementation of important strategies to boost operating efficiency, which translate into lower personnel, operating and fee expenses this quarter, partially offset by higher travel expenses.

EBITDA and net results

The company's EBITDA was Ps.1,428 million, compared to Ps.1,219 million in the same period of the previous year. TV Azteca reported an operating income of Ps.1,192 million, from operating income of Ps.958 million a year ago.

Significant variations below EBITDA were the following:

Increase in foreign exchange gain of Ps.528 million, 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.196 million this period, compared to the benefit in the provision of taxes for Ps.500 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 income of Ps.1,344 million in the quarter, from a net income of Ps.1,132 million a year ago.

Balance Sheet

As of December 31, 2020, TV Azteca's outstanding debt was Ps.13,529 million, in comparison to Ps.13,114 million in the previous year. The increase results from the effect of fluctuation of the peso on the debt balance in dollars.

The cash and cash equivalents balance at the end of the quarter, was Ps.3,566 million, in comparison with Ps.2,284 million a year ago. As a result, net debt of the company as of December 31, 2020 was Ps.9,963 million, in comparison to Ps.10,830 million in the previous year.

Appointment of Rafael Rodríguez as CEO

In January, as part of a renewal process towards the future, TV Azteca announced that its Board of Directors appointed Rafael Rodríguez Sánchez as CEO of the company.

TV Azteca considers that the change will allow the company — in the context of adverse times in the face of the health emergency — to continue offering the audience the best content for television and for new platforms that represent the most recent technologies.

For 20 years, Mr. Rodríguez has been an essential part in the renovation of TV Azteca, where his talent as Legal Director has allowed him to promote transformation processes in all areas of the company.

Strategy to maintain financial and operational viability

In a subsequent event, the company announced that, as part of its strategy to maintain financial and operational viability, it will make an early amortization of up to Ps.1,200 million of the principal — Ps.4,000 million — of the *Certificados Busatiles* (CEBURES) maturing in 2022; date on which the company will continue to comply with the remainder of the principal and its interests in a timely manner.

Likewise, TV Azteca indicated that it plans to reorganize its debt in foreign currency by initiating a constructive dialogue with the holders of the notes for \$400 million dollars due in 2024. To this end, it has announced the deferment of the payment of the coupon corresponding to February 2021, trusting to reach an agreement as soon as possible that responds to the context and the situation of the company. TV Azteca reiterated its disposition to reach agreements in the near future.

Twelve-month results

Net sales for 2020 were Ps.10,725 million, 16% lower than the Ps.12,814 million for the previous year, 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.9,072 million, an 11% reduction from Ps.10,231 million in the same period of the previous year, as a consequence of strategies that significantly boost efficiencies in content production and labour productivity.

TV Azteca reported EBITDA of Ps.1,653 million, 36% lower in comparison with Ps.2,584 million for the previous year. During the year, there was an operating income of Ps.663 million, from an operating income of Ps.1,525 million a year ago. The company recorded a net loss of Ps.2,216 million, compared to a net income of Ps.1,050 million in 2019.

	2019	2020	Change	
			Ps.	%
Net sales	\$12,814	\$10,725	\$(2,089)	-16%
EBITDA	\$2,584	\$1,653	\$(930)	-36%
Operating income	\$1,525	\$663	\$(862)	-56%
Net result	\$1,050	\$(2,216)	\$(3,266)	----
Net result per CPO	\$0.35	\$(0.74)	\$(1.09)	----

Figures in millions of pesos.

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

The number of CPOs outstanding as of December 31, 2019 was 2,984 million and as of December 31, 2020 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), 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 Spain's 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 December 31 of 2019 and 2020)

	Fourth Quarter of :						Change	
	2019		2020					
Net revenue	Ps 4,082	100%	Ps 3,912	100%	Ps (170)	-4%		
Programming, production and transmission costs	2,443	60%	2,267	58%	(176)	-7%		
Selling and administrative expenses	421	10%	217	6%	(203)	-48%		
Total costs and expenses	2,863	70%	2,484	64%	(379)	-13%		
EBITDA	1,219	30%	1,428	36%	209	17%		
Depreciation and amortization	187		174		(12)			
Other expense -Net	75		61		(13)			
Operating profit	958	23%	1,192	30%	235	24%		
Equity in income from affiliates	(21)		(122)		(101)			
Comprehensive financing result:								
Interest expense	(337)		(291)		46			
Other financing expense	(102)		(88)		14			
Interest income	47		15		(32)			
Exchange loss -Net	306		833		528			
	(86)		470		556			
Income before the following provision	851	21%	1,540	39%	689			
Provision for income tax	500		(196)		(696)			
Profit (Loss) from continuing operations	1,351		1,344		(7)	0%		
Profit (loss) from discontinued operations	(219)		-		219			
Net income	Ps 1,132		Ps 1,344		Ps 212			
Non-controlling share in net profit	Ps 0		Ps 1		Ps 0			
Controlling share in net profit	Ps 1,132	28%	Ps 1,344	34%	Ps 212	19%		

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

	<u>Period ended December 31,</u>					
	<u>2019</u>		<u>2020</u>		<u>Change</u>	
Net revenue	Ps 12,814	100%	Ps 10,725	100%	Ps (2,089)	-16%
Programming, production and transmission costs	8,676	68%	8,379	78%	(297)	-3%
Selling and administrative expenses	1,555	12%	693	6%	(862)	-55%
Total costs and expenses	10,231	80%	9,072	85%	(1,159)	-11%
EBITDA	2,584	20%	1,653	15%	(930)	-36%
Depreciation and amortization	761		720		(41)	
Other expense -Net	298		270		(28)	
Operating profit	1,525	12%	663	6%	(862)	-56%
Equity in income from affiliates	(43)		(206)		(163)	
Comprehensive financing result:						
Interest expense	(1,353)		(1,286)		67	
Other financing expense	(236)		(400)		(164)	
Interest income	143		74		(70)	
Exchange Gain -Net	272		(378)		(650)	
	(1,173)		(1,990)		(816)	
Income before the following provision	309	2%	(1,532)	-14%	(1,841)	
Provision for income tax	1,120		(741)		(1,861)	
Profit (Loss) from continuing operations	1,429		(2,273)		(3,702)	
Impairment of long-live assets	-		(94)		(94)	
Profit (loss) from discontinued operations	(379)		151		530	
Net income	Ps 1,050		Ps (2,216)		Ps (3,266)	
Non-controlling share in net profit	Ps 0		Ps 2		Ps 2	
Controlling share in net profit	Ps 1,050	8%	Ps (2,218)	-21%	Ps (3,268)	

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

	<u>At December 31</u>				<u>Change</u>
	<u>2019</u>	<u>2020</u>			
Current assets:					
Cash and cash equivalents	Ps 2,284	Ps 3,566	Ps 1,282		
Accounts receivable	3,588	3,240	(348)		
Other current assets	3,382	2,197	(1,185)		
Total current assets	9,254	9,003	(251)		-3%
Accounts receivable	22	-	(22)		
Exhibition rights	2,405	2,151	(254)		
Property, plant and equipment-Net	3,726	3,239	(487)		
Television concessions-Net	9,444	9,449	5		
Other assets	1,320	936	(384)		
Deferred income tax asset	2,206	2,206	-		
Total long term assets	19,123	17,981	(1,142)		-6%
Total assets	Ps 28,377	Ps 26,984	Ps (1,393)		-5%
Current liabilities:					
Short-term debt	Ps 1,708	Ps 175	Ps (1,533)		
Other current liabilities	5,740	6,168	428		
Total current liabilities	7,448	6,343	(1,105)		-15%
Long-term debt:					
Securities Certificates	3,975	3,970	(5)		
Long-term debt	7,431	9,384	1,953		
Total long-term debt	11,406	13,354	1,948		17%
Other long term liabilities:					
Advertising advances	4,956	4,796	(160)		
Deferred income tax	464	575	111		
Other long term liabilities	499	683	184		
Total other long-term liabilities	5,919	6,054	135		2%
Total liabilities	24,773	25,751	978		4%
Total stockholders' equity	3,604	1,233	(2,371)		-66%
Total liabilities and equity	Ps 28,377	Ps 26,984	Ps (1,393)		-5%

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

	<u>Period ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
Operating activities:		
Income before taxes on earnings	Ps 309	Ps (1,532)
Charges to income not affecting resource	1,570	3,199
Cash flow generated before taxes to income	<u>1,879</u>	<u>1,667</u>
Accounts receivable and related parties	(91)	548
Inventories and performance rights	236	822
Accounts payable, accrued expenses and taxes on earnings	184	(147)
Net cash flow from operating activities	<u>2,208</u>	<u>2,890</u>
Investing activities:		
Acquisitions of property and equipment, intangibles and others	168	(241)
Investment in associates	(265)	-
Net cash flows from investing activities	<u>(97)</u>	<u>(241)</u>
Financing activities:		
Repayment of borrowings, net	-	(1,710)
Proceeds from borrowings		1,708
Interest paid	(1,268)	(1,229)
Others	(261)	(136)
Net cash flows from financing activities	<u>(1,529)</u>	<u>(1,367)</u>
Increase in cash and cash equivalents	582	1,282
Cash and cash equivalents at beginning of year	1,702	2,284
Cash and cash equivalents at end of year	<u>Ps 2,284</u>	<u>Ps 3,566</u>