



**IN THE CONTEXT OF THE HEALTH CONTINGENCY,
TV AZTECA ANNOUNCES 31% REDUCTION IN NET SALES, TO Ps.1,857 MILLION IN 2Q20**

Mexico City, July 23, 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 second quarter 2020.

"Although the flexibility and strength of the content offer within TV Azteca's platforms has reached a broad presence through Mexican households during the health emergency, the demand for advertising substantially decreased," commented Benjamín Salinas, CEO of TV Azteca. "In order to counterweight lower sales, the company designed an agile response to reduce costs and expenses, without affecting the programming offer for the audience."

Second quarter results

Net revenue for the period was Ps.1,857 million, in comparison with Ps.2,709 million for the same quarter of last year. Total costs and expenses decreased 24% to Ps.1,714 million, from Ps.2,243 million for the previous year.

As a result, the company reported EBITDA of Ps.142 million, in comparison to Ps.466 million a year ago. TV Azteca generated an operating loss of Ps.112 million from an operating income of Ps.202 million for the previous year.

The company registered a net loss of Ps.707 million, compared to a net income of Ps.112 million for the same period of 2019.

	2Q 2019	2Q 2020	Change	
			Ps.	%
Net sales	\$2,709	\$1,857	\$(852)	-31%
EBITDA	\$466	\$142	\$(324)	-69%
Operating result	\$202	\$(112)	\$(314)	----
Net result	\$112	\$(707)	\$(818)	----
Net result per CPO	\$0.04	\$(0.24)	\$(0.28)	----

Figures in millions of pesos.

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

The number of CPOs outstanding as of June 30, 2019 was 2,987 million and as of June 30, 2020 was 2,984 million.

Net sales

Advertising sales in Mexico decreased 33% to Ps.1,694 million, from Ps.2,547 million the previous year — despite solid audience levels from the company's content — as a result of lower demand for advertising space in the domestic media market, in the context of deterioration of economic performance indicators, within the health emergency

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.50 million, compared to Ps.65 million the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.113 million from Ps.97 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 24% in the quarter as a result of a 15% reduction in production, programming, transmission and telecommunications services costs to Ps.1,612 million, from Ps.1,896 million a year ago, together with a 70% reduction in sales and administrative expenses, to Ps.103 million, from Ps.347 million in the previous year.

The reduction in costs this period is related to strict budgets in content generation, which imply superior efficiency in production and close monitoring of each stage of the production process, which allow creating high-quality formats with optimal profitability.

The costs of Azteca Comunicaciones Perú were Ps.85 million, from Ps.71 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 the implementation of important strategies to boost operational efficiency that translate into lower fees, personnel and travel expenses this quarter, in the context of a decrease in the company's operations.

EBITDA and net results

The company's EBITDA was Ps.142 million, compared to Ps.466 million in the same period of the previous year. TV Azteca reported an operating loss of Ps.112 million, from operating income of Ps.202 million a year ago.

Significant variations below EBITDA were the following:

An increase of Ps.160 million in other financial expenses, as a result of the sale of company's investments portfolio.

Increase in foreign exchange gain of Ps.102 million, as a result of the company's net monetary liability position in dollars, together with a larger exchange rate appreciation this quarter, compared with the previous year.

A charge in the provision of taxes for Ps.180 million this period, compared to the benefit in the provision of taxes for Ps.298 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.

An increase of Ps. 64 million in asset impairment, due to a change of venue of the Club Atlético Morelia soccer team.

A decrease of Ps.114 million in discontinued operations, derived from the deconsolidation of the Atlas soccer team in the results of TV Azteca a year ago, as previously announced.

TV Azteca registered a net loss of Ps.707 million in the quarter, from a net income of Ps.112 million a year ago.

Cash flow

As of the period ended June 30, 2020, TV Azteca generated net cash flow from operating activities of Ps.752 million, mainly as a result of strategies that generate administration efficiencies.

Debt

As of June 30, 2020, TV Azteca's outstanding debt was Ps.14,791 million, in comparison to Ps.13,238 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.

The cash and cash equivalents balance at the end of the quarter, was Ps.2,234 million, 10% higher in comparison with Ps.2,040 million a year ago. As a result, net debt of the company as of June 30, 2020 was Ps.12,557 million, in comparison to Ps.11,198 million in the previous year.

Six months' results

Net sales for the first six months of 2020 were Ps.4,319 million, 26% lower than the Ps.5,819 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 emergency.

Total costs and expenses were Ps.4,449 million, a 10% reduction from Ps.4,919 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 negative EBITDA of Ps.130 million, compared to a positive figure of Ps.900 million in the first half of the previous year. During the period, there was an operating loss of Ps.649 million, from an operating income of Ps.367 million a year ago. The company recorded a net loss of Ps.3,483 million, compared to a loss of Ps.275 million in the same period of 2019.

	6M 2019	6M 2020	Change Ps.	%
Net sales	\$5,819	\$4,319	\$(1,603)	-26%
EBITDA	\$900	\$(130)	\$(1,031)	----
Operating result	\$367	\$(649)	\$(1,015)	----
Net result	\$(275)	\$(3,483)	\$(3,208)	----
Net result per CPO	\$(0.09)	\$(1.17)	\$(1.08)	----

Figures in millions of pesos.

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

The number of CPOs outstanding as of June 30, 2019 was 2,987 million and as of June 30, 2020 was 2,984 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 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 June 30 of 2019 and 2020)

	Second Quarter of :					
	2019		2020		Change	
	Ps		Ps		Ps	
Net revenue	2,709	100%	1,857	100%	(852)	-31%
Programming, production and transmission costs	1,896	70%	1,612	87%	(284)	-15%
Selling and administrative expenses	347	13%	103	6%	(244)	-70%
Total costs and expenses	2,243	83%	1,714	92%	(528)	-24%
EBITDA	466	17%	142	8%	(324)	-69%
Depreciation and amortization	190		186		(4)	
Other expense -Net	74		68		(6)	
Operating profit (loss)	202	7%	(112)	-6%	(314)	
Equity in income from affiliates	(3)		(6)		(3)	
Comprehensive financing result:						
Interest expense	(340)		(341)		(1)	
Other financing expense	(13)		(173)		(160)	
Interest income	29		16		(14)	
Exchange loss -Net	52		154		102	
	(272)		(345)		(73)	
			-			
Income before the following provision	(73)	-3%	(463)	-25%	(390)	
Provision for income tax	298		(180)		(478)	
Profit (Loss) from continuing operations	225		(643)		(868)	
Impairment of long-live assets	-		(64)		(64)	
Profit (loss) from discontinued operations	(114)		-		114	
Net income	Ps 112		Ps (707)		Ps (818)	
Non-controlling share in net profit (loss)	Ps 0		Ps 1		Ps 1	
Controlling share in net profit (loss)	Ps 111	4%	Ps (708)	-38%	Ps (820)	

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

	<u>Period ended June 30,</u>					
	<u>2019</u>		<u>2020</u>		<u>Change</u>	
Net revenue	Ps 5,819	100%	Ps 4,319	100%	Ps (1,500)	-26%
Programming, production and transmission costs	4,238	73%	4,117	95%	(121)	-3%
Selling and administrative expenses	681	12%	332	8%	(349)	-51%
Total costs and expenses	4,919	85%	4,449	103%	(470)	-10%
EBITDA	900	15%	(130)	-3%	(1,031)	
Depreciation and amortization	383		367		(16)	
Other expense -Net	151		152		1	
Operating profit (loss)	367	6%	(649)	-15%	(1,015)	
Equity in income from affiliates	(0)		48		48	
Comprehensive financing result:						
Interest expense	(676)		(680)		(3)	
Other financing expense	(70)		(263)		(194)	
Interest income	58		40		(18)	
Exchange Gain -Net	143		(1,556)		(1,699)	
	(545)		(2,458)		(1,913)	
Income before the following provision	(178)	-3%	(3,059)	-71%	(2,881)	
Provision for income tax	72		(360)		(432)	
Profit (Loss) from continuing operations	(106)		(3,420)		(3,313)	
Impairment of long-live assets	-		(64)		(64)	
Profit (loss) from discontinued operations	(169)		-		169	
Net income	Ps (275)		Ps (3,483)		Ps (3,208)	
Non-controlling share in net (loss)	Ps 0		Ps 1		Ps 1	
Controlling share in net (loss)	Ps (275)	-5%	Ps (3,484)	-81%	Ps (3,209)	

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

	At June 30				Change
	2019	2020			
Current assets:					
Cash and cash equivalents	Ps	2,040	Ps	2,234	Ps 194
Accounts receivable		4,250		4,355	105
Other current assets		3,958		2,932	(1,026)
Total current assets		10,248		9,521	(727) -7%
Accounts receivable		28		28	-
Exhibition rights		2,570		2,469	(101)
Property, plant and equipment-Net		3,845		3,478	(367)
Television concessions-Net		9,445		9,461	16
Other assets		1,744		1,726	(18)
Deferred income tax asset		1,087		2,332	1,245
Total long term assets		18,719		19,494	775 4%
Total assets	Ps	28,967	Ps	29,015	Ps 48 0%
Current liabilities:					
Short-term debt	Ps	1,708	Ps	174	Ps (1,534)
Other current liabilities		4,950		6,409	1,459
Total current liabilities		6,658		6,583	(75) -1%
Long-term debt:					
Securities Certificates		3,975		3,969	(6)
Long-term debt		7,555		10,648	3,093
Total long-term debt		11,530		14,617	3,087 27%
Other long term liabilities:					
Advertising advances		6,849		6,471	(378)
Deferred income tax		721		608	(113)
Other long term liabilities		477		584	107
Total other long-term liabilities		8,047		7,663	(384) -5%
Total liabilities		26,235		28,863	2,628 10%
Total stockholders' equity		2,732		152	(2,580) -94%
Total liabilities and equity	Ps	28,967	Ps	29,015	Ps 48 0%

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

	<u>Period ended June 30,</u>	
	<u>2019</u>	<u>2020</u>
Operating activities:		
Income before taxes on earnings	Ps (178)	Ps (3,059)
Charges to income not affecting resource	861	2,601
Cash flow generated before taxes to income	<u>683</u>	<u>(459)</u>
Accounts receivable	1,216	795
Inventories and performance rights	(92)	148
Accounts payable, accrued expenses and taxes on earnings	(350)	268
Net cash flow from operating activities	<u>1,457</u>	<u>752</u>
Investing activities:		
Acquisitions of property and equipment, intangibles and others	(348)	(125)
Investment in associates	-	(3)
Net cash flows from investing activities	<u>(348)</u>	<u>(129)</u>
Financing activities:		
Repayment of borrowings, net	-	(1,709)
Proceeds from borrowings	-	1,708
Interest paid	(636)	(616)
Others	(136)	(57)
Net cash flows from financing activities	<u>(772)</u>	<u>(674)</u>
Increase in cash and cash equivalents	338	(50)
Cash and cash equivalents at beginning of year	1,702	2,284
Cash and cash equivalents at end of year	<u>Ps 2,040</u>	<u>Ps 2,234</u>