

**Grupo Televisa, S. A. B.
and subsidiaries**

Consolidated financial statements

December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)





Independent Auditors' Report

To the Board of Directors and Stockholders

Grupo Televisa, S.A.B

(thousands of Mexican pesos)

Opinion

We have audited the consolidated financial statements of Grupo Televisa, S. A. B. and subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2021, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the years in the three-year period ended December 31, 2021, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Evaluation of the goodwill impairment analysis of two cash-generating units of the Cable segment

See notes 2(m), 5(b) and 13 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The goodwill balance as of December 31, 2021 was Ps. 14,036,657, of which Ps. 11,129,806 relate to two specific cash-generating units (CGU) of the Cable segment. The Group reviews for impairment the carrying amounts at least once a year, or whenever events or changes in business circumstances indicate that these carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.</p> <p>The recoverable amount of the CGUs has been determined based on the higher of the value in use (VIU) and fair value less costs of disposal (FVLCD) calculations. The determination of VIU requires the use of estimates and assumptions including the Group's expectations of future cash flows for each CGU, long-term growth rates and discount rates based on weighted average cost of capital. FVLCD estimates are based on valuation techniques such as market multiples.</p> <p>We identified the valuation of goodwill for two specific CGUs of the Cable segment as a key audit matter because the analysis of the estimated VIU used to determine whether impairment exists, involved a high degree of judgment. Specifically, the forecasted revenue growth from years 2022 through 2025, long-term growth rate and discount rate assumptions used to calculate the VIU of the CGUs were challenging to test, as changes to these assumptions have a significant effect on the Group's assessment of the carrying value of goodwill.</p>	<p>The primary procedures we performed to address this key audit matter included the following:</p> <ul style="list-style-type: none"> - We performed sensitivity analyses over the long-term growth rate and the discount rate assumptions to assess their impact on the Group's determination that the VIU of these two CGUs of the Cable segment exceeded its carrying amount. - We compared the Group's historical cash flow forecasts for these two CGUs of the Cable segment to actual cash flows to assess the Group's ability to accurately forecast and the economic drivers underlying such projections. - We involved our own valuation specialists who assisted in evaluating the methodology utilized in the valuation models, comparing the assumptions used in the development of the long-term growth rate and the discount rate to market information.



Other information

Management is responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended December 31, 2021, to be filed with the National Banking Securities Commission (Mexico) (Comisión Nacional Bancaria y de Valores) and the Mexican Stock Exchange (Bolsa Mexicana de Valores) (the Annual Report) but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of the auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,





forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Cárdenas Dosal S. C.

C.P.C. Manuel Jimenez Lara

Mexico City
March 31, 2022.



Consolidated Statements of Financial Position

As of December 31, 2021 and 2020
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Notes	2021	2020
ASSETS			
Current assets:			
Cash and cash equivalents	6 Ps.	25,828,215	Ps. 29,058,093
Trade notes and accounts receivable, net	7	13,093,011	12,343,797
Other accounts and notes receivable, net		1,026,218	818,168
Income taxes receivable		7,261,999	5,054,080
Other recoverable taxes		9,417,978	6,783,231
Derivative financial instruments	15	127	—
Due from related parties	20	874,852	786,952
Transmission rights and programming	8	7,591,669	6,396,214
Inventories		2,212,859	1,641,300
Contract costs		1,782,723	1,598,447
Other current assets		4,169,299	4,580,793
Total current assets		73,258,950	69,061,075
Non-current assets:			
Trade notes and accounts receivable, net of current portion		385,060	—
Derivative financial instruments	15	133,197	—
Transmission rights and programming	8	12,841,026	7,982,796
Investments in financial instruments	9	6,076,079	7,002,712
Investments in associates and joint ventures	10	26,704,235	22,813,531
Property, plant and equipment, net	11	87,922,126	83,281,627
Right-of-use assets, net	12	7,604,567	7,212,165
Intangible assets and goodwill, net	13	42,255,881	42,724,218
Deferred income tax assets	24	33,173,148	27,999,693
Contract costs		3,215,591	2,943,110
Other assets		172,221	225,405
Total non-current assets		220,483,131	202,185,257
Total assets	Ps.	293,742,081	Ps. 271,246,332

The accompanying notes are an integral part of these consolidated financial statements.



	Notes	2021	2020
LIABILITIES			
Current liabilities:			
Current portion of long-term debt	14 Ps.	4,106,432	Ps. 616,991
Interest payable	14	2,034,577	1,934,656
Current portion of lease liabilities	14	1,478,382	1,277,754
Derivative financial instruments	15	149,087	2,016,952
Trade accounts payable and accrued expenses		22,874,341	21,943,227
Customer deposits and advances		8,998,556	5,935,858
Income taxes payable	24	7,680,800	2,013,648
Other taxes payable		4,416,960	4,463,336
Employee benefits		2,332,260	1,262,627
Due to related parties	20	82,070	83,007
Other current liabilities	18	2,516,057	2,161,610
Total current liabilities		56,669,522	43,709,666
Non-current liabilities:			
Long-term debt, net of current portion	14	121,685,710	121,935,980
Lease liabilities, net of current portion	14	8,202,177	8,014,597
Derivative financial instruments	15	23,798	1,459,271
Income taxes payable	24	104,825	767,115
Deferred income tax liabilities	24	2,210,609	1,786,311
Post-employment benefits	16	1,913,680	2,080,651
Other long-term liabilities		6,407,696	3,553,708
Total non-current liabilities		140,548,495	139,597,633
Total liabilities		197,218,017	183,307,299
EQUITY			
Capital stock	17	4,836,708	4,907,765
Additional paid-in capital		15,889,819	15,889,819
Retained earnings	18	88,218,188	84,280,397
Accumulated other comprehensive loss, net	18	(13,621,992)	(15,556,848)
Shares repurchased	17	(14,205,061)	(16,079,124)
Equity attributable to stockholders of the Company		81,117,662	73,442,009
Non-controlling interests	19	15,406,402	14,497,024
Total equity		96,524,064	87,939,033
Total liabilities and equity	Ps.	293,742,081	Ps. 271,246,332

The accompanying notes are an integral part of these consolidated financial statements.##



Consolidated Statements of Income

For the years ended December 31, 2021, 2020 and 2019
(In thousands of Mexican pesos, except per CPO amounts)
(Notes 1, 2 and 3)

	Notes	2021	2020	2019
Net sales	26 Ps.	103,521,823	Ps. 97,361,634	Ps. 101,757,181
Cost of sales	21	59,561,521	56,989,655	59,067,362
Selling expenses	21	10,460,246	10,366,582	11,099,011
Administrative expenses	21	13,710,793	12,713,657	13,269,191
Income before other income or expense	26	19,789,263	17,291,740	18,321,617
Other income (expense), net	22	2,388,008	233,628	(1,316,587)
Operating income		22,177,271	17,525,368	17,005,030
Finance expense	23	(12,368,807)	(10,482,168)	(11,275,198)
Finance income	23	620,222	4,227,192	2,464,403
Finance expense, net		(11,748,585)	(6,254,976)	(8,810,795)
Share of income (loss) of associates and joint ventures, net	10	3,671,877	(5,739,668)	581,023
Income before income taxes		14,100,563	5,530,724	8,775,258
Income taxes	24	6,745,778	5,227,900	2,668,445
Net income	Ps.	7,354,785	Ps. 302,824	Ps. 6,106,813
Net income (loss) attributable to:				
Stockholders of the Company	Ps.	6,055,826	Ps. (1,250,342)	Ps. 4,626,139
Non-controlling interests	19	1,298,959	1,553,166	1,480,674
Net income	Ps.	7,354,785	Ps. 302,824	Ps. 6,106,813
Basic earnings (loss) per CPO attributable to stockholders of the Company	25 Ps.	2.17	Ps. (0.44)	Ps. 1.60
Diluted earnings (loss) per CPO attributable to stockholders of the Company	25 Ps.	2.01	Ps. (0.41)	Ps. 1.53

The accompanying notes are an integral part of these consolidated financial statements.



Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021, 2020 and 2019
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	Notes	2021	2020	2019
Net income		Ps. 7,354,785	Ps. 302,824	Ps. 6,106,813
Other comprehensive income (loss):				
Items that will not be reclassified to income:				
Remeasurement of post-employment benefit obligations	16	279,825	(344,313)	(247,092)
Remeasurement of post-employment benefit obligations of assets held for sale		—	—	(3,445)
Warrants issued by UHL, net of hedge	9	—	(21,899,164)	257,306
Open-Ended Fund, net of hedge	9	(19,718)	(904,423)	(351,202)
Other equity instruments	9	(123,359)	(353,496)	(794,624)
Items that may be subsequently reclassified to income:				
Exchange differences on translating foreign operations		92,555	133,522	(98,422)
Cash flow hedges		1,927,601	(1,370,145)	(1,521,912)
Other financial assets	9	—	—	111
Share of other comprehensive income (loss) of associates and joint ventures	10	245,714	(61,033)	(236,159)
Other comprehensive income (loss) before income taxes		2,402,618	(24,799,052)	(2,995,439)
Income tax (expense) benefit	24	(467,749)	7,936,914	704,164
Other comprehensive income (loss)		1,934,869	(16,862,138)	(2,291,275)
Total comprehensive income (loss)		Ps. 9,289,654	Ps. (16,559,314)	Ps. 3,815,538
Total comprehensive income (loss) attributable to:				
Stockholders of the Company		Ps. 7,990,682	Ps. (18,127,641)	Ps. 2,356,623
Non-controlling interests	19	1,298,972	1,568,327	1,458,915
Total comprehensive income (loss)		Ps. 9,289,654	Ps. (16,559,314)	Ps. 3,815,538

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Statements of Changes in Equity

For the years ended December 31, 2021, 2020 and 2019

(In thousands of Mexican pesos)

(Notes 1, 2 and 3)

		Capital Stock Issued (Note 17)		Additional Paid-in Capital		Retained Earnings (Note 18)		Accumulated Other Comprehensive Income (Loss) (Note 18)		Shares Repurchased (Note 17)		Equity Attributable to Stockholders of the Company		Non-controlling Interests (Note 19)		Total Equity
Balance at January 1, 2019	Ps.	4,907,765	Ps.	15,889,819	Ps.	78,731,909	Ps.	4,427,487	Ps.	(14,219,060)	Ps.	89,737,920	Ps.	15,013,771	Ps.	104,751,691
Acquisition of non-controlling interests		—		—		766		—		—		766		(766)		—
Dividends		—		—		(1,066,187)		—		—		(1,066,187)		(1,598,153)		(2,664,340)
Reclassification due to partial disposition of Open-Ended Fund		—		—		837,520		(837,520)		—		—		—		—
Repurchase of CPOs		—		—		—		—		(1,385,750)		(1,385,750)		—		(1,385,750)
Shares repurchased		—		—		—		—		(100,246)		(100,246)		—		(100,246)
Sale of shares		—		—		(1,585,963)		—		1,686,209		100,246		—		100,246
Share-based compensation		—		—		1,108,094		—		—		1,108,094		—		1,108,094
Total comprehensive income (loss)		—		—		4,626,139		(2,269,516)		—		2,356,623		1,458,915		3,815,538
Balance at December 31, 2019		4,907,765		15,889,819		82,652,278		1,320,451		(14,018,847)		90,751,466		14,873,767		105,625,233
Funding for acquisition of shares under the Long-term Retention Plan		—		—		—		—		(97,000)		(97,000)		—		(97,000)
Disposition of non-controlling interests in Radiópolis		—		—		—		—		—		—		(291,897)		(291,897)
Dividends to non-controlling interests		—		—		—		—		—		—		(1,653,173)		(1,653,173)
Share of income of OCEN (see Note 10)		—		—		147,975		—		—		147,975		—		147,975
Repurchase of CPOs		—		—		—		—		(195,597)		(195,597)		—		(195,597)
Shares repurchased		—		—		—		—		(111,979)		(111,979)		—		(111,979)
Sale of shares		—		—		(997,174)		—		1,109,153		111,979		—		111,979
Cancellation of sale of shares		—		—		2,764,854		—		(2,764,854)		—		—		—
Share-based compensation		—		—		962,806		—		—		962,806		—		962,806
Total comprehensive (loss) income		—		—		(1,250,342)		(16,877,299)		—		(18,127,641)		1,568,327		(16,559,314)
Balance at December 31, 2020		4,907,765		15,889,819		84,280,397		(15,556,848)		(16,079,124)		73,442,009		14,497,024		87,939,033
Funding for acquisition of shares under the Long-term Retention Plan		—		—		—		—		(328,500)		(328,500)		—		(328,500)
Dividends		—		—		(1,053,392)		—		—		(1,053,392)		(405,928)		(1,459,320)
Share cancellation		(71,057)		—		(1,510,290)		—		1,581,347		—		—		—
Shares repurchased		—		—		—		—		(774,073)		(774,073)		—		(774,073)
Sale of shares		—		—		(1,126,573)		—		1,900,646		774,073		—		774,073
Cancellation of sale of shares		—		—		505,357		—		(505,357)		—		—		—
Share-based compensation		—		—		1,066,863		—		—		1,066,863		—		1,066,863
Other		—		—		—		—		—		—		16,334		16,334
Total comprehensive income		—		—		6,055,826		1,934,856		—		7,990,682		1,298,972		9,289,654
Balance at December 31, 2021	Ps.	4,836,708	Ps.	15,889,819	Ps.	88,218,188	Ps.	(13,621,992)	Ps.	(14,205,061)	Ps.	81,117,662	Ps.	15,406,402	Ps.	96,524,064

The accompanying notes are an integral part of these consolidated financial statements.



Consolidated Statements of Cash Flows

For the years ended December 31, 2021, 2020 and 2019
(In thousands of Mexican pesos)
(Notes 1, 2 and 3)

	2021	2020	2019
Operating Activities:			
Income before income taxes	Ps. 14,100,563	Ps. 5,530,724	Ps. 8,775,258
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Share of (income) loss of associates and joint ventures	(3,671,877)	5,739,668	(581,023)
Depreciation and amortization	21,418,369	21,260,787	21,008,796
Other amortization of assets	329,144	380,863	531,426
Impairment of long-lived assets	225,136	40,803	67,574
(Gain) loss on disposition of property and equipment	(279,593)	(74,175)	270,381
Impairment loss on trade notes and accounts receivable, and other receivables	1,276,990	1,387,431	1,446,568
Post-employment benefits	259,291	292,026	259,064
Interest income	(60,174)	(72,861)	(102,675)
Share-based compensation expense	1,088,413	984,356	1,129,644
Provision for deferred compensation	—	—	199,195
Interest receivable for Asset Tax from prior years	—	—	(139,995)
Other finance loss (income), net	1,183,180	(89,323)	872,291
Gain on disposition of investments, net	(4,547,029)	(789,873)	(627)
Cancellation of provision	—	691,221	—
Interest expense	9,135,531	10,482,168	10,402,021
Unrealized foreign exchange loss (gain), net	1,805,986	(2,596,198)	(1,120,958)
	42,263,930	43,167,617	43,016,940
(Increase) decrease in trade notes and accounts receivable	(2,000,397)	634,108	4,785,389
(Increase) decrease in transmission rights and programming	(6,049,514)	(54,274)	2,632,696
Decrease (increase) in due from related parties, net	18,959	(393,631)	204,166
Increase in inventories	(571,281)	(522,003)	(128,327)
Increase in other accounts and notes receivable and other current assets	(2,882,822)	(2,469,724)	(2,789,811)
Increase (decrease) in trade accounts payable and accrued expenses	850,760	1,065,101	(1,885,865)
Increase (decrease) in customer deposits and advances	3,060,769	185,143	(7,778,497)
Increase (decrease) in other liabilities and taxes payable	2,877,152	(96,832)	(1,848,715)
Increase (decrease) in post-employment benefits	923,196	326,892	(122,261)
Income taxes paid	(9,166,602)	(8,681,478)	(8,816,632)
	(12,939,780)	(10,006,698)	(15,747,857)
Net cash provided by operating activities	29,324,150	33,160,919	27,269,083
Investing activities:			
Temporary investments	—	—	30,992
Disposition of investments in financial instruments	2,014,371	3,155,643	2,301,682
Disposition of OISE/OCEN	4,625,291	—	—
Disposition of Radiópolis	—	1,248,000	—
Disposition or investment in joint ventures	122,227	125,624	149,390
Investment in other equity instruments	(1,122,178)	(602,466)	(25,741)
Dividends received	10,000	—	772,400
Investments in property, plant and equipment	(23,267,847)	(20,131,738)	(19,108,284)
Disposition of property, plant and equipment	672,424	1,520,417	981,503
Other investments in intangible assets	(1,899,464)	(1,235,177)	(2,106,750)
Net cash used in investing activities	(18,845,176)	(15,919,697)	(17,004,808)
Financing activities:			
Long-term loans from Mexican banks	2,650,000	—	10,000,000
Repayment of Mexican peso debt	(242,489)	(492,489)	(989,156)
Issuance of Senior Notes due 2049	—	—	14,247,544
Prepayment of Notes due 2020, 2021 and 2022	—	—	(21,000,000)
Prepayment of Mexican peso debt related to Sky	(1,750,000)	(2,750,000)	—
Payments of lease liabilities	(646,527)	(668,277)	(559,623)
Other payments of lease liabilities	(1,082,226)	(953,771)	(883,533)
Repayment and prepayment of other notes payable	—	(1,324,063)	(1,294,375)
Interest paid	(8,258,243)	(9,455,387)	(9,180,141)
Funding for acquisition of shares of the Long-term Retention Plan	(328,500)	(197,000)	—
Repurchases of CPOs under a share repurchase program	—	(195,597)	(1,385,750)
Repurchase of capital stock	(774,073)	(111,979)	(100,246)
Sale of capital stock	774,073	111,979	100,246
Dividends paid	(1,053,392)	—	(1,066,187)
Dividends paid of non-controlling interests	(328,774)	(1,420,477)	(1,594,629)
Derivative financial instruments	(2,692,241)	1,261,845	(596,046)
Net cash used in financing activities	(13,732,392)	(16,195,216)	(14,301,896)
Effect of exchange rate changes on cash and cash equivalents	23,540	(11,516)	(60,449)
Net (decrease) increase in cash and cash equivalents	(3,229,878)	1,034,490	(4,098,070)
Cash and cash equivalents related to assets held for sale	—	571,338	(517,956)
Cash and cash equivalents at beginning of year	29,058,093	27,452,265	32,068,291
Cash and cash equivalents at end of year	Ps. 25,828,215	Ps. 29,058,093	Ps. 27,452,265

The accompanying notes are an integral part of these consolidated financial statements.



Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(In thousands of Mexican pesos, except per CPO, per share and exchange rate amounts, unless otherwise indicated)

1. Corporate Information

Grupo Televisa, S.A.B. (the “Company”) is a limited liability public stock corporation (“Sociedad Anónima Bursátil” or “S.A.B.”), incorporated under the laws of Mexico. Pursuant to the terms of the Company’s bylaws (“Estatutos Sociales”), its corporate existence continues through 2106. The shares of the Company are listed and traded in the form of “Certificados de Participación Ordinarios”, or “CPOs,” on the Mexican Stock Exchange (“Bolsa Mexicana de Valores” or “BMV”) under the ticker symbol TLEVISA CPO, and in the form of Global Depositary Shares, or “GDSs,” on the New York Stock Exchange, or “NYSE,” under the ticker symbol TV. The Company’s principal executive offices are located at Av. Vasco de Quiroga No. 2000, Colonia Santa Fe, 01210, Mexico City, Mexico.

Grupo Televisa, S.A.B., together with its subsidiaries (collectively, the “Group”) is a major telecommunications corporation which owns and operates one of the most significant cable companies as well as a leading direct-to-home satellite pay television system in Mexico. The Group’s cable business offers integrated services, including video, high-speed data and voice to residential and commercial customers, as well as managed services to domestic and international carriers. The Group owns a majority interest in Sky, a leading direct-to-home satellite pay television system and broadband provider in Mexico, operating also in the Dominican Republic and Central America. The Group holds a number of concessions by the Mexican government that authorizes it to broadcast programming over television stations for the signals of TelevisaUnivision, Inc. (“TelevisaUnivision”), and the Group’s cable and DTH systems. In addition, the Group is the largest shareholder of TelevisaUnivision, the controlling company of Univision Communications Inc., a leading media company producing, creating and distributing Spanish-speaking content through several broadcast channels in Mexico, the U.S. and over 60 countries through television networks, cable operators and over-the-top or “OTT” services. The Group also has interests in magazine publishing and distribution, professional sports and live entertainment, and gaming.

2. Accounting Policies

The principal accounting policies followed by the Group and used in the preparation of these consolidated financial statements are summarized below.

(a) Basis of Presentation

The consolidated financial statements of the Group as of December 31, 2021 and 2020, and for the years ended December 31, 2021, 2020 and 2019, are presented in accordance with International Financial Reporting Standards (“IFRS Standards”), as issued by the International Accounting Standards Board (“IASB”). IFRS Standards comprise: (i) IFRS Standards; (ii) International Accounting Standards (“IAS Standards”); (iii) IFRS Interpretations Committee (“IFRIC”) Interpretations; and (iv) Standing Interpretations Committee (“SIC”) Interpretations.

The consolidated financial statements have been prepared on a historical cost basis, except for the measurement at fair value of derivative financial instruments, financial assets, investments in equity financial instruments, plan assets of post-employment benefits and share-based payments, as described in the notes to the financial statements below.

The preparation of consolidated financial statements in conformity with IFRS Standards, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the Group’s financial statements are disclosed in Note 5 to these consolidated financial statements.

These consolidated financial statements were authorized for issuance on March 30, 2022, by the Group’s Corporate Vice President of Finance.

(b) Consolidation

The financial statements of the Group are prepared on a consolidated basis and include the assets, liabilities and results of operations of all companies in which the Company has a controlling interest (subsidiaries). All intercompany balances and transactions have been eliminated from the consolidated financial statements.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether or not the Company controls another entity. The subsidiaries are consolidated from the date on which control is obtained by the Company and cease to consolidate from the date on which said control is lost.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially



at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income or loss.

Changes in Ownership Interests in Subsidiaries without Change of Control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the interest acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

Loss of Control of a Subsidiary

When the Company ceases to have control of a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in income or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognized in other comprehensive income are reclassified to income or loss except for certain equity financial instruments designated irrevocably with changes in other comprehensive income or loss.

At December 31, 2021 and 2020, the main direct and indirect subsidiaries of the Company were as follows:

Subsidiaries	Company's Ownership Interest ⁽¹⁾	Business Segment ⁽²⁾
Empresas Cablevisión, S.A.B. de C.V. and subsidiaries (collectively, "Empresas Cablevisión") ⁽³⁾	51.2%	Cable
Subsidiaries engaged in the Cablemás business (collectively, "Cablemás") ⁽⁴⁾	100%	Cable
Televisión Internacional, S.A. de C.V. and subsidiaries (collectively, "TVI") ⁽⁵⁾	100%	Cable
Cablestar, S.A. de C.V. and subsidiaries (collectively, "Bestel") ⁽⁶⁾	66.2%	Cable
Arretis, S.A.P.I. de C.V. and subsidiaries (collectively, "Cablecom") ⁽⁷⁾	100%	Cable
Subsidiaries engaged in the Telecable business (collectively, "Telecable") ⁽⁸⁾	100%	Cable
FTTH de México, S.A. de C.V. ⁽⁹⁾	100%	Cable
Corporativo Vasco de Quiroga, S.A. de C.V. ("CVQ") and subsidiaries ⁽¹⁰⁾	100%	Cable and Sky
Innova, S. de R.L. de C.V. ("Innova") and subsidiaries (collectively, "Sky") ⁽¹¹⁾	58.7%	Sky
Grupo Telesistema, S.A. de C.V. ("Grupo Telesistema") and subsidiaries	100%	Content and Other Businesses
Televisa, S. de R. L. de C.V. (Televisa, S.A. de C.V. through May 2021) ("Televisa") ⁽¹²⁾	100%	Content
Televisión Independiente de México, S.A. de C.V. ("TIM") ⁽¹²⁾	100%	Content
G.Televisa-D, S.A. de C.V. ⁽¹²⁾	100%	Content
Multimedia Telecom, S.A. de C.V. ("Multimedia Telecom") and subsidiary ⁽¹³⁾	100%	Content
Ulvik, S.A. de C.V. ⁽¹⁴⁾	100%	Content and Other Businesses
Controladora de Juegos y Sorteos de México, S.A. de C.V. and subsidiaries	100%	Other Businesses
Editorial Televisa, S.A. de C.V. and subsidiaries	100%	Other Businesses
Grupo Distribuidoras Intermex, S.A. de C.V. and subsidiaries	100%	Other Businesses
Villacezán, S.A. de C.V. ("Villacezán") and subsidiaries ⁽¹⁵⁾	100%	Other Businesses
Sistema Radiópolis, S.A. de C.V. ("Radiópolis") and subsidiaries ⁽¹⁶⁾	—	Disposed operations in 2020

⁽¹⁾ Percentage of equity interest directly or indirectly held by the Company.

⁽²⁾ See Note 26 for a description of each of the Group's business segments. See Notes 3 and 30 for the Group's transaction with UH II, which was concluded on January 31, 2022.

⁽³⁾ Empresas Cablevisión, S.A.B. de C.V., is a direct majority-owned subsidiary of CVQ.

⁽⁴⁾ The subsidiaries in the Cablemás business are directly and indirectly owned by CVQ.

⁽⁵⁾ Televisión Internacional, S.A. de C.V., is a direct subsidiary of CVQ.

⁽⁶⁾ Cablestar, S.A. de C.V., is an indirect majority-owned subsidiary of CVQ and Empresas Cablevisión, S.A.B. de C.V.

⁽⁷⁾ Arretis, S.A.P.I. de C.V., is a direct subsidiary of CVQ.

⁽⁸⁾ The subsidiaries in the Telecable business are directly owned by CVQ.

⁽⁹⁾ FTTH de México, S. A. de C.V., is an indirect subsidiary of CVQ.

⁽¹⁰⁾ CVQ is a direct subsidiary of the Company and the parent company of Empresas Cablevisión, Cablemás, TVI, Bestel, Cablecom, Telecable and Innova.

⁽¹¹⁾ Innova is an indirect majority-owned subsidiary of the Company, CVQ and Sky DTH, S.A. de C.V. ("Sky DTH"), and a direct majority-owned subsidiary of Innova Holdings, S. de R.L. de C.V. ("Innova Holdings"). Sky is a satellite television provider in Mexico, Central America and the Dominican Republic. Although the Company holds a majority of Innova's equity and designates a majority of the members of Innova's Board of Directors, the non-controlling interest has certain governance and veto rights in Innova, including the right to block certain transactions



between the companies in the Group and Sky. These veto rights are protective in nature and do not affect decisions about relevant business activities of Innova.

- (12) TIM and G.Televisa-D, S.A. de C.V., are direct subsidiaries of Grupo Telesistema. Through January 31, 2022, Televisa was a direct subsidiary of Grupo Telesistema.
- (13) Multimedia Telecom and its direct subsidiary, Comunicaciones Tieren, S.A. de C.V. ("Tieren"), are indirect wholly-owned subsidiaries of Grupo Telesistema, through which the Company owns shares of the capital stock of UH II, the successor company of Univision Holdings, Inc. ("UHI") and the parent company of Univision, and maintained through December 29, 2020, an investment in warrants that were exercised for shares of common stock of UHI on that date. Multimedia Telecom and Tieren have investments representing 95.3% and 4.7%, respectively, of the Group's aggregate investment in shares of common stock issued by UH II as of December 31, 2021, and UHI as of December 31, 2020 (see Notes 3, 9, 10 and 20).
- (14) Direct subsidiary through which the Group conducts certain operations of its Other Businesses segment, and conducted certain operations of its Content segment through January 31, 2022.
- (15) Villacezán is an indirect subsidiary of Grupo Telesistema.
- (16) In July 2020, the Company concluded the sale of its 50% equity interest in Radiópolis. Through June 2020, Radiópolis was a direct subsidiary of the Company through which the Group conducted the operations of its former Radio business. The Company controlled Radiópolis as it had the right to appoint the majority of the members of the Board of Directors of Radiópolis. The Radio business was part of the Group's Other Businesses segment through the third quarter of 2019. Beginning in the fourth quarter of 2019, the assets and related liabilities of the Radio Business, as well as its operating results, were classified as held for sale in the Group's consolidated financial statements through June 30, 2020 (see Notes 3 and 26).

The Group's Cable, Sky and Content segments, require governmental concessions and special authorizations for the provision of broadcasting and telecommunications services in Mexico. Such concessions are granted by the Mexican Institute of Telecommunications ("Instituto Federal de Telecomunicaciones" or "IFT") for a fixed term, subject to renewal in accordance with the Mexican Telecommunications and Broadcasting Law ("Ley Federal de Telecomunicaciones y Radiodifusión" or "LFTR").

Renewal of concessions for the Cable and Sky segments require, among others: (i) to request its renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; and (iii) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT. IFT shall resolve any request for renewal of the telecommunications concessions within 180 business days of its request. Failure to respond within such period of time shall be interpreted as if the request for renewal has been granted.

Renewal of broadcasting concessions for the Content segment through January 31, 2022, and for the broadcast programming operations over television stations for the signals of TelevisaUnivision beginning on February 1, 2022, require, among others: (i) to request such renewal to IFT prior to the last fifth period of the fixed term of the related concession; (ii) to be in compliance with the concession holder's obligations under the LFTR, other applicable regulations, and the concession title; (iii) a declaration by IFT that there is no public interest in recovering the spectrum granted under the related concession; and (iv) the acceptance by the concession holder of any new conditions for renewing the concession as set forth by IFT, including the payment of a related fee. IFT shall resolve within the year following the presentation of the request, if there is public interest in recovering the spectrum granted under the related concession, in which case it will notify its determination and proceed with the termination of the concession at the end of its fixed term. If IFT determines that there is no public interest in recovering the spectrum, it will grant the requested extension within 180 business days, provided that the concessionaire accepts, in advance, the new conditions set by IFT, which will include the payment of the fee referred to above. Such fee will be determined by IFT for the relevant concessions, considering the following elements: (i) the frequency band; (ii) the amount of spectrum; (iii) coverage of the frequency band; (iv) domestic and international benchmark regarding the market value of frequency bands; and (v) upon request of IFT, an opinion issued by the Ministry of Finance and Public Credit of IFT's proposal for calculation of the fee.

The regulations of the broadcasting and the telecommunications concessions (including satellite pay TV) establish that at the end of the concession, the frequency bands or spectrum attached to the services provided in the concessions shall return to the Mexican government. In addition, at the end of the concession, the Mexican government will have the preferential right to acquire infrastructure, equipment and other goods directly used in the provision of the concession. If the Mexican government were to exercise its right to acquire infrastructure, equipment and other goods, it would be required to pay a price that is equivalent to a formula that is similar to fair value. To the knowledge of the Company's management, no spectrum granted for broadcasting services in Mexico has been recovered by the Mexican government in at least the past three decades for public interest reasons. However, the Company's management is unable to predict the outcome of any action by IFT in this regard. In addition, these assets, by themselves, would not be enough to immediately begin broadcasting or offering satellite pay TV services or telecommunications services, as no content producing assets or other equipment necessary to operate the business would be included.

Also, the Group's Gaming business, which is reported in the Other Businesses segment, requires a permit granted by the Mexican Federal Government for a fixed term, subject to renewal in accordance with Mexican law. Additionally, the Group's Sky businesses in Central America and the Dominican Republic require concessions or permits granted by local regulatory authorities for a fixed term, subject to renewal in accordance with local laws.

The accounting guidelines provided by IFRIC 12 *Service Concession Arrangements*, are not applicable to the Group due primarily to the following factors: (i) the Mexican government does not substantially control the Group's infrastructure, what services are provided with the infrastructure and the price at which such services are offered; (ii) the Group's broadcasting service does not constitute a public service as per the definition in IFRIC 12; and (iii) the Group is unable to divide its infrastructure among the public (telephony and possibly Internet services) and non-public (pay TV) service components.



At December 31, 2021, the expiration dates of the Group's concessions and permits were as follows:

Segments	Expiration Dates
Cable	Various from 2026 to 2056
Sky	Various from 2022 to 2056
Content (broadcasting concessions) ⁽¹⁾	In 2021, and the relevant renewals started in 2022 ending in 2042 and 2052
Other Businesses:	
Gaming	In 2030

⁽¹⁾ In November 2018, the IFT approved (i) 23 concessions for the use of spectrum that comprise the Company's 225 TV stations, for a term of 20 years, starting in January 2022 and ending in January 2042, and (ii) six concessions that grant the authorization to provide digital broadcasting television services of such 225 TV stations, for a term of 30 years, starting in January 2022 and ending in January 2052. In November 2018, the Group paid for such renewal an aggregate amount of Ps.5,754,543 in cash, which included a payment of Ps.1,194 for administrative expenses and recognized this payment as an intangible asset in its consolidated statement of financial position. This amount will be amortized in a period of 20 years beginning on January 1, 2022, by using the straight-line method (see Note 13).

The concessions or permits held by the Group are not subject to any significant pricing regulations in the ordinary course of business.

(c) Investments in Associates and Joint Ventures

Associates are those entities over which the Group has significant influence but not control or joint control, over the financial and operating policies, generally those entities with a shareholding of between 20% and 50% of the voting rights. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are those joint arrangements where the Group exercises joint control with other stockholder or more stockholders, without exercising control individually, and have rights to the net assets of the joint arrangements. Investments in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the net assets of the investee after the date of acquisition. The investor's income or loss includes its share of the investee's income or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

The Group's investments in associates include an equity interest in UH II (the successor company of UHI) represented by approximately 35.5% and 35.9% of the outstanding total shares of UH II (the successor company of UHI) as of December 31, 2021 and 2020, respectively (see Notes 3, 9 and 10).

If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the investee, the Group discontinues recognizing its share of further losses. The interest in an associate or a joint venture is the carrying amount of the investment in the investee under the equity method together with any other long-term investment that, in substance, form part of the Group's net investment in the investee. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Co-Chief Executive Officers ("chief operating decision makers"), who are responsible for allocating resources and assessing performance for each of the Group's operating segments.

(e) Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The presentation and reporting currency of the Group's consolidated financial statements is the Mexican peso, which is used for compliance with its legal and tax obligations.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or measurement where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income as part of finance income or expense, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as investments in financial instruments are analyzed between exchange differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in income or loss, and other changes in carrying amount are recognized in other comprehensive income or loss.



Translation of Foreign Operations

The financial statements of the Group's foreign entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of the statement of financial position; (b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); (c) stockholders' equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated and (d) all resulting translation differences are recognized in other comprehensive income or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences arising are recognized in other comprehensive income or loss.

Assets and liabilities in foreign currencies of non-Mexican subsidiaries that use the Mexican Peso as a functional currency are initially converted to Mexican Pesos by utilizing the exchange rate of the statement of financial position date for monetary assets and liabilities, and historical exchange rates for non-monetary items, with the related adjustment included in the consolidated statement of income as finance income or expense.

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) has been designated as a hedge of a net investment in a foreign operation in connection with the Group's investment in shares of UH II (UHI, until May 18, 2021) (hedged item), which amounted to U.S.\$1,254.5 million (Ps.25,721,539) and U.S.\$1,074.0 million (Ps.21,424,180) as of December 31, 2021 and 2020, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt is credited or charged directly to other comprehensive income or loss as a cumulative result from foreign currency translation (see Note 10).

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) was designated as a fair value hedge of foreign exchange exposure related to its investment in warrants that were exercisable for common stock of UHI (hedged item) through December 29, 2020, the date on which the Group exercised all of these warrants for common stock of UHI, which amounted to Ps.17,387,699 (U.S.\$871.6 million) as of December 29, 2020 and Ps.33,775,451 (U.S.\$1,788.6 million) as of December 31, 2019. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt was credited or charged directly to other comprehensive income or loss through December 29, 2020, along with the recognition in the same line item of any foreign currency gain or loss of this investment in warrants designated as a hedged item through that date (see Notes 9, 14 and 18).

A portion of the Group's outstanding principal amount of its U.S. dollar denominated long-term debt (hedging instrument, disclosed in the line item "Long-term debt, net of current portion" of the consolidated statement of financial position) has been designated as a fair value hedge of foreign exchange exposure related to its investment in Open-Ended Fund (hedged item), which amounted to Ps.945,176 (U.S.\$46.1 million) and Ps.1,135,803 (U.S.\$56.9 million), as of December 31, 2021 and 2020, respectively. Consequently, any foreign exchange gain or loss attributable to this designated hedging long-term debt is credited or charged directly to other comprehensive income or loss, along with the recognition in the same line item of any foreign currency gain or loss of this investment in Open-Ended Fund designated as a hedged item (see Notes 9, 14 and 18).

(f) Cash and Cash Equivalents and Temporary Investments

Cash and cash equivalents consist of cash on hand and all highly liquid investments with an original maturity of three months or less at the date of acquisition. Cash is stated at nominal value and cash equivalents are measured at fair value, and the changes in the fair value are recognized in the statement of income.

Temporary investments consist of short-term investments in securities, including without limitation debt with a maturity of over three months and up to one year at the date of acquisition, stock and other financial instruments, or a combination thereof, as well as current maturities of noncurrent financial assets. Temporary investments are measured at fair value with changes in fair value recognized in finance income in the consolidated income statement, except the current maturities of non-current held-to-maturity securities which are measured at amortized cost.

As of December 31, 2021 and 2020, cash equivalents and temporary investments primarily consisted of fixed short-term deposits and corporate fixed income securities denominated in U.S. dollars and Mexican pesos, with an average yield of approximately 0.07% for U.S. dollar deposits and 4.36% for Mexican peso deposits in 2021, and approximately 0.38% for U.S. dollar deposits and 5.40% for Mexican peso deposits in 2020.

(g) Transmission Rights and Programming

Programming is comprised of programs, literary works, production talent advances and films.

Transmission rights and literary works are valued at the lesser of acquisition cost and net realizable value. Programs and films are valued at the lesser of production cost, which consists of direct production costs and production overhead, and net realizable value. Payments for production talent advances are initially capitalized and subsequently included as direct or indirect costs of program production. Transmission rights are recognized from the point of which the legally enforceable license period begins. Until the license term commences and the programming rights are available, payments made are recognized as prepayments.

The Group's policy is to capitalize the production costs of programs which benefit more than one annual period and amortize them over the expected period of future program revenues based on the Company's historical revenue patterns and usage for similar productions.

Transmission rights, programs, literary works, production talent advances and films are recorded at acquisition or production cost. Cost of sales is calculated and recorded for the month in which such transmission rights, programs, literary works, production talent advances and films are matched with related revenues.



Transmission rights are recognized in income over the lives of the contracts. Transmission rights in perpetuity are amortized on a straight-line basis over the period of the expected benefit as determined by past experience, but not exceeding 25 years.

(h) Inventories

Inventories of paper, magazines, materials and supplies for maintenance of technical equipment are recorded at the lower of cost or its net realizable value. The net realization value is the estimated selling price in the normal course of business, less estimated costs to conduct the sale. Cost is determined using the average cost method.

(i) Financial Assets

The Group classifies its financial assets in accordance with IFRS 9 *Financial Instruments* ("IFRS 9") which became effective on January 1, 2018. Under the guidelines of IFRS 9, the Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or loss ("FVOCI"), or fair value through income or loss ("FVIL"), based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Financial Assets Measured at Amortized Cost

Financial assets are measured at amortized cost when the objective of holding such financial assets is to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are only payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, with changes in carrying amount recognized in the consolidated statement of income in the line which most appropriately reflects the nature of the item or transaction. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period that are included in non-current assets. The Group's financial assets measured at amortized costs are primarily presented as "trade notes and accounts receivable", "other accounts and notes receivable", and "due from related parties" in the consolidated statement of financial position (see Note 7).

Financial Assets Measured at FVOCI

Financial assets are measured at FVOCI when the objective of holding such financial assets is both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's investments in certain equity instruments have been designated to be measured at FVOCI, as permitted by IFRS 9. In connection with this designation, any amounts presented in consolidated other comprehensive income are not subsequently transferred to consolidated income. Dividends from these equity instruments are recognized in consolidated income when the right to receive payment of the dividend is established, and such dividend is probable to be paid to the Group.

Financial Assets at FVIL

Financial assets at FVIL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Impairment of Financial Assets

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables (see Note 7).

Offsetting of Financial Instruments

Financial assets are offset against financial liabilities and the net amount reported in the consolidated statement of financial position if, and only when the Group: (i) currently has a legally enforceable right to set off the recognized amounts; and (ii) intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

(j) Property, Plant and Equipment

Property, plant and equipment are recorded at acquisition cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to income or loss during the financial period in which they are incurred.



Land is not depreciated. Depreciation of property, plant and equipment is based upon the carrying amount of the assets in use and is computed using the straight-line method over the estimated useful lives of the asset, as follows:

	Estimated Useful Lives
Buildings	20-65 years
Technical equipment	3-30 years
Satellite transponders	15 years
Furniture and fixtures	3-10 years
Transportation equipment	4-8 years
Computer equipment	3-6 years
Leasehold improvements	5-30 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income or expense in the consolidated statement of income.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

(k) Right-of-use Assets

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight – line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and mostly leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(l) Intangible Assets and Goodwill

Intangible assets and goodwill are recognized at acquisition cost. Intangible assets and goodwill acquired through business combinations are recorded at fair value at the date of acquisition. Intangible assets with indefinite useful lives, which include, trademarks, concessions, and goodwill, are not amortized, and subsequently recognized at cost less accumulated impairment losses. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, as follows:

	Estimated Useful Lives
Trademarks with finite useful lives	4 years
Licenses	3-10 years
Subscriber lists	4-5 years
Payments for renewal of concessions	20 years
Other intangible assets	3-20 years

Trademarks

The Group determines its acquired trademarks to have an indefinite life when they are expected to generate net cash inflows for the Group indefinitely. Additionally, the Group considers that there are no legal, regulatory or contractual provisions that limit the useful lives of trademarks. The Group has not capitalized any amounts associated with internally developed trademarks.

Concessions

The Group defined concessions to have an indefinite life due to the fact that the Group has a history of renewing its concessions upon expiration, has maintained the concessions granted by the Mexican government, and has no foreseeable limit to the period over which the assets are expected to generate net cash inflows. In addition, the Group is committed to continue to invest for the long term to extend the period over which the broadcasting and telecommunications concessions are expected to continue to provide economic benefits.

Any fees paid by the Group to regulatory authorities for concessions renewed are determined to have finite useful lives and are amortized on a straight-live basis over the fixed term of the related concession.

Goodwill

Goodwill arises on the acquisition of a business and represents the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.



For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher between the value in use and the fair value less costs to sell. Any impairment of goodwill is recognized as an expense in the consolidated statement of income and is not subject to be reversed in subsequent periods.

(m) Impairment of Long-lived Assets

The Group reviews for impairment the carrying amounts of its long-lived assets, tangible and intangible, including goodwill (see Note 13), at least once a year, or whenever events or changes in business circumstances indicate that these carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine whether an impairment exists, the carrying amount of the reporting unit is compared with its recoverable amount. Fair value estimates are based on quoted market values in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including discounted value of estimated future cash flows, market multiples or third-party appraisal valuations. Any impairment of long-lived assets other than goodwill may be subsequently reversed under certain circumstances.

(n) Trade Accounts Payable and Accrued Expenses

Trade accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable and accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Trade accounts payable and accrued expenses are presented as a single item of consolidated current liabilities in the consolidated statements of financial position as of December 31, 2021 and 2020.

(o) Debt

Debt is recognized initially at fair value, net of transaction costs incurred. Debt is subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period on which the debt is outstanding using the effective interest method.

Fees paid on the establishment of debt facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Current portion of long-term debt and interest payable are presented as a separate line item in the consolidated statements of financial position as of December 31, 2021 and 2020.

Debt early redemption costs are recognized as finance expense in the consolidated statement of income.

(p) Customer Deposits and Advances

Customer deposits and advance agreements for advertising services provide that customers receive prices that are fixed for the contract period for advertising time in the Group's platforms based on rates established by the Group. Such rates vary depending on when the advertisement is made, including the season, hour, day and type of programming.

The Group recognizes customer deposits and advance agreements for advertising services in the consolidated statement of financial position, when these agreements are executed either with a consideration in cash paid by customers or with short-term non-interest bearing notes received from customers in connection with annual ("upfront basis") and from time to time ("scatter basis") prepayments (see Note 7). In connection with the initial adoption of IFRS 15 *Revenues from Contracts with Customers* ("IFRS 15") in the first quarter of 2018 (see Note 2 (s)), customer deposits and advances agreements are presented by the Group as a contract liability in the consolidated statement of financial position when a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer. Under the guidelines of this standard, a contract liability is a Group's obligation to transfer services or goods to a customer for which the Group has received consideration, or an amount of consideration is due, from the customer. In addition, the Group recognizes contract asset upon the approval of non-cancellable contracts that generate an unconditional right to receive cash consideration prior to services being rendered. The Company's management has consistently recognized that an amount of consideration is due, for legal, finance and accounting purposes, when a short-term non-interest bearing note is received from a customer in connection with a deposit or advance agreement entered into with the customer for advertising services to be rendered by the Group in the short term.



(q) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognized as interest expense.

(r) Equity

The capital stock and other equity accounts include the effect of restatement through December 31, 1997, determined by applying the change in the Mexican National Consumer Price Index between the dates capital was contributed or net results were generated and December 31, 1997, the date through which the Mexican economy was considered hyperinflationary under the guidelines of IFRS Standards. The restatement represented the amount required to maintain the contributions and accumulated results in Mexican Pesos in purchasing power as of December 31, 1997.

Where any company in the Group purchases shares of the Company's capital stock (shares repurchased), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to stockholders of the Company until the shares are cancelled, reissued, or sold. Where such shares repurchased are subsequently reissued or sold, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to stockholders of the Company.

(s) Revenue Recognition and Contract Costs

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group derives the majority of its revenues from media and entertainment-related business activities both in Mexico and internationally. Revenues are recognized when the service is provided and collection is probable. A summary of revenue recognition policies by significant activity is as follows:

- Cable television, internet and telephone subscription, and pay-per-view and installation fees are recognized in the period in which the services are rendered.
- Revenues from other telecommunications and data services are recognized in the period in which these services are provided. Other telecommunications services include long distance and local telephony, as well as leasing and maintenance of telecommunications facilities.
- Sky program service revenues, including advances from customers for future direct-to-home ("DTH") program services, are recognized at the time the service is provided.
- Advertising revenues, including deposits and advances from customers for future advertising, are recognized at the time the advertising services were rendered.
- Revenues from program services for network subscription and licensed and syndicated television programs are recognized when the programs were sold and became available for broadcast.
- Revenues from magazine subscriptions are initially deferred and recognized proportionately as products are delivered to subscribers. Revenues from the sales of magazines are recognized on the date of circulation of delivered merchandise, net of a provision for estimated returns.
- Revenues from publishing distribution are recognized upon distribution of the products.
- Revenues from attendance to soccer games, including revenues from advance ticket sales for soccer games and other promotional events, are recognized on the date of the relevant event.
- Motion picture production and distribution revenues are recognized as the films were exhibited.
- Gaming revenues consist of the net win from gaming activities, which is the difference between amounts wagered and amounts paid to winning patrons and are recognized at the time of such net win.

In respect to sales of multiple products or services, the Group evaluates whether it has fair value evidence for each deliverable in the transaction. For example, the Group sells cable television, internet and telephone subscription to subscribers in a bundled package at a rate lower than if the subscriber purchases each product on an individual basis. Subscription revenues received from such subscribers are allocated to each product in a pro-rata manner based on the fair value of each of the respective services.



Contract Costs

Incremental costs for obtaining contracts with customers in the Cable and Sky segments, primarily commissions, are recognized as contract costs (assets) in the Group's consolidated statement of financial position and amortized in the expected life of contracts with customers.

The Group has recognized assets from incremental costs of obtaining contracts with customers, primarily commissions, which were classified as current and non-current assets in its consolidated financial statements as of December 31, 2021 and 2020, as follows:

	Cable	Sky	Total
Contract costs:			
At January 1, 2021	Ps. 2,027,691	Ps. 2,513,866	Ps. 4,541,557
Additions	1,209,894	1,088,956	2,298,850
Amount recognized in income	(739,461)	(1,102,632)	(1,842,093)
Total Contract Costs at December 31, 2021	2,498,124	2,500,190	4,998,314
Less:			
Current Contract Costs	797,273	985,450	1,782,723
Total Non-current Contract Costs	Ps. 1,700,851	Ps. 1,514,740	Ps. 3,215,591

	Cable	Sky	Total
Contract costs:			
At January 1, 2020	Ps. 1,436,758	Ps. 2,254,479	Ps. 3,691,237
Additions	1,163,038	1,335,300	2,498,338
Amount recognized in income	(572,105)	(1,075,913)	(1,648,018)
Total Contract Costs at December 31, 2020	2,027,691	2,513,866	4,541,557
Less:			
Current Contract Costs	640,655	957,792	1,598,447
Total Non-current Contract Costs	Ps. 1,387,036	Ps. 1,556,074	Ps. 2,943,110

(t) Interest Income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

(u) Employee Benefits

Pension and Seniority Premium Obligations

Plans exist for pensions and seniority premiums (post-employment benefits), for most of the Group's employees funded through irrevocable trusts. Increases or decreases in the consolidated liability or asset for post-employment benefits are based upon actuarial calculations. Contributions to the trusts are determined in accordance with actuarial estimates of funding requirements. Payments of post-employment benefits are made by the trust administrators. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement of post-employment benefit obligations related to experience adjustments and changes in actuarial assumptions of post-employment benefits are recognized in the period in which they are incurred as part of other comprehensive income or loss in consolidated equity.

Profit Sharing

The employees' profit sharing required to be paid under certain circumstances in Mexico, is recognized as a direct benefit to employees in the consolidated statements of income in the period in which it is incurred.

Termination Benefits

Termination benefits, which mainly represent severance payments by law, are recorded in the consolidated statement of income. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that involves the payment of termination benefits.

(v) Income Taxes

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically



evaluates positions taken in tax returns and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than in a business combination) that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is recovered or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax loss carryforwards can be utilized. For this purpose, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, and future reversals of existing temporary differences.

Deferred income tax liabilities are provided on taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are provided on deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefit of the temporary difference and it is expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(w) Derivative Financial Instruments

The Group recognizes derivative financial instruments as either assets or liabilities in the consolidated statements of financial position and measures such instruments at fair value. The accounting for changes in the fair value of a derivative financial instrument depends on the intended use of the derivative financial instrument and the resulting designation. For a derivative financial instrument designated as a cash flow hedge, the effective portion of such derivative's gain or loss is initially reported as a component of other comprehensive income or loss and subsequently reclassified into income when the hedged exposure affects income. The ineffective portion of the gain or loss is reported in income immediately. For a derivative financial instrument designated as a fair value hedge, the gain or loss is recognized in income in the period of change together with the offsetting loss or gain on the hedged item attributed to the risk being hedged. When a hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income remains in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to income or loss. For derivative financial instruments that are not designated as accounting hedges, changes in fair value are recognized in income in the period of change. During the years ended December 31, 2021, 2020 and 2019, certain derivative financial instruments qualified for hedge accounting (see Note 15).

(x) Comprehensive Income

Comprehensive income for the period includes the net income for the period presented in the consolidated statement of income plus other comprehensive income for the period reflected in the consolidated statement of comprehensive income.

(y) Share-based Payment Agreements

Key officers and employees of certain subsidiaries of the Company have entered into agreements for the conditional sale of Company's shares under the Company's Long-Term Retention Plan ("LTRP"). The share-based compensation expense is measured at fair value at the date the equity benefits are conditionally sold to these officers and employees, and recognized as a charge to consolidated income (administrative expense) over the vesting period. The Group recognized a share-based compensation expense of Ps.1,088,413, Ps.984,356 and Ps.1,129,644 for the years ended December 31, 2021, 2020 and 2019, respectively, of which Ps.1,066,863, Ps.962,806 and Ps.1,108,094 was credited in consolidated stockholders' equity for each of those years, respectively (see Note 17).

(z) Leases

In the first quarter of 2019, the Group adopted IFRS 16 *Leases* ("IFRS 16"), which became effective for annual periods beginning on January 1, 2019 (see Note 28). The Group does not apply this IFRS Standard to short-term leases and leases for which the underlying asset is of low value, as permitted by the guidelines of IFRS 16.

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as operating leases under the guidelines of IAS 17 *Leases* ("IAS 17"). These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019, was 4.7% and 10.6% for U.S. dollars leases and Mexican pesos leases, respectively.



(aa) New and Amended IFRS Standards

The Group adopted IFRS 16 in 2019, which became effective for annual periods beginning on January 1, 2019 (see Notes 2 (k), 2 (z) and 28). Some other amendments and improvements to certain IFRS Standards became effective on January 1, 2021, 2020 and 2019, and they did not have any significant impact on the Group's consolidated financial statements.

Below is a list of the new and amended IFRS Standards that have been issued by the IASB and are effective for annual periods beginning on January 1, 2022.

New or Amended IFRS Standard	Title of the IFRS Standard	Effective for Annual Periods Beginning On or After
Amendments to IFRS 10 and IAS 28 ⁽¹⁾	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Postponed
IFRS 17 ⁽²⁾	<i>Insurance Contracts</i>	January 1, 2023
Amendments to IAS 1 ⁽¹⁾	<i>Classification of Liabilities as Current or Non-current</i>	January 1, 2023
Annual Improvements ⁽¹⁾	<i>Annual Improvements to IFRS Standards 2018-2020</i>	January 1, 2022
Amendments to IAS 16 ⁽¹⁾	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>	January 1, 2022
Amendments to IAS 37 ⁽¹⁾	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>	January 1, 2022
Amendments to IFRS 3 ⁽¹⁾	<i>Reference to the Conceptual Framework</i>	January 1, 2022
Amendments to IAS 8 ⁽¹⁾	<i>Definition of Accounting Estimates</i>	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2 ⁽¹⁾	<i>Disclosure of Accounting Policies</i>	January 1, 2023
Amendment to IFRS 16 ⁽¹⁾	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	April 1, 2021
Amendments to IAS 12 ⁽¹⁾	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	January 1, 2023
Amendment to IFRS 17 ⁽²⁾	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information</i>	January 1, 2023

⁽¹⁾ This new or amended IFRS Standard is not expected to have a significant impact on the Group's consolidated financial statements.

⁽²⁾ This new or amended IFRS Standard is not expected to be applicable to the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, were issued in September 2014, and addressed and acknowledged an inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and those in IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB decided to postpone the effective date of these amendments indefinitely. Entities are required apply these amendments prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by the IASB. Earlier application is permitted. If an entity applies these amendments earlier, it shall disclose that fact. These amendments are expected to be applicable to the Group's consolidated financial statements in connection with the closing of the transaction with UH II in the first quarter of 2022 (see Note 3). As permitted, the Group will apply these amendments in 2022 and disclose this fact in its consolidated financial statements.

IFRS 17 *Insurance Contracts* ("IFRS 17") was issued in May 2017 and amended in June 2020. IFRS 17 supersedes IFRS 4 *Insurance Contracts* ("IFRS 4"), which has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosures of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts with discretionary participation features issued. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Under the provisions of IFRS 17, insurance obligations will be accounted for using current values instead of historical cost. Amendments to IFRS 17 were issued in June 2020 aimed at helping companies implement the Standard and making it easier for them to explain their financial performance. The fundamental principles introduced when IFRS 17 was issued in May 2017 remained unaffected. IFRS 17 is effective on January 1, 2023, and earlier application is permitted.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* were issued in January 2020, and clarify one of the criteria in IAS 1 for classifying a liability as non-current that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2023, retrospectively in accordance with IAS 8. Earlier application is permitted.

Annual Improvements to IFRS Standards 2018-2020, were issued in May 2020, and make minor amendments to certain IFRS Standards. The amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The following table shows the IFRS Standards amended and the subject of the amendments.

Standard	Subject of Amendment
IFRS 1 <i>First-time Adoption of International Reporting Standards</i>	<i>Subsidiary as a First-time Adopter</i>
IFRS 9 <i>Financial Instruments</i>	<i>Fees in the "10 per cent" Test for Derecognition of Financial Liabilities</i>
Illustrative Examples accompanying IFRS 16 <i>Leases</i>	<i>Lease Incentives</i>
IAS 41 <i>Agriculture</i>	<i>Taxation in Fair Value Measurements</i>

Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use*, were issued in May 2020, and prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in income or loss.



Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*, were issued in May 2020, and specify which costs a company includes when assessing whether a contract will be loss-making, under the guidelines of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (“IAS 37”). The amendments are effective for contracts for which an entity has not yet fulfilled all its obligations on or after 1 January 2022. Earlier application is permitted.

Amendments to IFRS 3 *Reference to the Conceptual Framework*, were issued in May 2020, and update a reference in IFRS 3 *Business Combinations* (“IFRS 3”) to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Also added to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37. The Board added this exception to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognized some liabilities on the acquisition of a business that it would not recognize in other circumstances. Immediately after the acquisition, the entity would have had to derecognize such liabilities and recognize a gain that did not depict an economic gain. The amendments to IFRS 3 are effective for business combinations occurring in reporting periods starting on or after January 1, 2022. Earlier application is permitted.

Amendments to IAS 8 *Definition of Accounting Estimates*, were issued in February 2021, the amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*, were issued in February 2021, the Board amended paragraphs 117–122 of IAS 1 *Presentation of Financial Statements* to require entities to disclose their material accounting policy information rather than their significant accounting policies. To support this amendment the Board also amended IFRS Practice Statement 2 *Making Materiality Judgements* (Materiality Practice Statement) to explain and demonstrate the application of the “four-step materiality process” to accounting policy disclosures.

Amendment to IFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* was issued in March 2021 and extends by one year the application period of the practical expedient in IFRS 16. In response to calls from stakeholders and because the Covid-19 pandemic is still at its height, the amendment extends this relief by one year to cover rent concessions that reduce only lease payments due on or before June 30, 2022. The original amendment was issued in May 2020 and exempts lessees from having to consider individual lease contracts to determine whether rent concessions, such as rent holidays and temporary rent reductions, occurring as a direct consequence of the Covid-19 pandemic are lease modifications, and allows lessees to account for such rent concessions as if they were not lease modifications. The amendment is effective for annual reporting periods beginning on or after April 1, 2021.

Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* were issued in May 2021 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. IAS 12 *Income Taxes* specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets and liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments will become effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted.

Amendment to IFRS 17 *Initial Application of IFRS 17 and IFRS 9 – Comparative Information*, was issued in December 2021 and includes a narrow-scope amendment to the transition requirements in IFRS 17, providing insurers with an option aimed at improving the usefulness of information to investors on initial application of the new Standard. The amendment relates to insurers' transition to the new Standard only, and it does not affect any other requirements in IFRS 17. IFRS 17 and IFRS 9 have different transition requirements. For some insurers, these differences can cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time. IFRS 17, including this amendment, is effective for annual reporting periods beginning on or after January 1, 2023.

3. Disposition of OCEN and Radiópolis, and Transaction with UH II

In July 2019, the Company announced an agreement with Live Nation Entertainment, Inc. (“Live Nation”) to dispose of its 40% equity interest in OCESA Entretenimiento, S.A. de C.V. (“OCEN”), a live entertainment company with operations in Mexico, Central America and Colombia. OCEN (i) is a direct associate of OISE Entretenimiento, S.A. de C.V. (“OISE Entretenimiento”), which was a wholly-owned subsidiary of the Company; and (ii) was a former subsidiary of Compañía Interamericana de Entretenimiento, S.A.B. de C.V. (“CIE”). The disposal of OCEN was expected to be completed by the parties in the first half of 2020, through the sale of the total outstanding shares of OISE Entretenimiento, which net assets were comprised primarily of the 40% equity stake in OCEN. This transaction was subject to customary closing conditions, including regulatory approvals and certain notifications, and to the closing of the proposed sale by CIE to Live Nation of a portion of its stake in OCEN. In consideration for the sale of the shares of OISE Entretenimiento, the Company expected to receive cash proceeds in the aggregate amount of Ps.5,206,000. As a result of this transaction, beginning on July 31, 2019, the Group classified the assets of OISE Entretenimiento, including the carrying amount of its investment in OCEN as current assets held for sale in its consolidated statement of financial position. In connection with a purported unilateral termination of the stock purchase agreement by Live Nation which was notified to the Company in May 2020, beginning on May 31, 2020, the Company: (i) ceased to classify the assets of OISE Entretenimiento, including the investment in OCEN, as current assets held for sale; (ii) classified its equity interest in OCEN as an investment in associates and joint ventures in its consolidated statement of financial position; (iii) recognized its share of income of OCEN, which was discontinued from August 1, through December 31, 2019, in consolidated retained earnings as of January 1, 2020 in the amount of Ps.147,975 and (iv) began to recognize its share of income or loss of OCEN for the year ended December 31, 2020. On September 13, 2021, the Company announced that it had reached an agreement with Live Nation to move forward with the previously announced acquisition by Live Nation of the Group's unconsolidated 40% equity participation in OCEN. As a result, the Group classified the assets of OISE Entretenimiento, including the carrying amount of its investment in OCEN, as current assets held for sale in its consolidated statement



of financial position as of September 30, 2021, and discontinued recognizing its share of income or loss from October 1 through November 30, 2021. On December 6, 2021, the Company announced the closing of the sale of its consolidated 40% equity participation in OCEN to Live Nation. In December 2021, the Company concluded this transaction and received a payment in cash of Ps.4,806,549; recognized an account receivable of Ps.364,420 in connection with a 7% retention of the total amount of the transaction to cover OCEN potential operating losses, if any, for a period of time following closing; and accounted for a pretax income of Ps.4,547,029 for the disposal of this investee in other consolidated income for the year ended December 31, 2021 (see Notes 10 and 20).

In July 2019, the Company announced a stock purchase agreement with Corporativo Coral, S.A. de C.V. ("Coral") and Miguel Alemán Magnani as Obligor to dispose of its 50% equity interest in Radiópolis, a direct subsidiary of the Company at that date which was engaged in the Radio business, for an aggregate amount of Ps.1,248,000, as well as the payment of a dividend by Radiópolis to the Company by the closing date of the transaction. While the sale of the Company's equity interest in the Radio business was consummated for legal and tax purposes as of December 31, 2019, the total assets and related total liabilities of Radiópolis in the amount of Ps.1,675,426 and Ps.432,812, respectively, as of December 31, 2019, were classified as current assets and current liabilities held for sale in the Group's consolidated statement of financial position as of that date, as the voting interest of the Company in Radiópolis continued to be in place until the full payment of the purchase price was made by the acquirer. In March and June 2020, the Company entered into additional agreements with Coral as its Obligor to complete this transaction by which, among other things, the acquirer made two cash payments in March and June 2020, for the amount of Ps.603,395 and Ps.110,000, respectively, and a final cash payment in July 2020 for the amount of Ps.534,605. In July 2020, the Company concluded this transaction and received the payment of a dividend from Radiópolis in the amount of Ps.285,669. As a result of this transaction, the Group recognized a pre-tax gain on the disposition of Radiópolis of Ps.932,449 in consolidated other income for the year ended December 31, 2020. Following this transaction, the Group classified its former Radio operations as disposed operations in the segment information of its consolidated statements of income for the years ended December 31, 2020 and 2019. The Group did not classify its former Radio operations as discontinued operations in these consolidated statements of income, as these operations did not represent a separate major line of business in any of those years, based on a materiality assessment performed by management (see Notes 2 (b), 22 and 26).

On April 13, 2021, the Group and Univision Holdings, Inc. ("UHI") announced a transaction agreement (the "Transaction Agreement") in which the Group's content and media assets would be combined with UH II (the successor company of UHI, as referred to in the paragraph below), and the Group would continue to participate in UH II, with an equity stake of approximately 45% following the closing of the transaction. The Group would also retain ownership of its Cable, Sky and Other Businesses segments, as well as the main real estate associated with the production facilities, the broadcasting concessions and transmission infrastructure in Mexico. The Group would contribute to UH II the assets specified in the Transaction Agreement, including, subject to certain exceptions, its Content business, for a total value of U.S.\$4,500 million, comprised of U.S.\$3,000 million in cash, U.S.\$750 million in common stock of UH II and U.S.\$750 million in preferred stock of UH II, with an annual dividend of 5.5%. In connection with this transaction, UHI would receive all assets, intellectual property and library related to the News division of the Group's Content business, but will outsource production of news content for Mexico to a company owned by the Azcárraga family. The combination was approved by each of the Board of Directors of the Company, the Board of Directors of UHI, and the Stockholders of the Company in the first half of 2021. The transaction was subject to customary closing conditions, including receipt of regulatory approvals in primarily in the United States and Mexico, among others. On September 14, 2021, the IFT announced its approval of this transaction. As of December 31, 2021, the Group continued to consolidate the results of its Content business as the Group had not ceased to exercise control of this business segment as of that date. Also, as of December 31, 2021, the Group continued to present its Content business as a reportable segment of continuing operations, as all the required regulatory approvals had not been obtained by the parties as of that date, and those approvals were considered substantial. On January 24, 2022, the Company and UH II announced that U.S. regulatory approvals sought in connection with the proposed merger of the Group's media, content and production assets with Univision had been received, and all required regulatory approvals for the transaction had been already received by that date. As a result, the transaction announced on April 13, 2021, was concluded by the parties on January 31, 2022 (see Notes 9, 10 and 30).

4. Financial Risk Management

(a) Market Risk

Market risk is the exposure to an adverse change in the value of financial instruments caused by market factors including changes in equity prices, interest rates, foreign currency exchange rates, commodity prices and inflation rates.

The Group is exposed to market risks arising from changes in equity prices, interest rates, foreign currency exchange rates and inflation rates, in both the Mexican and U.S. markets. Market risk management activities are monitored by the Investments, Risk Management and Treasury Committee on a quarterly basis.

(i) Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar and in those subsidiaries with functional currency other than the Mexican peso. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Foreign currency exchange risk is monitored by assessing the net monetary liability position in U.S. dollars and the forecasted cash flow needs for anticipated U.S. dollar investments and servicing the Group's U.S. dollar-denominated debt.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use forward contracts. In compliance with the procedures and controls established by the Risk Management Committee, in 2021 and 2020, the Group entered into certain derivative transactions with certain financial institutions in order to manage its exposure to market risks resulting from changes in interest rates and foreign currency exchange rates. The objective in managing foreign currency fluctuations is to reduce earnings and cash flow volatility.



Foreign Currency Position

The foreign currency position of monetary items of the Group at December 31, 2021, was as follows:

	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
Assets:					
U.S. dollars	831,806	Ps.	20.5031	Ps.	17,054,602
Euros	11,139		23.3478		260,071
Swiss francs	4,139		22.4997		93,126
Argentinean pesos	64,026		0.1996		12,780
Chilean pesos	576,044		0.0240		13,825
Other currencies	—		—		5,266
Liabilities:					
U.S. dollars ⁽¹⁾	5,215,150	Ps.	20.5031	Ps.	106,926,742
Euros	598		23.3478		13,962
Swiss francs	883		22.4997		19,867
Other currencies	—		—		185

The foreign currency position of monetary items of the Group at December 31, 2020, was as follows:

	Foreign Currency Amounts (Thousands)		Year-End Exchange Rate		Mexican Pesos
Assets:					
U.S. dollars	1,154,453	Ps.	19.9493	Ps.	23,030,529
Euros	19,260		24.3774		469,509
Swiss francs	438		22.5299		9,868
Argentinean pesos	66,482		0.2371		15,763
Chilean pesos	327,357		0.0280		9,166
Other currencies	—		—		7,713
Liabilities:					
U.S. dollars ⁽¹⁾	5,161,009	Ps.	19.9493	Ps.	102,958,517
Euros	1,151		24.3774		28,058
Swiss francs	659		22.5299		14,847
Chilean pesos	632,679		0.0280		17,715
Colombian pesos	8,246,548		0.0057		47,005
Other currencies	—		—		3,332

⁽¹⁾ As of December 31, 2021 and 2020, monetary liabilities include U.S.\$1,300.6 million (Ps.26,666,715) and U.S.\$1,130.9 million (Ps.22,559,983), respectively, related to long-term debt designated as a hedging instrument of the Group's investments in UH II as of December 31, 2021, UHI as of December 31, 2020, and the investment in Open-Ended Fund (see Note 14).

As of March 30, 2022, the exchange rate was Ps.19.8731 per U.S. dollar, which represents the interbank free market exchange rate on that date as reported by Banco Nacional de México, S.A. or Citibanamex.

The Group is subject to the risk of foreign currency exchange rate fluctuations, resulting primarily from the net monetary position in U.S. dollars and U.S. dollar equivalent amounts of the Group's Mexican operations, as follows (in millions of U.S. dollars):

	December 31,	
	2021	2020
U.S. dollar-denominated and U.S. dollar-equivalent monetary assets, primarily cash and cash equivalents, and non-current investments in financial instruments ⁽¹⁾	U.S.\$ 785.1	U.S.\$ 1,125.1
U.S. dollar-denominated and U.S. dollar-equivalent monetary liabilities, primarily trade accounts payable, Senior debt securities, lease liabilities, and other liabilities ^{(2) (3)}	(5,180.8)	(5,115.9)
Net liability position	U.S.\$ (4,395.7)	U.S.\$ (3,990.8)

⁽¹⁾ As of December 31, 2021 and 2020, this line includes U.S. dollar equivalent amounts of U.S.\$17.7 million and U.S.\$24.5 million, respectively, related to other foreign currencies, primarily Euros.

⁽²⁾ As of December 31, 2021 and 2020, this line includes U.S. dollar equivalent amounts of U.S.\$1.4 million and U.S.\$2.0 million, respectively, related to other foreign currencies, primarily Euros.

⁽³⁾ As of December 31, 2021 and 2020, monetary liabilities include U.S.\$1,300.6 million (Ps.26,666,715) and U.S.\$1,130.9 million (Ps.22,559,983), respectively, related to long-term debt designated as a hedging instrument of the Group's investments in UH II, UHI and the investment in Open-Ended Fund (see Note 14).



At December 31, 2021, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.6,345,797 in the consolidated statement of income. At December 31, 2020, a hypothetical 10% appreciation/depreciation in the U.S. dollar to Mexican peso exchange rate would result in a foreign exchange gain/loss, net of hedge, of Ps.5,705,342 in the consolidated statement of income.

(ii) Cash Flow Interest Rate Risk

The Group monitors the exposure to interest rate risk by: (i) evaluating differences between interest rates on its outstanding debt and short-term investments and market interest rates on similar financial instruments; (ii) reviewing its cash flow needs and financial ratios (indebtedness and interest coverage); (iii) assessing current and forecasted trends in the relevant markets; and (iv) evaluating peer Group and industry practices. This approach allows the Group to determine the interest rate “mix” between variable and fixed rate debt.

The Group's interest rate risk arises from long-term debt. Debt issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Debt issued at fixed rates expose the Group to fair value interest rate risk. During recent years the Group has maintained most of its debt in fixed rate instruments (see Note 14).

Based on various scenarios, the Group manages its cash flow interest rate risk by using cross-currency interest rate swaps, exchange rate agreements and floating-to-fixed interest rate swaps. Cross-currency interest rate swap agreements allow the Group to hedge against Mexican peso depreciation on the interest payments for medium-term periods. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Sensitivity and Fair Value Analysis

The sensitivity analyses that follow are intended to present the hypothetical change in fair value or loss in earnings due to changes in interest rates, inflation rates, foreign currency exchange rates and debt and equity market prices as they affect the Group's financial instruments at December 31, 2021 and 2020. These analyses address market risk only and do not take into consideration other risks that the Group faces in the ordinary course of business, including country risk and credit risk. The hypothetical changes reflect management view of changes that are reasonably possible over a one-year period. For purposes of the following sensitivity analyses, the Group has made assumptions of a hypothetical change in fair value of 10% for expected near-term future changes in the United States interest rates, Mexican interest rates, inflation rates and Mexican peso to U.S. dollar exchange rate. The results of the analyses do not purport to represent actual changes in fair value or losses in earnings that the Group will incur.

				Difference between Fair Value and Carrying Amount Assuming a Hypothetical 10% Increase in Fair Value				
December 31, 2021	Carrying Amount		Fair Value		Difference between Fair Value and Carrying Amount			
Assets:								
Long-term loan and interest receivable from GTAC	Ps.	755,973	Ps.	760,143	Ps.	4,170	Ps.	80,184
Open-Ended Fund		945,176		945,176		—		—
Publicly traded equity instruments		3,517,711		3,517,711		—		—
Other equity instruments		1,607,969		1,607,969		—		—
Derivative financial instruments ⁽¹⁾		133,324		133,324		—		—
Liabilities ^{(2) (3)}:								
U.S. dollar-denominated debt:								
Senior Notes due 2025		12,301,860		14,056,843		1,754,983		3,160,667
Senior Notes due 2026		6,150,930		6,685,200		534,270		1,202,790
Senior Notes due 2032		6,150,930		8,857,216		2,706,286		3,592,008
Senior Notes due 2040		12,301,860		16,678,493		4,376,633		6,044,482
Senior Notes due 2045		20,503,100		24,205,140		3,702,040		6,122,554
Senior Notes due 2046		18,452,790		25,029,180		6,576,390		9,079,308
Senior Notes due 2049		15,377,325		19,307,154		3,929,829		5,860,544
Peso-denominated debt:								
Notes due 2027		4,500,000		4,509,405		9,405		460,346
Senior Notes due 2037		4,500,000		4,110,480		(389,520)		21,528
Senior Notes due 2043		6,500,000		4,611,620		(1,888,380)		(1,427,218)
Long-term notes payable to Mexican banks		20,260,404		20,417,854		157,450		2,199,235
Lease liabilities		9,680,559		9,830,878		150,319		1,133,407
Derivative financial instruments ⁽¹⁾		172,885		172,885		—		—



						Difference between Fair Value and Carrying Amount Assuming a Hypothetical 10% Increase in Fair Value		
December 31, 2020	Carrying Amount		Fair Value		Difference between Fair Value and Carrying Amount			
Assets:								
Long-term loan and interest receivable from GTAC	Ps.	821,253	Ps.	824,092	Ps.	2,839	Ps.	85,248
Open-Ended Fund		1,135,803		1,135,803		—		—
Publicly traded equity instruments		5,397,504		5,397,504		—		—
Other equity instruments		468,552		468,552		—		—
Liabilities ^{(2) (3)}:								
U.S. dollar-denominated debt:								
Senior Notes due 2025		11,969,580		14,609,830		2,640,250		4,101,233
Senior Notes due 2026		5,984,790		6,840,854		856,064		1,540,149
Senior Notes due 2032		5,984,790		9,193,415		3,208,625		4,127,967
Senior Notes due 2040		11,969,580		16,780,992		4,811,412		6,489,511
Senior Notes due 2045		19,949,300		24,282,886		4,333,586		6,761,875
Senior Notes due 2046		17,954,370		24,970,938		7,016,568		9,513,662
Senior Notes due 2049		14,961,975		18,978,667		4,016,692		5,914,559
Peso-denominated debt:								
Notes due 2027		4,500,000		5,035,860		535,860		1,039,446
Senior Notes due 2037		4,500,000		4,087,575		(412,425)		(3,668)
Senior Notes due 2043		6,500,000		5,150,860		(1,349,140)		(834,054)
Long-term notes payable to Mexican banks		19,602,893		19,801,142		198,249		2,178,363
Lease liabilities		9,292,351		9,343,100		50,749		985,059
Derivative financial instruments ⁽¹⁾		3,476,223		3,476,223		—		—

(1) Given the nature and the tenor of these derivative financial instruments, an increase of 10% in the interest and/or exchange rates would not be an accurate sensitivity analysis on the fair value of these financial instruments.

(2) The carrying amount of debt is stated in this table at its principal amount.

(3) The fair value of the Senior Notes and Notes due by the Group are within Level 1 of the fair value hierarchy as there is a quoted market price for them. The fair value of the lease liabilities is within Level 2 of the fair value hierarchy and has been estimated based on cash flows discounted using an estimated weighted average cost of capital. The fair value of held-to-maturity securities are within Level 1 of the fair value hierarchy and were based on market interest rates to the listed securities.

(iii) Price Risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statements of financial position as non-current investments in financial instruments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The Group is not exposed to commodity price risk.

(b) Credit Risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "AA" in local scale for domestic institutions and "BBB" in global scale for foreign institutions are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, the Group's risk control function assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Company's management. See Note 7 for further disclosure on credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by the counterparties.

The Group historically has not had significant credit losses arising from customers.

(c) Liquidity Risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by corporate management. Corporate management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing investments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At December 31, 2021 and 2020, the Group held cash and cash equivalents of Ps.25,828,215 and Ps.29,058,093, respectively (see Note 6).



The table below analyses the Group's non-derivative and derivative financial liabilities as well as related contractual interest on debt and lease liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less Than 12 Months January 1, 2022 to December 31, 2022	12-36 Months January 1, 2023 to December 31, 2024	36-60 Months January 1, 2025 to December 31, 2026	Maturities Subsequent to December 31, 2026	Total
At December 31, 2021					
Debt ⁽¹⁾	Ps. 4,110,404	Ps. 13,500,000	Ps. 21,102,790	Ps. 88,286,005	Ps. 126,999,199
Lease liabilities	1,478,382	2,469,270	2,478,486	3,254,421	9,680,559
Trade and other liabilities	40,051,575	2,743,298	2,041,627	3,665,074	48,501,574
Interest on debt ⁽²⁾	6,188,285	15,237,650	12,453,353	86,405,197	120,284,485
Interest on lease liabilities	659,049	1,136,036	775,332	921,942	3,492,359

	Less Than 12 Months January 1, 2021 to December 31, 2021	12-36 Months January 1, 2022 to December 31, 2023	36-60 Months January 1, 2024 to December 31, 2025	Maturities Subsequent to December 31, 2025	Total
At December 31, 2020					
Debt ⁽¹⁾	Ps. 617,489	Ps. 8,985,404	Ps. 21,969,580	Ps. 92,304,805	Ps. 123,877,278
Lease liabilities	1,277,754	2,184,098	2,240,777	3,589,722	9,292,351
Trade and other liabilities	33,936,100	4,078,823	644,830	3,137,092	41,796,845
Interest on debt ⁽²⁾	5,997,185	15,177,002	13,256,713	90,128,177	124,559,077
Interest on lease liabilities	668,461	1,169,317	853,741	925,566	3,617,085

⁽¹⁾ The amounts of debt are disclosed on a principal amount basis (see Note 14).

⁽²⁾ Interest to be paid in future years on outstanding debt as of December 31, 2021 and 2020, based on contractual interest rate and exchange rates as of that date.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure in order to minimize the cost of capital.

5. Critical Accounting Estimates and Assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. By definition, the resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of consolidated assets and liabilities within the next financial year are addressed below:

(a) Accounting for Programming

The Group produces a significant portion of programming for initial broadcast over its television networks in Mexico, its primary market. Following the initial broadcast of this programming, the Group then licensed some of this programming for broadcast in secondary markets, such as Mexico, the United States, Latin America, Asia, Europe and Africa. Under IFRS, in order to properly capitalize and subsequently amortize production costs related to this programming, the Group must estimate the expected future benefit period over which a given program will generate revenues (generally, over a five-year period). The Group then amortizes the production costs related to a given program over the expected future benefit period. Under this policy, the Group generally expenses approximately 70% of the production costs related to a given program in its initial broadcast run and defers and expenses the remaining production costs over the remainder of the expected future benefit period (see Note 2 (g)).

The Group estimates the expected future benefit periods based on past historical revenue patterns and usage for similar types of programming and any potential future events, such as new outlets through which the Group could exploit or distribute its programming, including its consolidated subsidiaries and equity investees. To the extent that a given future expected benefit period was shorter than the estimate, the Group may have accelerated capitalized production costs sooner than anticipated. Conversely, to the extent that a given future expected benefit period was longer than the estimate, the Group may have extended the amortization schedule for the remaining capitalized production costs.

The Group also enters into license arrangements with various third-party programming producers and providers, pursuant to which it received the rights to broadcast programming produced by third parties over its television networks in Mexico. For programming licensed from third parties, the Group estimated the expected future benefit period based upon the term of the license. In addition, the Group might have purchased programming from third parties, from time to time. In this case, the Group estimated the expected future benefit period based on the anticipated number of showings in Mexico. To the extent that a given future expected benefit period was shorter than the estimate, the Group might have accelerated the amortization of the purchase price or the license fee sooner than anticipated. Conversely, to the extent that a given future expected benefit period was longer than the estimate, the Group may have extended the amortization schedule for the remaining portion of the purchase price or the license fee.



Assuming a hypothetical 10% decrease in expected future revenue from the Group's programming as of December 31, 2021, the balance of such programming would decrease in the amount of Ps.364,411, with a corresponding increase in programming amortization expense.

Beginning on January 31, 2022, the Group is no longer engaged in the Content business operations as a result of the closing of the Transaction with UH II (see Notes 3 and 30).

(b) Goodwill and Other Indefinite-lived Intangible Assets

Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment at least annually. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant CGU and the fair value less cost to sell.

The recoverable amount of CGUs has been determined based on the higher of value in use and fair value less costs to disposal calculations. These calculations require the use of estimates, which include management's expectations of future revenue growth, operating costs, profit margins and operating cash flows for each CGU, long-term growth rates and discount rates based on weighted average cost of capital, among others.

During 2021 and 2020, the Group recorded impairment adjustments for other indefinite-lived intangible assets (trademarks) related to its Publishing business. See Note 2 (b) and (l) for disclosure regarding concession intangible assets.

(c) Long-lived Assets

The Group presents certain long-lived assets other than goodwill and indefinite-lived intangible assets in its consolidated statement of financial position. Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverability is analyzed based on projected cash flows. Estimates of future cash flows involve considerable management judgment. These estimates are based on historical data, future revenue growth, anticipated market conditions, management plans, and assumptions regarding projected rates of inflation and currency fluctuations, among other factors. If these assumptions are not correct, the Group would have to recognize a write-off or write-down or accelerate the amortization schedule related to the carrying amount of these assets (see Notes 2 (m), 13 and 22). The Group has not recorded any significant impairment charges during any of the years presented herein.

(d) Deferred Income Taxes

The Group records its deferred tax assets based on the likelihood that these assets are realized in the future. This likelihood is assessed by taking into consideration the future taxable income. In the event the Group were to determine that it would be able to realize its deferred tax assets in the future in excess of the net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Should the Group determine that it would not be able to realize all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

(e) Financial Assets Measured at Fair Value

The Group has a significant amount of financial assets that are measured at fair value on a recurring basis. The degree of management's judgment involved in determining the fair value of a financial asset varies depending upon the availability of quoted market prices. When observable quoted market prices exist, that is the fair value estimate the Group uses. To the extent such quoted market prices do not exist, management uses other means to determine fair value (see Notes 4 and 15).

6. Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2021 and 2020, consisted of:

	2021	2020
Cash and bank accounts	Ps. 1,180,817	Ps. 5,094,610
Short-term investments ⁽¹⁾	24,647,398	23,963,483
Total cash and cash equivalents	Ps. 25,828,215	Ps. 29,058,093

⁽¹⁾ Highly-liquid investments with an original maturity of three months or less at the date of acquisition.

7. Trade Notes and Accounts Receivable, Net

Trade notes and accounts receivable, net as of December 31, 2021 and 2020, consisted of:

	2021	2020
Non-interest bearing notes received from customers as deposits and advances mainly in connection with annual ("upfront basis") and from time to time ("scatter basis") prepayments (see Note 2 (p))	Ps. 4,711,668	Ps. 3,327,579
Trade accounts receivable	47,188,667	13,265,351
Loss allowance	(6,694,987)	(4,249,133)
	Ps. 46,305,348	Ps. 12,343,797



As of December 31, 2021 and 2020, the aging analysis of the trade notes and accounts receivable that were past due is as follows:

		2021	2020
1 to 90 days	Ps.	7,693,796 Ps.	3,634,710
91 to 180 days		4,786,432	1,386,243
More than 180 days		5,186,633	4,044,530

The carrying amounts of the Group's trade notes and account receivables denominated in other than peso currencies are as follows:

		2021	2020
U.S. dollar	Ps.	1,714,490 Ps.	2,905,396
Other currencies		46,255	75,369
At December 31	Ps.	1,760,745 Ps.	2,980,765

Movements on the Group for loss allowance of trade notes and account receivables are as follows:

		2021	2020
At January 1	Ps.	7,576,466 Ps.	(4,846,643)
Provision for credit losses		4,596,636	(1,352,432)
Write-off of receivables		5,593,435	1,949,942
Reclassifications		436,957	—
At December 31	Ps.	6,694,984 Ps.	(4,249,133)

The maximum exposure to credit risk of the trade notes and accounts receivable as of December 31, 2021 and 2020 is the carrying amount of each class of receivables (see Note 4).

8. Transmission Rights and Programming

At December 31, 2021 and 2020, transmission rights and programming consisted of:

		2021	2020
Transmission rights	Ps.	14,743,043 Ps.	9,695,030
Programming		5,689,652	4,683,980
		20,432,695	14,379,010
Non-current portion of:			
Transmission rights		9,823,088	5,257,926
Programming		3,017,938	2,724,870
		12,841,026	7,982,796
Current portion of transmission rights and programming	Ps.	7,591,669 Ps.	6,396,214

Transmission rights and programming charged to consolidated cost of sales for the years ended December 31, 2021, 2020 and 2019, amounted to Ps.14,577,558, Ps.12,691,287 and Ps.14,515,285, respectively (see Note 21).

9. Investments in Financial Instruments

At December 31, 2021 and 2020, the Group had the following investments in financial instruments:

		2021	2020
Equity instruments measured at FVOCI:			
Open-Ended Fund ⁽¹⁾	Ps.	945,176 Ps.	1,135,803
Publicly traded equity instruments ⁽²⁾		3,517,711	5,397,504
Other equity instruments ⁽³⁾		1,607,969	468,552
		6,070,856	7,001,859
Other		5,223	853
	Ps.	6,076,079 Ps.	7,002,712

⁽¹⁾ The Group has an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the Net Asset Value ("NAV") per share as of such redemption date. The fair value of this fund is determined by using the NAV per share. The NAV per share is calculated by determining the value of the fund assets, all of which are measured at fair value, and subtracting all of the fund liabilities and dividing the result by the total number of issued shares. In July and November 2019, the Company redeemed a portion of its investment in Open-Ended Fund at the aggregate fair value amount of U.S.\$121.6 million (Ps.2,301,682) and recognized cash proceeds from this redemption for such aggregate amount. In September and December 2020, the Company redeemed a portion of its investment in Open-Ended Fund at the aggregate fair value amount of U.S.\$153.7 million (Ps.3,155,643) and recognized cash proceeds from this redemption for such aggregate amount. In March 2021, the Company redeemed a portion of its investment in Open-Ended Fund at the aggregate fair value amount of U.S.\$10.0 million (Ps.258,956) and recognized cash proceeds from this redemption for such aggregate amount. (see Note 2 (i)).



- (2) Their fair value of publicly traded equity instruments is determined by using quoted market prices at the measurement date. In the first half of 2021, the Company disposed of a portion of these publicly traded equity instruments and recognized cash proceeds from this disposition in the aggregate amount of Ps.1,755,415.
- (3) Other equity instruments include unquoted equity investments, which are initially recognized at cost with any subsequent changes in fair value recognized through other comprehensive income or loss. The Group disposed of these investments on January 31, 2022, in connection with the closing of the transaction with UH II (see Notes 3 and 30).

During the first quarter of 2020, as a result of revised cash flow forecasts and increasing uncertainty due to the COVID-19 pandemic, the Company's management recognized: (i) a decline in the estimated fair value of the Group's investment in warrants of UHI in the amount of Ps.21,937,152, which was accounted for in other comprehensive income or loss, net of income tax of Ps.6,581,146, for the year ended December 31, 2020; and (ii) an impairment loss that decreased the carrying amount of the Group's investment in shares of UHI in the amount of Ps.5,455,356, which was accounted for in share of income or loss of associates and joint ventures in the consolidated statement of income for the year ended December 31, 2020 (see Notes 2 (i), 10 and 15).

A roll forward of investments in financial assets at FVOCIL for the years ended December 31, 2021 and 2020 is presented as follows:

		Open-Ended Fund ⁽¹⁾		Publicly Traded Equity Instruments		Other Equity Instruments		Total
At January 1, 2021	Ps.	1,135,803	Ps.	5,397,504	Ps.	468,552	Ps.	7,001,859
Investments		—		—		1,118,178		1,118,178
Disposition of investments		(258,956)		(1,756,434)		—		(2,015,390)
Change in fair value in other comprehensive income (loss)		68,329		(123,359)		21,239		(33,791)
At December 31, 2021	Ps.	945,176	Ps.	3,517,711	Ps.	1,607,969	Ps.	6,070,856

		Warrants Issued by UHI ⁽¹⁾		Open-Ended Fund ⁽¹⁾		Publicly Traded Equity Instruments		Other Equity Instruments		Total
At January 1, 2020	Ps.	33,775,451	Ps.	4,688,202	Ps.	5,751,001	Ps.	50,392	Ps.	44,265,046
Investments		—		—		—		602,446		602,446
Disposition of investments		—		(3,159,970)		—		—		(3,159,970)
Change in fair value in other comprehensive loss		(16,387,752)		(392,429)		(353,497)		(184,286)		(17,317,964)
Warrants exercised for common stock of UHI		(17,387,699)		—		—		—		(17,387,699)
At December 31, 2020	Ps.	—	Ps.	1,135,803	Ps.	5,397,504	Ps.	468,552	Ps.	7,001,859

- (1) The foreign exchange gain in 2021 derived from the investment in Open-Ended Fund was hedged by foreign exchange loss in the consolidated statement of income for the year ended December 31, 2021, in the amount of Ps.99,673. The foreign exchange gain in 2020 derived from the warrants issued by UHI and the investment in Open-Ended Fund was hedged by foreign exchange loss in the consolidated statement of income for the year ended December 31, 2020, in the amount of Ps.5,511,412 and Ps.471,097, respectively (see Notes 14 and 23).

The maximum exposure to credit risk of the investments in financial instruments as of December 31, 2021 and 2020 is the carrying amounts of the financial assets (see Note 4).

10. Investments in Associates and Joint Ventures

At December 31, 2021 and 2020, the Group had the following investments in associates and joint ventures accounted for by the equity method:

	Ownership as of December 31,	2021	2021	2020
Associates:				
UH II and subsidiaries ⁽¹⁾	35.5%	Ps. 25,721,539	Ps. 21,424,180	
OCEN and subsidiaries ⁽²⁾		—	556,251	
Other		164,903	113,905	
Joint ventures:				
Grupo de Telecomunicaciones de Alta Capacidad, S.A.P.I. de C.V. and subsidiaries ("GTAC") ⁽³⁾	33.3%	614,147	514,731	
Periódico Digital Sendero, S.A.P.I. de C.V. and subsidiary (collectively, "PDS") ⁽⁴⁾	50.0%	203,646	204,464	
	Ps.	26,704,235	Ps. 22,813,531	

- (1) The Group accounts for its investment in common stock of UH II (UHI through May 18, 2021, as described below), the parent company of Univision, under the equity method due to the Group's ability to exercise significant influence, as defined under IFRS Standards, over UH II's operations. The Group has the ability to exercise significant influence over the operating and financial policies of UH II because (i) it owns 5,701,335 Class "A" shares of common stock of UH II, representing 35.5% and 35.9% of the outstanding shares of UH II and UHI on a fully-diluted basis, respectively, as of December 31, 2021 and 2020, respectively, and 40.1% and 40.6% of the voting shares of UH II and UHI, respectively, as of December 31, 2021 and 2020, respectively; and (ii) it has designated three members of the Board of Directors of TelevisaUnivision (formerly, UH II), one of which serves as the Chairman. The Chairman does not presently have tie-breaking vote or other similar power in connection with any decisions of the Board. The governing documents of TelevisaUnivision provide for a 13-member Board of Directors; however, the Board of Directors currently consists of 11 members, and the Group has the right to appoint two additional members. Through December 29, 2020, the date on which the Group exercised all of its outstanding warrants for common shares of UHI, the Group had the ability to exercise significant influence over the operating and financial policies of UHI because (i) it owned 1,110,382 Class "C" shares of common stock of UHI, representing 10% of the outstanding total shares of UHI and 14% of the voting shares of UHI, and 4,590,953 warrants issued by UHI, which upon their exercise, and together with the former investment in shares of UHI, represented approximately 36% on a fully-diluted, as-converted basis of the equity in UHI; and (ii) it had three officers and one director of the Company designated as members of



the Board of Directors of UHI, which was composed of 19 directors of 22 available Board seats. Until January 31, 2022, the Group was also a party to a Program Licensing Agreement ("PLA"), as amended, with Univision, pursuant to which Univision had the right to broadcast certain Televisa content in the United States, and to another program license agreement pursuant to which the Group had the right to broadcast certain Univision content in Mexico, in each case through 7.5 years after the Group had voluntarily sold two-thirds of its initial investment in UHI. On February 25, 2020, UHI, Searchlight Capital Partners, LP ("Searchlight"), a global private investment firm, and ForgeLight LLC ("ForgeLight"), an operating and investment company focused on the media and consumer technology sectors, announced a definitive agreement in which Searchlight and ForgeLight would acquire a majority ownership interest in UHI from all stockholders of UHI other than the Group. Terms of the transaction were not publicly disclosed. The Group elected to retain its approximately 36% stake in UHI's equity upon exercise of its warrants for shares of UHI common stock. Under the terms of the acquisition, Searchlight and ForgeLight would purchase the remaining 64% ownership interest from the other stockholders of UHI. The transaction closed on December 29, 2020. In conjunction with this transaction and a related decline in the estimated fair value of the Group's investment in warrants issued by UHI, the Company's management recognized an impairment loss in the amount of U.S.\$228.6 million (Ps.5,455,356) that decreased the carrying amount of the Group's investment in shares of UHI in the first quarter of 2020. This impairment adjustment was accounted for in share of income or loss of associates and joint ventures in the Group's consolidated statement of income for the year ended December 31, 2020. On May 18, 2021, UHI concluded a reorganization through a series of transactions (the "Reorganization") pursuant to which, among other things, UH II acquired a controlling financial interest in UHI on that date. The Reorganization was effectuated by UHI in connection with the transaction with the Group concluded on January 31, 2022. As a result of the Reorganization of UHI: (i) the Group and other existing stockholders of UHI exchanged their shares of the capital stock of UHI for the same number and class of newly issued shares of UH II; (ii) UHI issued common stock to a new investor and then these shares were exchanged for shares in UH II; (iii) the Group held an equity interest in the capital stock of UH II of 35.5% on a fully-diluted basis; and (iv) UH II became a successor company of UHI. In connection with the Reorganization of UHI, and other observable indications that the value of the Group's net investment in UH II increased significantly during 2021 (including internal and external valuations of the recoverable amount of UH II), in the second half of 2021 the Group's management assessed whether there was any indication that the impairment loss recognized by the Group in the first quarter of 2020 for its net investment in shares of UHI might no longer exist or might have decreased. As a result, the Group's management concluded that there had been a change in the estimates used to determine the recoverable amount of the Group's net investment in UH II since the last impairment loss was recognized, and the carrying amount of such net investment was increased to its recoverable amount. The reversal of the impairment loss amounted to U.S.\$199.1 million (Ps.4,161,704) and was recognized in share of income of associates and joint ventures in the Group's consolidated statement of income for the year ended December 31, 2021 (see Notes 1, 2 (a), 3, 9, 15, 20, 23 and 30).

- (2) OCEN is engaged in the live entertainment business in Mexico, Central America and Colombia. In 2020, the stockholders of OCEN did not receive any dividends. Beginning on May 31, 2020, the Company (i) ceased to classify the investment in OCEN as current assets held for sale; (ii) began to classify its equity interest in OCEN as an investment in associates and joint ventures in its consolidated statement of financial position; (iii) recognized in consolidated retained earnings as of January 1, 2020, its share of income of OCEN, which was discontinued from August 1 through December 31, 2019, in the amount of Ps.147,975; and (iv) began to recognize its share of income or loss of OCEN since January 1, 2020. As of September 30, 2021, the Group classified this non-current investment, which included goodwill of Ps.359,613, as current assets held for sale, and beginning on October 1, 2021, the Group discontinued the use of the equity method to account for the investment in this associate. OCEN was disposed of by the Group in December 2021 (see Notes 3 and 20).
- (3) GTAC was granted a 20-year contract for the lease of a pair of dark fiber wires held by the Mexican Federal Electricity Commission and a concession to operate a public telecommunications network in Mexico with an expiration date in 2030. GTAC is a joint venture in which a subsidiary of the Company, a subsidiary of Grupo de Telecomunicaciones Mexicanas, S.A. de C.V. and a subsidiary of Megacable, S.A. de C.V. have an equal equity participation of 33.3%. In June 2010, a subsidiary of the Company entered into a long-term credit facility agreement to provide financing to GTAC for up to Ps.688,217, with an annual interest rate of the Mexican Interbank Interest Rate ("Tasa de Interés Interbancaria de Equilibrio" or "TIIE") plus 200 basis points. Under the terms of this agreement, principal and interest are payable at dates agreed by the parties, between 2013 and 2021. As of December 31, 2021 and 2020, GTAC had used a principal amount of Ps.688,183, under this credit facility. During the year ended December 31, 2021 and 2020, GTAC paid principal and interest to the Group in connection with this credit facility in the aggregate principal amount of Ps.97,342 and Ps.123,390, respectively. Also, a subsidiary of the Company entered into supplementary long-term loans to provide additional financing to GTAC for an aggregate principal amount of Ps.1,077,732, with an annual interest of TIIE plus 200 basis points computed on a monthly basis and payable on an annual basis or at dates agreed by the parties. Under the terms of these supplementary loans, principal amounts can be prepaid at dates agreed by the parties before their maturities between 2023 and 2030. During the years ended December 31, 2021 and 2020, GTAC paid principal and interest to the Group in connection with this credit facility in the aggregate principal amount of Ps.147,413 and Ps.122,656, respectively. The net investment in GTAC as of December 31, 2021 and 2020, included amounts receivable in connection with this long-term credit facility and supplementary loans to GTAC in the aggregate amount of Ps.755,973 and Ps.821,253, respectively. These amounts receivable are in substance a part of the Group's net investment in this investee (see Note 15).
- (4) The Group accounts for its investment in PDS under the equity method, due to its 50% interest in this joint venture. In September 2017, PDS acquired substantially all of the equity interest in Now New Media, S.A.P.I. de C.V., an online news website in Mexico City, in the aggregate amount of Ps.81,749. As of December 31, 2020 and 2019, the Group's investment in PDS included intangible assets and goodwill in the aggregate amount of Ps.113,837 (see Note 3).



A roll forward of investments in associates and joint ventures for the years ended December 31, 2021 and 2020, is presented as follows:

		2021		2020
At January 1	Ps.	22,813,531	Ps.	9,762,432
Impairment loss in investment in shares of UHI		—		(5,455,356)
Reversal of impairment loss		4,161,704		—
Share of loss of associates and joint ventures, net		(489,827)		(284,312)
Share of other comprehensive income (loss) of associates		245,714		(61,033)
Long-term loans granted to GTAC, net		131,604		132,926
Foreign currency translation adjustments		505,183		1,360,735
GTAC payments of principal and interest		(244,755)		(246,046)
Disposition of OCEN		(503,872)		—
Exercise of warrants for UHI shares		—		17,387,699
Additional share of income of OCEN (see Note 3)		—		147,975
Dividends from PDS		(10,000)		—
Investment in Flyacross (other associate)		43,855		—
Other		51,098		68,511
At December 31	Ps.	26,704,235	Ps.	22,813,531

IFRS summarized financial information of UHI II as of December 31, 2021 and for the year then ended, and UHI as of December 31, 2020, and for the years ended December 31, 2021 and 2020, is set forth below.

IFRS summarized financial information of UH II and UHI as of December 31, 2021 and 2020, respectively (amounts in thousands of U.S. dollars):

		2021		2020
Current assets	U.S.\$	2,579,100	U.S.\$	1,470,301
Non-current assets		11,729,470		8,249,358
Total assets		14,308,570		9,719,659
Current liabilities		691,600		712,300
Non-current liabilities		10,619,970		8,630,459
Total liabilities		11,311,570		9,342,759
Total net assets	U.S.\$	2,997,000	U.S.\$	376,900

The table below reconciles the summarized financial information of UH II and UHI to the carrying amount of the Group's interest in UH II and UHI as of December 31, 2021 and 2020, respectively (amounts in thousands of U.S. dollars):

		2021		2020
Ownership as of December 31		35.5%		35.9%
Group's share of net assets	U.S.\$	1,065,225	U.S.\$	135,307
Group's share of net assets	Ps.	21,840,404	Ps.	2,699,282
Goodwill, purchase price allocation and other adjustments		3,881,135		18,724,898
Carrying amount of the Group's interest in UH II and UHI	Ps.	25,721,539	Ps.	21,424,180

IFRS summarized financial information of UH II for the year ended December 31, 2021, and UHI for the years ended December 31, 2020 and 2019 (amounts in thousands of U.S. dollars):

		2021		2020		2019
Revenue	U.S.\$	2,841,000	U.S.\$	2,541,900	U.S.\$	2,687,900
Income from continuing operations		587,000		36,400		290,200
Post-tax loss from discontinued operations		—		—		(13,200)
Net income		587,000		36,400		277,000
Other comprehensive income (loss)		32,000		(23,700)		(99,000)
Total comprehensive income		619,000		12,700		178,000
Dividends received from UHI		—		—		—



The table below reconciles the summarized financial information of UH II (formerly, UHI) to the carrying amount of the Group's interest in UH II (formerly, UHI) for the years ended December 31, 2021, 2020 and 2019 (amounts in thousands of U.S. dollars):

		2021		2020		2019
Net income	U.S.\$	208,638	U.S.\$	3,635	U.S.\$	27,668
Other comprehensive income (loss)		11,374		(2,367)		(9,889)
Net income	Ps.	4,232,441	Ps.	78,133	Ps.	532,896
Other comprehensive income (loss)		232,773		(50,872)		(190,457)
Purchase price allocation and other adjustments:						
Net loss adjustments		(4,834,744)		(79,163)		(55,058)
Other comprehensive income or loss adjustments		—		(6,657)		(45,263)
Group's interest in UHI:						
Net (loss) income		(602,303)		(1,030)		477,838
Other comprehensive income (loss)		232,773		(57,529)		(235,720)
Reversal of impairment loss (impairment loss adjustment)		4,161,704		(5,455,356)		—

Combined condensed balance sheet information related to the Group's share in associates other than UH II (formerly, UHI) as of December 31, 2021 and 2020, including adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition, is set forth below:

		2021		2020
Current assets	Ps.	196,110	Ps.	923,784
Non-current assets		118,207		967,584
Total assets		314,317		1,891,368
Current liabilities		154,957		1,229,246
Non-current liabilities		23,459		315,260
Total liabilities		178,416		1,544,506
Net assets	Ps.	135,901	Ps.	346,862
Goodwill, purchase price allocation and other adjustments		29,002		323,294
Carrying amount of the Group's interest in associates	Ps.	164,903	Ps.	670,156

Combined condensed balance sheet information related to the Group's share in joint ventures as of December 31, 2021 and 2020, including adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition, is set forth below:

		2021		2020
Current assets	Ps.	159,619	Ps.	151,151
Non-current assets		651,674		541,861
Total assets		811,293		693,012
Current liabilities		75,110		45,320
Non-current liabilities		788,200		860,357
Total liabilities		863,310		905,677
Net assets	Ps.	(52,017)	Ps.	(212,665)
Goodwill, purchase price allocation and other adjustments		113,837		110,607
Long-term loans granted to GTAC, net		755,973		821,253
Carrying amount of the Group's interest in joint ventures	Ps.	817,793	Ps.	719,195

The Group recognized its share of comprehensive income (loss) of associates and joint ventures other than UHI for the years ended December 31, 2021, 2020 and 2019, as follows:

		2021		2020		2019
Share of income (loss) of associates and joint ventures, net	Ps.	112,476	Ps.	(283,282)	Ps.	103,185
Share of other comprehensive income (loss) of associates and joint ventures:						
Foreign currency translation adjustments, net		58		1,757		(2,556)
Other items of comprehensive income (loss), net		12,883		(5,261)		2,117
		12,941		(3,504)		(439)
Share of comprehensive income (loss) of associates and joint ventures	Ps.	125,417	Ps.	(286,786)	Ps.	102,746



11. Property, Plant and Equipment, Net

The analysis of the changes in property, plant and equipment is as follows:

		Buildings and Land		Technical Equipment		Satellite Transponders		Furniture and Fixtures		Transportation Equipment		Computer Equipment		Leasehold Improvements		Construction and Projects in Progress ⁽¹⁾		Total
Cost:																		
January 1, 2020	Ps.	14,509,206	Ps.	141,966,642	Ps.	6,026,094	Ps.	1,158,745	Ps.	3,000,322	Ps.	8,548,265	Ps.	3,434,374	Ps.	13,714,368	Ps.	192,358,016
Additions		6,252		12,384,030		—		24,562		75,219		253,783		19,283		7,368,609		20,131,738
Dismantling cost		—		71,241		—		—		—		—		—		—		71,241
Retirements and reclassifications to other accounts		(53,559)		(547,789)		—		(2,426)		(45,726)		(72,113)		(627)		(2,575,544)		(3,297,784)
Transfers from intangibles assets, net		—		(2,725)		—		—		—		—		—		(1,042,340)		(1,045,065)
Transfers and reclassifications		415,289		3,381,566		—		82,855		92,370		467,754		152,591		(4,592,425)		—
Effect of translation		9,724		9,223		—		64		47		693		15		1,002		20,768
December 31, 2020		14,886,912		157,262,188		6,026,094		1,263,800		3,122,232		9,198,382		3,605,636		12,873,670		208,238,914
Additions		2,290		14,334,876		—		68,201		395,005		339,967		17,508		8,110,000		23,267,847
Dismantling cost		—		69,350		—		—		—		—		—		—		69,350
Retirements and reclassifications to other accounts		(93,883)		(2,423,831)		—		(62,210)		(280,189)		(618,714)		(19,860)		(1,055,858)		(4,554,545)
Transfers from intangibles assets, net		—		—		—		—		—		—		—		(547,940)		(547,940)
Transfers and reclassifications		412,054		3,513,272		—		28,976		170,788		594,158		125,175		(4,844,423)		—
Effect of translation		(4,773)		39,351		—		36		71		306		37		97		35,125
December 31, 2021	Ps.	15,202,600	Ps.	172,795,206	Ps.	6,026,094	Ps.	1,298,803	Ps.	3,407,907	Ps.	9,514,099	Ps.	3,728,496	Ps.	14,535,546	Ps.	226,508,751
Depreciation:																		
January 1, 2020	Ps.	(5,072,076)	Ps.	(89,317,039)	Ps.	(3,688,655)	Ps.	(603,959)	Ps.	(1,805,004)	Ps.	(6,232,223)	Ps.	(2,309,828)	Ps.	—	Ps.	(109,028,784)
Depreciation of the year		(268,684)		(15,545,278)		(282,414)		(116,651)		(267,356)		(945,389)		(263,731)		—		(17,689,503)
Retirements		37,704		1,622,089		—		2,208		41,131		71,752		35		—		1,774,919
Effect of translation		(4,703)		(8,642)		—		(69)		(37)		(452)		(16)		—		(13,919)
December 31, 2020		(5,307,759)		(103,248,870)		(3,971,069)		(718,471)		(2,031,266)		(7,106,312)		(2,573,540)		—		(124,957,287)
Depreciation of the year		(304,842)		(15,641,059)		(282,414)		(117,255)		(262,008)		(848,426)		(274,546)		—		(17,730,550)
Retirements		70,754		3,326,801		—		58,751		127,440		557,776		(133)		—		4,141,389
Effect of translation		(1,362)		(38,575)		—		(28)		(69)		(110)		(33)		—		(40,177)
December 31, 2021	Ps.	(5,543,209)	Ps.	(115,601,703)	Ps.	(4,253,483)	Ps.	(777,003)	Ps.	(2,165,903)	Ps.	(7,397,072)	Ps.	(2,848,252)	Ps.	—	Ps.	(138,586,625)
Carrying amount:																		
At January 1, 2020	Ps.	9,437,130	Ps.	52,649,603	Ps.	2,337,439	Ps.	554,786	Ps.	1,195,318	Ps.	2,316,042	Ps.	1,124,546	Ps.	13,714,368	Ps.	83,329,232
At December 31, 2020	Ps.	9,579,153	Ps.	54,013,318	Ps.	2,055,025	Ps.	545,329	Ps.	1,090,966	Ps.	2,092,070	Ps.	1,032,096	Ps.	12,873,670	Ps.	83,281,627
At December 31, 2021	Ps.	9,659,391	Ps.	57,193,503	Ps.	1,772,611	Ps.	521,800	Ps.	1,242,004	Ps.	2,117,027	Ps.	880,244	Ps.	14,535,546	Ps.	87,922,126

- ⁽¹⁾ Retirements and reclassifications to other accounts include: (i) set-up box refurbishment projects that are subsequently reclassified to inventory in order to be assigned or sold to a customer; and (ii) projects in progress related to certain costs that are reclassified to programming when a specific program benefits from those costs.

Depreciation charges are presented in Note 21.

Property, plant and equipment include the following technical equipment leased to subscribers in the Cable and Sky segments as of December 31:

		2021		2020
Subscriber leased set-top equipment	Ps.	47,813,940	Ps.	42,564,180
Accumulated depreciation		(30,316,415)		(26,885,031)
	Ps.	17,497,525	Ps.	15,679,149



12. Right-of-use Assets, Net

The analysis of the changes of right-of-use assets, net, is as follows:

	Buildings		Satellite Transponders		Technical Equipment		Computer Equipment		Others		Total
Cost:											
January 1, 2020	Ps.	5,085,242	Ps.	4,275,619	Ps.	1,688,829	Ps.	—	Ps.	58,021	Ps. 11,107,711
Additions		655,135		—		195,153		—		66,791	917,079
Reclassifications		(107,075)		—		—		—		107,075	—
Retirements		(169,899)		—		—		—		(749)	(170,648)
Effect of translation		1,181		—		—		—		—	1,181
December 31, 2020	Ps.	5,464,584	Ps.	4,275,619	Ps.	1,883,982	Ps.	—	Ps.	231,138	Ps. 11,855,323
Additions		1,166,607		—		115,591		437,361		154,159	1,873,718
Retirements		(342,237)		—		—		—		(63,837)	(406,074)
Effect of translation		270		—		—		—		—	270
December 31, 2021	Ps.	6,289,224	Ps.	4,275,619	Ps.	1,999,573	Ps.	437,361	Ps.	321,460	Ps. 13,323,237
Depreciation:											
January 1, 2020	Ps.	(608,513)	Ps.	(2,066,549)	Ps.	(847,437)	Ps.	—	Ps.	(32,160)	Ps. (3,554,659)
Depreciation of the year		(607,791)		(285,041)		(140,985)		—		(62,957)	(1,096,774)
Reclassifications		35,312		—		—		—		(35,312)	—
Retirements		4,211		—		156		—		3,806	8,173
Effect of translation		102		—		—		—		—	102
December 31, 2020	Ps.	(1,176,679)	Ps.	(2,351,590)	Ps.	(988,266)	Ps.	—	Ps.	(126,623)	Ps. (4,643,158)
Depreciation of the year		(611,120)		(285,042)		(132,862)		(83,342)		(35,682)	(1,148,048)
Retirements		72,065		—		352		—		223	72,640
Effect of translation		(104)		—		—		—		—	(104)
December 31, 2021	Ps.	(1,715,838)	Ps.	(2,636,632)	Ps.	(1,120,776)	Ps.	(83,342)	Ps.	(162,082)	Ps. (5,718,670)
Carrying amount:											
At January 1, 2020	Ps.	4,476,729	Ps.	2,209,070	Ps.	841,392	Ps.	—	Ps.	25,861	Ps. 7,553,052
At December 31, 2020	Ps.	4,287,905	Ps.	1,924,029	Ps.	895,716	Ps.	—	Ps.	104,515	Ps. 7,212,165
At December 31, 2021	Ps.	4,573,386	Ps.	1,638,987	Ps.	878,797	Ps.	354,019	Ps.	159,378	Ps. 7,604,567

Depreciation charges are presented in Note 21.

13. Intangible Assets and Goodwill, Net

As of December 31, 2021 and 2020, intangible assets and goodwill are summarized as follows:

	2021			2020		
	Cost	Accumulated Amortization	Carrying Amount	Cost	Accumulated Amortization	Carrying Amount
Intangible assets and goodwill with indefinite useful lives:						
Trademarks	Ps. 35,242	Ps. —	Ps. 35,242	Ps. 35,242	Ps. —	Ps. 35,242
Concessions	15,166,067	—	15,166,067	15,166,067	—	15,166,067
Goodwill	14,036,657	—	14,036,657	14,113,626	—	14,113,626
	29,237,966	—	29,237,966	29,314,935	—	29,314,935
Intangible assets with finite useful lives:						
Trademarks	2,227,096	(2,043,442)	183,654	2,227,096	(1,971,314)	255,782
Concessions	553,505	(553,505)	—	553,505	(442,804)	110,701
Licenses and software	14,831,874	(9,672,946)	5,158,928	13,139,480	(8,446,906)	4,692,574
Subscriber lists	8,806,951	(7,574,668)	1,232,283	8,804,334	(7,258,070)	1,546,264
Payments for renewal of concessions	5,825,559	—	5,825,559	5,825,559	—	5,825,559
Other intangible assets	5,446,636	(4,829,145)	617,491	5,169,795	(4,191,392)	978,403
	37,691,621	(24,673,706)	13,017,915	35,719,769	(22,310,486)	13,409,283
	Ps. 66,929,587	Ps. (24,673,706)	Ps. 42,255,881	Ps. 65,034,704	Ps. (22,310,486)	Ps. 42,724,218



Changes in intangible assets and goodwill with indefinite useful lives in 2021 and 2020, were as follows:

	2021							
	Trademarks		Concessions		Goodwill		Total	
Cost:								
Balance at beginning of period	Ps.	35,242	Ps.	15,166,067	Ps.	14,113,626	Ps.	29,314,935
Impairment adjustments		—		—		(76,969)		(76,969)
Balance at end of period	Ps.	35,242	Ps.	15,166,067	Ps.	14,036,657	Ps.	29,237,966

	2020							
	Trademarks		Concessions		Goodwill		Total	
Cost:								
Balance at beginning of period	Ps.	175,444	Ps.	15,166,067	Ps.	14,113,626	Ps.	29,455,137
Impairment adjustments		(40,803)		—		—		(40,803)
Transfers and reclassifications		(99,399)		—		—		(99,399)
Balance at end of period	Ps.	35,242	Ps.	15,166,067	Ps.	14,113,626	Ps.	29,314,935

Changes in intangible assets with finite useful lives in 2021 and 2020, were as follows:

	2021							
	Trademarks	Conces- sions	Licenses and Software	Subscriber Lists	Payments for Renewal of Concessions	Other Intangible Assets	Total	
Cost:								
Balance at beginning of period	Ps. 2,227,096	Ps. 553,505	Ps. 13,139,480	Ps. 8,804,334	Ps. 5,825,559	Ps. 5,169,795	Ps.	35,719,769
Additions	—	—	1,599,671	—	—	299,793		1,899,464
Transfers from (to) property, plant and equipment	—	—	609,974	—	—	(62,034)		547,940
Retirements and impairment adjustments	—	—	(643,888)	—	—	—		(643,888)
Transfers and reclassifications	—	—	117,716	—	—	39,278		156,994
Effect of translation	—	—	8,921	2,617	—	(196)		11,342
Balance at end of period	2,227,096	553,505	14,831,874	8,806,951	5,825,559	5,446,636		37,691,621
Amortization:								
Balance at beginning of period	(1,971,314)	(442,804)	(8,446,906)	(7,258,070)	—	(4,191,392)		(22,310,486)
Amortization of the year	(72,128)	(110,701)	(1,741,517)	(313,981)	—	(301,444)		(2,539,771)
Other amortization of the year ⁽¹⁾	—	—	—	—	—	(329,144)		(329,144)
Retirements and impairment adjustments	—	—	516,045	—	—	—		516,045
Effect of translation	—	—	(568)	(2,617)	—	(7,165)		(10,350)
Balance at end of period	(2,043,442)	(553,505)	(9,672,946)	(7,574,668)	—	(4,829,145)		(24,673,706)
	Ps. 183,654	Ps. —	Ps. 5,158,928	Ps. 1,232,283	Ps. 5,825,559	Ps. 617,491	Ps.	13,017,915

	2020							
	Trademarks	Conces- sions	Licenses and Software	Subscriber Lists	Payments for Renewal of Concessions	Other Intangible Assets	Total	
Cost:								
Balance at beginning of period	Ps. 2,127,697	Ps. 553,505	Ps. 10,858,388	Ps. 8,782,852	Ps. 5,821,828	Ps. 5,198,960	Ps.	33,343,230
Additions	—	—	959,813	—	3,731	271,633		1,235,177
Transfers from (to) property, plant and equipment	—	—	1,247,347	—	—	(202,282)		1,045,065
Retirements	—	—	(28,127)	—	—	(25,013)		(53,140)
Transfers and reclassifications	99,399	—	84,823	16,428	—	(73,124)		127,526
Effect of translation	—	—	17,236	5,054	—	(379)		21,911
Balance at end of period	2,227,096	553,505	13,139,480	8,804,334	5,825,559	5,169,795		35,719,769
Amortization:								
Balance at beginning of period	(1,899,187)	(332,103)	(6,843,169)	(6,632,419)	—	(3,762,535)		(19,469,413)
Amortization of the year	(72,127)	(110,701)	(1,717,282)	(523,878)	—	(50,522)		(2,474,510)
Other amortization of the year ⁽¹⁾	—	—	—	—	—	(380,863)		(380,863)
Retirements	—	—	28,127	—	—	2,003		30,130
Reclassifications	—	—	96,304	(96,719)	—	415		—
Effect of translation	—	—	(10,886)	(5,054)	—	110		(15,830)
Balance at end of period	(1,971,314)	(442,804)	(8,446,906)	(7,258,070)	—	(4,191,392)		(22,310,486)
	Ps. 255,782	Ps. 110,701	Ps. 4,692,574	Ps. 1,546,264	Ps. 5,825,559	Ps. 978,403	Ps.	13,409,283

⁽¹⁾ Other amortization of the year relates primarily to amortization of soccer player rights, which is included in consolidated cost of sales.

All of the amortization charges are presented in Note 21.



The changes in the net carrying amount of goodwill, indefinite-lived trademarks and concessions for the year ended December 31, 2021 and 2020, were as follows:

	Balance as of January 1, 2021	Acquisitions	Retirements	Foreign Currency Translation Adjustments	Impairment Adjustments	Transfers	Balance as of December 31, 2021
Goodwill:							
Cable	Ps. 13,794,684	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 13,794,684
Content	241,973	—	—	—	—	—	241,973
Other Businesses	76,969	—	—	—	(76,969)	—	—
	Ps. 14,113,626	Ps. —	Ps. —	Ps. —	(76,969) Ps.	—	Ps. 14,036,657
Indefinite-lived trademarks (see Note 3):							
Cable	Ps. 32,813	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 32,813
Other Businesses	2,429	—	—	—	—	—	2,429
	Ps. 35,242	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 35,242
Indefinite-lived concessions (see Note 3):							
Cable	Ps. 15,070,025	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 15,070,025
Sky	96,042	—	—	—	—	—	96,042
	Ps. 15,166,067	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 15,166,067

	Balance as of January 1, 2020	Acquisitions	Retirements	Foreign Currency Translation Adjustments	Impairment Adjustments	Transfers	Balance as of December 31, 2020
Goodwill:							
Cable	Ps. 13,794,684	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	13,794,684
Content	241,973	—	—	—	—	—	241,973
Other Businesses	76,969	—	—	—	—	—	76,969
	Ps. 14,113,626	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	14,113,626
Indefinite-lived trademarks (see Note 3):							
Cable	Ps. 132,212	Ps. —	Ps. —	Ps. —	Ps. (99,399)	Ps. —	32,813
Other Businesses	43,232	—	—	—	(40,803)	—	2,429
	Ps. 175,444	Ps. —	Ps. —	Ps. —	(40,803) Ps. (99,399)	Ps. —	35,242
Indefinite-lived concessions (see Note 3):							
Cable	Ps. 15,070,025	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	15,070,025
Sky	96,042	—	—	—	—	—	96,042
	Ps. 15,166,067	Ps. —	Ps. —	Ps. —	Ps. —	Ps. —	15,166,067

During the second half of 2021 and 2020, the Group monitored the market associated with its Publishing business, which is classified into the Other Businesses segment, which has experienced a general slow-down in Latin America. Accordingly, the Group reduced its cash flow expectations for some of its foreign operations. As a result, the Group compared the fair value of the intangible assets in the reporting units with the related carrying amount and recorded an aggregate impairment charge in connection with trademarks Ps.40,803, in other expense, net, in the consolidated statements of income for the year ended December 31, 2020.

The key assumptions used for either fair value or value in use calculations of goodwill and intangible assets in 2021, were as follows (see Note 15):

	Cable	
	Minimum	Maximum
Value in use calculations:		
Long-term growth rate	4.00%	4.00%
Discount rate	10.00%	10.60%
Pre-tax discount rate	13.66%	16.50%
Fair value calculations:		
Multiple of sales	2.2	3.3
Multiple of EBITDA (as defined)	6.8	7.9



The key assumptions used for either fair value or value in use calculations of goodwill and intangible assets in 2020, were as follows (see Note 15):

	Cable	
	Minimum	Maximum
Value in use calculations:		
Long-term growth rate	3.70%	3.90%
Discount rate	10.50%	11.60%
Fair value calculations:		
Multiple of sales	2.3	3.4
Multiple of EBITDA (as defined)	6.3	8.2

Management has identified that a reasonable possible change in the key assumptions identified above could cause the carrying amount to exceed in 2021 the recoverable amount of one of the five CGUs with indefinite-life intangible assets tested for impairment. The change required for the carrying amount to equal the recoverable amount is a 2.8% increase in the discount rate (equivalent to a 30 basis point change) or a 2.0% decrease in the long term growth rate (equivalent to a 10 basis point change).

As described in Note 2 (l), in 2015, the Company's management estimated the remaining useful life of four years for acquired trademarks in specific locations of Mexico, in connection with the migration to an internally developed trademark in the Group's Cable segment.

In the fourth quarter of 2017, the Company's management reviewed the useful life of certain Group's television concessions accounted for as intangible assets in conjunction with the payment made in 2018 for renewal of concessions expiring in 2021, which amount was determined by the IFT before the renewal date (see Note 2 (b)). Based on such review, the Group classified these concessions as intangible assets with a finite useful life and began to amortize the related net carrying amount of Ps.553,505 in a period ending in 2021. Amortization of these concessions with a finite useful life amounted to Ps.110,701 for each of the years ended December 31, 2021 and 2020.

14. Debt and Lease Liabilities

Debt and lease liabilities outstanding as of December 31, 2021 and 2020, were as follows:

	2021					2020	
	Effective Interest Rate	Interest Payable	Principal	Finance Costs	Principal, net of finance cost	Principal, net of finance cost	
U.S. dollar Senior Notes:							
6.625% Senior Notes due 2025 ⁽¹⁾	7.60%	Ps. 230,916	Ps. 12,301,860	Ps. (124,505)	Ps. 12,177,355	Ps. 12,031,444	
4.625% Senior Notes due 2026 ⁽¹⁾	5.03%	142,240	6,150,930	(19,457)	6,131,473	6,098,764	
8.50% Senior Notes due 2032 ⁽¹⁾	9.00%	159,753	6,150,930	(18,104)	6,132,826	6,120,358	
6.625% Senior Notes due 2040 ⁽¹⁾	7.05%	443,721	12,301,860	(114,115)	12,187,745	12,280,831	
5% Senior Notes due 2045 ⁽¹⁾	5.39%	148,078	20,503,100	(396,054)	20,107,046	19,680,412	
6.125% Senior Notes due 2046 ⁽¹⁾	6.47%	565,117	18,452,790	(114,497)	18,338,293	18,384,939	
5.25% Senior Notes due 2049 ⁽¹⁾	5.59%	80,731	15,377,325	(283,857)	15,093,468	14,746,315	
Total U.S. dollar debt		1,770,556	91,238,795	(1,070,589)	90,168,206	89,343,063	
Mexican peso debt:							
8.79% Notes due 2027 ⁽²⁾	8.84%	96,690	4,500,000	(13,762)	4,486,238	4,579,469	
8.49% Senior Notes due 2037 ⁽¹⁾	8.94%	31,838	4,500,000	(11,178)	4,488,822	4,519,935	
7.25% Senior Notes due 2043 ⁽¹⁾	7.92%	58,906	6,500,000	(50,723)	6,449,277	6,512,360	
Bank loans ⁽³⁾	6.64%	57,370	16,000,000	(60,517)	15,939,483	15,918,322	
Bank loans (Sky) ⁽⁴⁾	6.48%	19,217	3,650,000	—	3,650,000	2,762,371	
Bank loans (TVI) ⁽⁵⁾	6.14%	—	610,404	(288)	610,116	852,107	
Total Mexican peso debt		264,021	35,760,404	(136,468)	35,623,936	35,144,564	
Total debt ⁽⁶⁾		2,034,577	126,999,199	(1,207,057)	125,792,142	124,487,627	
Less: Current portion of long-term debt		2,034,577	4,110,404	(3,972)	4,106,432	2,551,647	
Long-term debt, net of current portion	Ps.	—	Ps. 122,888,795	Ps. (1,203,085)	Ps. 121,685,710	Ps. 121,935,980	
Lease liabilities:							
Satellite transponder lease liabilities ⁽⁷⁾					Ps. 3,457,524	Ps. 3,818,559	
Other lease liabilities ⁽⁸⁾					689,483	728,500	
Lease liabilities recognized beginning on January 1, 2019 ⁽⁸⁾					5,533,552	4,745,292	
Total lease liabilities					9,680,559	9,292,351	
Less: Current portion					1,478,382	1,277,754	
Lease liabilities, net of current portion					Ps. 8,202,177	Ps. 8,014,597	

⁽¹⁾ The Senior Notes due between 2025 and 2049, in the aggregate outstanding principal amount of U.S.\$4,450 million and Ps.11,000,000, are unsecured obligations of the Company, rank equally in right of payment with all existing and future unsecured and unsubordinated indebtedness of the Company, and are junior in right of payment to all of the existing and future liabilities of the Company's subsidiaries. Interest rate on the Senior Notes due 2025, 2026, 2032, 2037, 2040, 2043, 2045, 2046 and 2049, including additional amounts payable in respect of certain Mexican withholding taxes, is 6.97%, 4.86%, 8.94%, 8.93%, 6.97%, 7.62%, 5.26%, 6.44% and 5.52% per annum, respectively, and is payable semi-annually. These Senior Notes may not be redeemed prior to maturity, except: (i) in the event of certain changes in law affecting the Mexican withholding tax treatment of certain payments on the securities, in which case the securities will be redeemable, in whole or in part, at the option of the Company; and (ii) in the event of a change of control, in which case the Company may be required to redeem the securities at 101% of their principal amount. Also, the Company may, at its own option, redeem the Senior Notes due 2025, 2026, 2037, 2040, 2043, 2046 and 2049,



in whole or in part, at any time at a redemption price equal to the greater of the principal amount of these Senior Notes or the present value of future cash flows, at the redemption date, of principal and interest amounts of the Senior Notes discounted at a fixed rate of comparable U.S. or Mexican sovereign bonds. The Senior Notes due 2026, 2032, 2040, 2043, 2045, 2046 and 2049 were priced at 99.385%, 99.431%, 98.319%, 99.733%, 96.534%, 99.677% and 98.588%, respectively, for a yield to maturity of 4.70%, 8.553%, 6.755%, 7.27%, 5.227%, 6.147% and 5.345%, respectively. The Senior Notes due 2025 were issued in two aggregate principal amounts of U.S.\$400 million and U.S.\$200 million, and were priced at 98.081% and 98.632%, respectively, for a yield to maturity of 6.802% and 6.787%, respectively. The agreement of these Senior Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions. The Senior Notes due 2025, 2026, 2032, 2037, 2040, 2045, 2046 and 2049, are registered with the U.S. Securities and Exchange Commission ("SEC"). The Senior Notes due 2043 are registered with both the SEC and the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV").

- (2) In 2017, the Company issued Notes ("Certificados Bursátiles") due 2027, through the BMV in the aggregate principal amount of Ps.4,500,000, interest rate on the Notes due 2027 is 8.79% per annum and is payable semi-annually. The Company may, at its own option, redeem the Notes due 2027, in whole or in part, at any semi-annual interest payment date at a redemption price equal to the greater of the principal amount of the outstanding Notes and the present value of future cash flows, at the redemption date, of principal and interest amounts of the Notes discounted at a fixed rate of comparable Mexican sovereign bonds. The agreement of the Notes contains covenants that limit the ability of the Company and certain restricted subsidiaries appointed by the Company's Board of Directors, and engaged in the Group's Content segment, to incur or assume liens, perform sale and leaseback transactions, and consummate certain mergers, consolidations and similar transactions.
- (3) In 2017, the Company entered into long-term credit agreements with three Mexican banks, in the aggregate principal amount of Ps.6,000,000, with an annual interest rate payable on a monthly basis of 28-day TIIE plus a range between 125 and 130 basis points, and principal maturities between 2022 and 2023. Under the terms of these loan agreements, the Company is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with the restrictive covenant on certain spin-offs, mergers and similar transactions. In July 2019, the Company entered into a credit agreement for a five-year term loan with a syndicate of banks in the aggregate principal amount of Ps.10,000,000. The funds from this loan were used for general corporate purposes, including the refinancing of the Company's indebtedness. This loan bears interest at a floating rate based on a spread of 105 or 130 basis points over the 28-day TIIE rate depending on the Group's net leverage ratio. The credit agreement of this loan requires the maintenance of financial ratios related to indebtedness and interest expense.
- (4) In March 2016, Sky entered into long-term credit agreements with two Mexican banks in the aggregate principal amount of Ps.5,500,000, with maturities between 2021 and 2023, and interest payable on a monthly basis with an annual interest rate in the range of 7.0% and 7.13%. In July 2020, Sky prepaid a portion of these loans in the aggregate cash amount of Ps.2,818,091, which included principal amount prepayment of Ps.2,750,000, and related accrued interest and transaction costs in the amount of Ps.68,091. In December 2021, Sky prepaid a portion of these loans in the aggregate cash amount of Ps.1,750,365, which included principal amount prepayment of Ps.1,750,000, and related accrued interest in the amount of Ps.365. In December 2021, Sky entered into long-term credit agreement with a Mexican Bank in the aggregate principal amount of Ps.2,650,000, with maturity in December 2026, which included a Ps.1,325,000 loan with an annual interest rate of 8.215% and a Ps.1,325,000 loan with an annual interest rate payable on a monthly basis of 28-day TIIE plus 90 basis points. The funds from these loans will be used for general corporate purposes, including the prepayment of Sky's indebtedness. Under the terms of these credit agreements, Sky is required to: (a) maintain certain financial coverage ratios related to indebtedness and interest expense; and (b) comply with a restrictive covenant on spin-offs, mergers and similar transactions.
- (5) In 2021 and 2020, included outstanding balances in the aggregate principal amount of Ps.610,404 and Ps.852,893, respectively, in connection with credit agreements entered into by TVI with Mexican banks, with maturities between 2020 and 2022, bearing interest at an annual rate of TIIE plus a range between 100 and 125 basis points, which is payable on a monthly basis. This TVI long-term indebtedness is guaranteed by the Company. Under the terms of these credit agreements, TVI is required to comply with certain restrictive covenants and financial coverage ratios.
- (6) Principal amount of total debt as of December 31, 2020, is presented net of unamortized finance costs in the aggregate amount of Ps.1,324,307.
- (7) Under a capital lease agreement entered into with Intelsat Global Sales & Marketing Ltd. ("Intelsat") in March 2010, Sky is obligated to pay at an annual interest rate of 7.30%, a monthly fee through 2027 of U.S.\$3.0 million for satellite signal reception and retransmission service from 24 KU-band transponders on satellite IS-21, which became operational in October 2012. The service term for IS-21 will end at the earlier of: (a) the end of 15 years or; (b) the date IS-21 is taken out of service (see Note 12).
- (8) Lease liabilities recognized beginning on January 1, 2019, under IFRS 16, in the aggregate amount of Ps.5,533,552 and Ps.4,745,292, as of December 31, 2021 and 2020, respectively. These lease liabilities have terms which expired at various dates between 2021 and 2051. Lease liabilities also includes Ps.689,483 and Ps.728,500, as of December 31, 2021 and 2020, respectively, in connection with a lease agreement entered into by a subsidiary of the Company and GTAC for the right to use certain capacity of a telecommunications network through 2030 (see Note 20).

As of December 31, 2021 and 2020, the outstanding principal amounts of Senior Notes of the Company that have been designated as hedging instruments of the Group's investments in UH II, and the investment in Open-Ended Fund (hedged items) were as follows (see Notes 2 (e) and 4):

Hedged Items	December 31, 2021		December 31, 2020	
	Millions of U.S. dollars	Thousands of Mexican pesos	Millions of U.S. dollars	Thousands of Mexican pesos
Investment in shares of UH II (UHI, until May 18, 2021) (net investment hedge)	U.S.\$ 1,254.5	Ps. 25,721,539	U.S.\$ 1,074.0	Ps. 21,424,180
Open-Ended Fund (foreign currency fair value hedge)	46.1	945,176	56.9	1,135,803
Total	U.S.\$ 1,300.6	Ps. 26,666,715	U.S.\$ 1,130.9	Ps. 22,559,983



The foreign exchange gain or loss derived from the Company's U.S. dollar denominated long-term debt designated as a hedge, for the years ended December 31, 2021 and 2020, is analyzed as follows (see Notes 9 and 23):

		Year Ended December 31, 2021		Year Ended December 31,2020
Foreign Exchange Gain or Loss Derived from Senior Notes Designated as Hedging Instruments				
Recognized in:				
Comprehensive loss	Ps.	(604,856)	Ps.	(7,343,244)
Total foreign exchange loss derived from hedging Senior Notes	Ps.	(604,856)	Ps.	(7,343,244)
Offset against:				
Foreign currency translation gain derived from the hedged net investment in shares of UH II and UHI	Ps.	505,183	Ps.	1,360,735
Foreign exchange gain derived from hedged warrants issued by UHI		—		5,511,412
Foreign exchange gain derived from the hedged Open-Ended Fund		99,673		471,097
Total foreign currency translation and foreign exchange gain derived from hedged assets	Ps.	604,856	Ps.	7,343,244

Maturities of Debt and Lease Liabilities

Debt maturities for the years subsequent to December 31, 2021, are as follows:

	Nominal		Unamortized Finance Costs	
2022	Ps.	4,110,404	Ps.	(3,972)
2023		3,500,000		(3,387)
2024		10,000,000		(53,446)
2025		12,301,860		(124,505)
2026		8,800,930		(19,457)
Thereafter		88,286,005		(1,002,290)
	Ps.	126,999,199	Ps.	(1,207,057)

Future minimum payments under lease liabilities for the years subsequent to December 31, 2021, are as follows:

2022	Ps.	2,137,430
2023		1,813,378
2024		1,791,929
2025		1,690,478
2026		1,563,340
Thereafter		4,176,363
		13,172,918
Less: Amount representing interest		(3,492,359)
	Ps.	9,680,559

A reconciliation of long-term debt and lease liabilities arising from financing activities in the Group's consolidated statement of cash flows for the year ended December 31, 2021 and 2020, is as follows:

	Cash Flow				Non-Cash Changes				
	Balance as of January 1, 2021						Foreign Exchange Income	Interest	Balance as of December 31, 2021
		New Debt	Payments	New Debt and Leases					
Debt	Ps. 123,877,278	Ps. 2,650,000	Ps. (1,992,489)	Ps. —	Ps. 2,464,410	Ps. —	Ps. —	Ps. —	Ps. 126,999,199
Satellite transponder lease liabilities	3,818,559	—	(460,210)	—	99,175	—	—	—	3,457,524
Other lease liabilities	728,500	115,943	(186,317)	—	—	—	31,357	—	689,483
Lease liabilities	4,745,292	—	(1,082,226)	1,424,507	—	—	445,979	—	5,533,552
Total debt and lease liabilities	Ps. 133,169,629	Ps. 2,765,943	Ps. (3,721,242)	Ps. 1,424,507	Ps. 2,563,585	Ps. 477,336	Ps. —	Ps. —	Ps. 136,679,758

		Cash Flow				Non-Cash Changes				
	Balance as of January 1, 2020						Foreign Exchange Income		Balance as of December 31, 2020	
		New Debt	Payments		New Debt and Leases			Interest		
Debt	Ps. 122,378,292	Ps. 14,770,694	Ps. (18,013,183)	Ps. —	Ps. 4,741,475	Ps. —	Ps. —	Ps. —	Ps. 123,877,278	
Satellite transponder lease liabilities	4,014,567	—	(456,465)	—	—	260,457	—	—	3,818,559	
Other lease liabilities	707,248	—	(211,812)	195,308	—	—	37,756	—	728,500	
Lease liabilities	4,641,705	—	(953,771)	540,477	20,102	—	496,779	—	4,745,292	
Total debt and lease liabilities	Ps. 131,741,812	Ps. 14,770,694	Ps. (19,635,231)	Ps. 735,785	Ps. 5,022,034	Ps. 534,535	Ps. —	Ps. —	Ps. 133,169,629	

Credit Facility

During 2018, the Company executed a revolving credit facility with a syndicate of banks, for up to an amount equivalent to U.S.\$618 million payable in Mexican pesos, which funds may be used for the repayment of existing indebtedness and other general corporate purposes. In March 2020, the Company drew down Ps.14,770,694 under this revolving credit facility, with a maturity in the first quarter of 2022, and interest payable on a monthly basis at a floating rate based on a spread of 87.5 or 112.5 basis points over the 28-day TIE rate depending on the Group's net leverage ratio. This facility was used by the Company as a prudent and precautionary measure to increase the Group's cash position and preserve financial flexibility in light of uncertainty in the global and local markets resulting from the COVID-19 outbreak. On October 6, 2020, the Company prepaid in full without penalty the principal amount of Ps.14,770,694 under this revolving credit facility. The Company retained the right to reborrow the facility in an amount of up to the Mexican peso equivalent of U.S.\$618 million, and the



facility remained unused as of December 31, 2021 and was available through the first quarter of 2022. Under the terms of this credit facility, the Company is required to comply with certain restrictive covenants and financial coverage ratios (see Note 30).

15. Financial Instruments

The Group's financial instruments presented in the consolidated statements of financial position included cash and cash equivalents, temporary investments, accounts and notes receivable, a long-term loan receivable from GTAC, non-current investments in debt and equity securities, and in securities in the form of an open-ended fund, accounts payable, outstanding debt, lease liabilities, and derivative financial instruments. For cash and cash equivalents, accounts receivable, temporary investments, accounts payable, and the current portion of long-term debt and lease liabilities, the carrying amounts approximate fair value due to the short maturity of these instruments. The fair value of the Group's long-term debt securities is based on quoted market prices.

The fair value of long-term loans that the Group borrowed from leading Mexican banks (see Note 14), has been estimated using the borrowing rates currently available to the Group for bank loans with similar terms and average maturities. The fair value of non-current investments in financial instruments, and currency option and interest rate swap agreements were determined by using valuation techniques that maximize the use of observable market data.

The carrying and estimated fair values of the Group's non-derivative financial instruments as of December 31, 2021 and 2020, were as follows:

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash and cash equivalents	Ps. 25,828,215	Ps. 25,828,215	Ps. 29,058,093	Ps. 29,058,093
Trade notes and accounts receivable, net	13,093,011	13,093,011	12,343,797	12,343,797
Long-term loan and interests receivable from GTAC (see Note 10)	755,973	760,143	821,253	824,092
Open-Ended Fund (see Note 9)	945,176	945,176	1,135,803	1,135,803
Publicly traded equity instruments (see Note 9)	3,517,711	3,517,711	5,397,504	5,397,504
Other equity instruments (see Note 9)	1,607,969	1,607,969	468,552	468,552
Liabilities:				
Senior Notes due 2025, 2032 and 2040	Ps. 30,754,650	Ps. 39,592,552	Ps. 29,923,950	Ps. 40,584,237
Senior Notes due 2045	20,503,100	24,205,140	19,949,300	24,282,886
Senior Notes due 2037 and 2043	11,000,000	8,722,100	11,000,000	9,238,435
Senior Notes due 2026 and 2046	24,603,720	31,714,380	23,939,160	31,811,792
Senior Notes due 2049	15,377,325	19,307,154	14,961,975	18,978,667
Notes due 2027	4,500,000	4,509,405	4,500,000	5,035,860
Long-term notes payable to Mexican banks	20,260,404	20,417,854	19,602,893	19,801,142
Lease liabilities	9,680,559	9,830,878	9,292,351	9,343,100

The carrying amounts (based on estimated fair values), notional amounts, and maturity dates of the Group's derivative financial instruments as of December 31, 2021 and 2020, were as follows:

December 31, 2021: Derivative Financial Instruments	Carrying Amount	Notional Amount (U.S. Dollars in Thousands)	Maturity Date
Assets:			
Derivatives recorded as accounting hedges (cash flow hedges):			
TVI's interest rate swap ^(a)	Ps. 127	Ps. 87,600	May 2022
Interest rate swaps ^(b)	133,197	10,000,000	June 2024
Total assets	Ps. 133,324		
Liabilities:			
Derivatives recorded as accounting hedges (cash flow hedges):			
TVI's interest rate swap ^(c)	Ps. 2,015	Ps. 522,804	April 2022
Interest rate swaps ^(d)	9,749	Ps. 2,000,000	October 2022
Interest rate swaps ^(e)	7,243	Ps. 1,500,000	October 2022
Interest rate swaps ^(f)	23,798	Ps. 2,500,000	February 2023
Forwards ^(g)	35,524	U.S.\$ 67,125	January 2022 through March 2022
Derivatives not recorded as accounting hedges:			
Interest rate swap ^(h)	2,943	Ps. 9,385,347	March 2022
TVI's forwards ⁽ⁱ⁾	10,057	U.S.\$ 12,600	January 2022 through February 2022
Empresas Cablevisión's forwards ^(j)	11,006	U.S.\$ 13,820	January 2022 through February 2022
Sky's forwards ^(k)	14,054	U.S.\$ 15,000	February 2022
Forwards ^(l)	56,496	U.S.\$ 57,620	January 2022 through February 2022
Total liabilities	Ps. 172,885		



December 31, 2020: Derivative Financial Instruments	Carrying Amount	Notional Amount (U.S. Dollars in Thousands)	Maturity Date
Liabilities:			
Derivatives recorded as accounting hedges (cash flow hedges):			
TVI's interest rate swap ^(a)	Ps. 1,759	Ps. 122,400	May 2022
TVI's interest rate swap ^(c)	23,784	Ps. 730,493	April 2022
Interest rate swaps ^(d)	109,146	Ps. 2,000,000	October 2022
Interest rate swaps ^(e)	86,171	Ps. 1,500,000	October 2022
Interest rate swaps ^(f)	180,941	Ps. 2,500,000	February 2023
Interest rate swaps ^(b)	762,827	Ps. 10,000,000	June 2024
Forwards ^(g)	714,763	U.S.\$ 330,500	January 2021 through March 2022
Derivatives not recorded as accounting hedges:			
Interest rate swap ^(h)	204,250	Ps. 9,385,347	March 2022
TVI's forwards ⁽ⁱ⁾	176,868	U.S.\$ 88,353	January 2021 through February 2022
Empresas Cablevisión's forwards ^(j)	190,726	U.S.\$ 96,789	January 2021 through February 2022
Sky's forwards ^(k)	318,701	U.S.\$ 135,000	February 2021 through February 2022
Forwards ^(l)	706,287	U.S.\$ 344,898	January 2021 through February 2022
Total liabilities	Ps. 3,476,223		

(a) TVI has entered into several derivative transaction agreements (interest rate swaps) with two financial institutions from August 2013 through May 2022 to hedge the variable interest rate exposure resulting from Mexican peso loans of a total principal amount of Ps.87,600 and Ps.122,400 as of December 31, 2021 and 2020, respectively. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.87,600 and Ps.122,400 and makes payments based on the same notional amount at an annual weighted average fixed rate of 5.585%. TVI has recognized the change in fair value of this transaction as an accounting hedge, and recorded a loss of Ps.58,847 and Ps.60,730 in other comprehensive income or loss as of December 31, 2021 and 2020, respectively. In the years ended as of December 31, 2021 and 2020, TVI recorded a (loss) gain of Ps.(1,118) and Ps.2,046, respectively, in consolidated other finance income or expense.

(b) In June and July 2019 and October 2020, the Company entered into derivative transaction agreements (interest rate swaps) through June 2024, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.10,000,000 as of December 31, 2021 and 2020. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.10,000,000 as of December 31, 2021 and 2020, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual weighted average fixed rate of 6.7620%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.143,819 in other comprehensive income or loss as of December 31, 2021. In 2021, the Company recorded a loss of Ps.226,192 in consolidated other finance income or expense.

(c) In March and April 2017, TVI entered into several derivative transaction agreements (interest rate swaps) with two financial institutions through April 2022 to hedge the variable interest rate exposure resulting from Mexican peso loan of a total principal amount of Ps.522,804 and Ps.730,493 as of December 31, 2021 and 2020, respectively. Under these agreements, the Company receives monthly payments based on aggregate notional amounts of Ps.522,804 and Ps.730,493 as of December 31, 2021 and 2020, respectively, at an annual variable rate of 28-days TIIE and makes monthly payments based on the same notional amounts at an annual weighted average fixed rate of 7.2663%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a loss of Ps.2,015 and Ps.23,784 in other comprehensive income or loss as of December 31, 2021 and 2020, respectively. TVI recorded a loss of Ps.17,501 and Ps.11,700 for this transaction agreement in consolidated other finance income or expense as of December 31, 2021 and 2020, respectively.

(d) In November 2017, the Company entered into derivative transaction agreements (interest rate swaps) through October 2022, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.2,000,000. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.2,000,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.3275%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.9,031 and Ps.107,884 in other comprehensive income or loss as of December 31, 2021 and 2020, respectively. In 2021 and 2020, the Company recorded a loss of Ps.56,263 and Ps.28,719, respectively, in consolidated other finance income or expense.

(e) In November and December 2017, the Company entered into derivative transaction agreements (interest rate swaps) through October 2022, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.1,500,000. Under this transaction, the Company receives monthly payments based on an aggregate notional amount of Ps.1,500,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.35%. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.6,697 and Ps.85,217 in other comprehensive income or loss as of December 31, 2021 and 2020, respectively. In 2021, the Company recorded a loss of Ps.42,555 in consolidated other finance income or expense.

(f) In January 2018, the Company entered into derivative transaction agreements (interest rate swaps) through February 2023, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.2,500,000. Under this transaction, the Company receives monthly payments based on aggregate notional amount of Ps.2,500,000, at an annual variable rate of 28 days of TIIE and makes monthly payments based on the same notional amount at an annual fixed rate of 7.7485%. The Company has recognized the change in fair value of this transaction as an accounting hedge and recorded a cumulative loss of Ps.19,612 and Ps.175,498 in other comprehensive income or loss as of December 31, 2021 and 2020, respectively. In 2021, the Company recorded a loss of Ps.81,759 in consolidated other finance income or expense.

(g) As of December 31, 2021 and 2020, the Company had entered into derivative contracts of foreign currency (forwards) to fix the exchange rate for the purchase of U.S.\$67.1 million and U.S.\$330.5 million, respectively, at an average exchange rate of Ps.21.1433 and Ps.22.5859, respectively. The Company has recognized the change in fair value of this transaction as an accounting hedge, and recorded a cumulative loss of Ps.35,524 and Ps.714,763 for this transaction agreement in other comprehensive income or loss as of December 31, 2021, and 2020,



respectively. In 2021 and 2020, the Company recorded a (loss) gain of Ps.(725,209) and Ps.308,562 in consolidated other finance income or expense, respectively.

- (h) In March 2020, the Company entered into derivative transaction agreements (interest rate swaps) through March 2022, to hedge the variable interest rate exposure resulting from a Mexican peso loan of a total principal amount of Ps.9,385,347. Under this transaction, the Company receives monthly payments based on aggregate notional amounts of Ps.9,385,347, at an annual variable rate of 28 days of TIIE, and makes monthly payments based on the same notional amount at an annual fixed rate of 6.0246%. In 2021 and 2020, the Company recorded a gain (loss) of Ps.62,679 and Ps.(274,285) in consolidated other finance income or expense, respectively.
- (i) As of December 31, 2021, TVI had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$12.6 million at an average rate of Ps.21.4394. As a result of the change in fair value of these agreements in the year ended December 31, 2021, the Company recorded a loss of Ps.9,812 in consolidated other finance income or expense.
- (j) As of December 31, 2021, Empresas Cablevisión had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$13.8 million at an average rate of Ps.21.4352. As a result of the change in fair value of these agreements in the year ended December 31, 2021, the Company recorded a loss of Ps.8,926 in consolidated other finance income or expense.
- (k) As of December 31, 2021, Sky had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$15.0 million at an average rate of Ps.21.6000. As a result of the change in fair value of these agreements in the year ended December 31, 2021, the Company recorded a loss of Ps.20,077 in consolidated other finance income or expense.
- (l) As of December 31, 2021 and 2020, the Company had foreign currency contracts (forwards) in the aggregate notional amount of U.S.\$57.6 million and U.S.\$344.9 million at an average rate of Ps.21.5927 and Ps.22.4872, respectively. As a result of the change in fair value of these agreements, in the years ended December 31, 2021 and 2020, the Company recorded a (loss) gain of Ps.(56,447) and Ps.207,412, in consolidated other finance income or expense, respectively.

Fair Value Measurement

Assets and Liabilities Measured at Fair Value on a Recurring Basis

All fair value adjustments as of December 31, 2021 and 2020, represent assets or liabilities measured at fair value on a recurring basis. In determining fair value, the Group's financial instruments are separated into two categories: investments in financial assets at FVOCIL and derivative financial instruments.

Financial assets and liabilities measured at fair value as of December 31, 2021 and 2020:

	Balance as of December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Internal Models with Significant Observable Inputs (Level 2)	Internal Models with Significant Unobservable Inputs (Level 3)
Assets:				
At FVOCIL:				
Open-Ended Fund	Ps. 945,176	Ps. —	Ps. 945,176	Ps. —
Publicly traded equity instruments	3,517,711	3,517,711	—	—
Derivative financial instruments	133,324	—	133,324	—
Total	Ps. 4,596,211	Ps. 3,517,711	Ps. 1,078,500	Ps. —
Liabilities:				
Derivative financial instruments	Ps. 172,885	Ps. —	Ps. 172,885	Ps. —
Total	Ps. 172,885	Ps. —	Ps. 172,885	Ps. —

	Balance as of December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Internal Models with Significant Observable Inputs (Level 2)	Internal Models with Significant Unobservable Inputs (Level 3)
Assets:				
At FVOCIL:				
Open-Ended Fund	Ps. 1,135,803	Ps. —	Ps. 1,135,803	Ps. —
Publicly traded equity instruments	5,397,504	5,397,504	—	—
Total	Ps. 6,533,307	Ps. 5,397,504	Ps. 1,135,803	Ps. —
Liabilities:				
Derivative financial instruments	Ps. 3,476,223	Ps. —	Ps. 3,476,223	Ps. —
Total	Ps. 3,476,223	Ps. —	Ps. 3,476,223	Ps. —



The table below presents the reconciliation for all assets and liabilities measured at fair value using internal models with significant unobservable inputs (Level 3) during the years ended December 31, 2021 and 2020:

		2021	2020
Balance at beginning of year	Ps.	—	Ps. 33,775,451
Included in other comprehensive income		—	(16,387,752)
Warrants exercised for common stock of UHI		—	(17,387,699)
Balance at the end of year	Ps.	—	Ps. —

Non-current Financial Assets

Investments in debt securities or with readily determinable fair values, are classified as non-current investments in financial instruments, and are recorded at fair value with unrealized gains and losses included in consolidated stockholders' equity as accumulated other comprehensive result.

Non-current financial assets are generally valued using quoted market prices or alternative pricing sources with reasonable levels of price transparency. Such instruments are classified in Level 1, Level 2, and Level 3, depending on the observability of the significant inputs.

Open-Ended Fund

The Group has an investment in an Open-Ended Fund that has as a primary objective to achieve capital appreciation by using a broad range of strategies through investments in securities, including without limitation stock, debt and other financial instruments, a principal portion of which are considered as Level 1 financial instruments, in telecom, media and other sectors across global markets, including Latin America and other emerging markets. Shares may be redeemed on a quarterly basis at the NAV per share as of such redemption date (see Notes 4 and 9).

UHI Warrants

On December 29, 2020, the Group exercised all of its remaining warrants for common shares of UHI to increase its equity stake in UHI from 10% to 35.9% on a fully diluted basis (see Notes 9 and 10).

The Group determined the fair value of its investment in warrants as of December 29, 2020, by using the income approach based on post-tax discounted cash flows. The income approach requires management to make judgments and involves the use of significant estimates and assumptions. These estimates and assumptions include long-term growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates based on weighted average cost of capital within a range of 8% to 9%, among others. The Group's estimates for market growth were based on historical data, various internal estimates and observable external sources when available and are based on assumptions that are consistent with the strategic plans and estimates used to manage the underlying business. Since the described methodology is an internal model with significant unobservable inputs, the UHI warrants were classified as Level 3. Additionally, the Group determined the fair value of its investment in warrants by using the Black-Scholes model ("BSPM"). The BSPM involved the use of significant estimates and assumptions. The assumptions used as of December 29, 2020, included the UHI stock's spot price of U.S.\$190 per share on a fully-diluted, as-converted basis, and the UHI stock's expected volatility of 64%.

Disclosures for Each Class of Assets and Liabilities Subject to Recurring Fair Value Measurements Categorized Within Level 3

The Corporate Finance Department of the Company has established rules for a proper portfolio asset classification according to the fair value hierarchy defined by the IFRS Standards. On a monthly basis, any new assets recognized in the portfolio are classified according to this criterion. Subsequently, there is a quarterly review of the portfolio in order to analyze the need for a change in classification of any of these assets.

Sensitivity analysis is performed on the Group's investments with significant unobservable inputs (Level 3) in order to obtain a reasonable range of possible alternative valuations. This analysis is carried out by the Corporate Finance Department of the Company.

Derivative Financial Instruments

Derivative financial instruments include swaps, forwards and options (see Notes 2 (w), 4 and 15).

The Group's derivative portfolio is entirely over-the-counter ("OTC"). The Group's derivatives are valued using industry standard valuation models; projecting future cash flows discounted to present value, using market-based observable inputs including interest rate curves, foreign exchange rates, and forward and spot prices for currencies.

When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit spreads considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used. All derivatives are classified in Level 2.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The majority of the Group's non-financial instruments, which include the investment in shares of UH II, goodwill, intangible assets, inventories, transmission rights and programming, property, plant and equipment and right-of-use assets are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually in the fourth quarter for goodwill and indefinite-lived intangible assets) such that a non-financial instrument is required to be evaluated for impairment, a resulting asset impairment would require that, the non-financial instrument be recorded at the lower of carrying amount or its recoverable amount.



The impairment test for goodwill involves a comparison of the estimated fair value of each of the Group's reporting units to its carrying amount, including goodwill. The Group determines the fair value of a reporting unit using the higher between the value in use and the fair value less costs to sell, which utilize significant unobservable inputs (Level 3) within the fair value hierarchy. The impairment test for intangible assets not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying amount. The Group determines the fair value of the intangible asset using a discounted cash flow analysis, which utilizes significant unobservable inputs (Level 3) within the fair value hierarchy. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows for a period of time that comprise five years, as well as relevant comparable company earnings multiples for the market-based approach.

Once an asset has been impaired, it is not remeasured at fair value on a recurring basis; however, it is still subject to fair value measurements to test for recoverability of the carrying amount.

16. Post-employment Benefits

Certain companies in the Group have collective bargaining contracts which include defined benefit pension plans and other retirement benefits for substantially all of their employees. Additionally, the Group has defined benefit pension plans for certain eligible executives and employees. All pension benefits are based on salary and years of service rendered.

Under the provisions of the Mexican Labor Law, seniority premiums are payable based on salary and years of service to employees who resign or are terminated prior to reaching retirement age. Some companies in the Group have seniority premium benefits which are greater than the legal requirement. After retirement age employees are no longer eligible for seniority premiums.

Post-employment benefits are actuarially determined by using nominal assumptions and attributing the present value of all future expected benefits proportionately over each year from date of hire to age 65.

The Group used actuarial assumptions to determine the present value of defined benefit obligations, as follows:

	2021	2020
Discount rate	7.8%	6.6%
Salary increase	5.0%	5.0%
Inflation rate	3.5%	3.5%

Had the discount rate of 7.8% used by the Group in 2021 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase to Ps.3,308,348 as of December 31, 2021.

Had the discount rate of 6.6% used by the Group in 2020 been decreased by 50 basis points, the impact on defined benefit obligation would have been an increase to Ps.3,382,711 as of December 31, 2020.

The reconciliation between defined benefit obligations and post-employment benefit liability in the consolidated statements of financial position as of December 31, 2021 and 2020, is presented as follows:

	Pensions	Seniority Premiums	2021
Vested benefit obligations	Ps. 560,723	Ps. 335,294	Ps. 896,017
Unvested benefit obligations	1,881,974	406,374	2,288,348
Defined benefit obligations	2,442,697	741,668	3,184,365
Fair value of plan assets	978,892	291,793	1,270,685
Underfunded status of the plans	Ps. 1,463,805	Ps. 449,875	Ps. 1,913,680
Post-employment benefit liability	Ps. 1,463,805	Ps. 449,875	Ps. 1,913,680

	Pensions	Seniority Premiums	2020
Vested benefit obligations	Ps. 556,619	Ps. 376,122	Ps. 932,741
Unvested benefit obligations	2,077,506	266,153	2,343,659
Defined benefit obligations	2,634,125	642,275	3,276,400
Fair value of plan assets	909,324	286,425	1,195,749
Underfunded status of the plans	Ps. 1,724,801	Ps. 355,850	Ps. 2,080,651
Post-employment benefit liability	Ps. 1,724,801	Ps. 355,850	Ps. 2,080,651

The components of net periodic pensions and seniority premiums cost for the years ended December 31, consisted of the following:

	2021	2020
Service cost	Ps. 175,648	Ps. 148,987
Interest cost	193,313	187,470
Prior service cost for plan amendments	(40,124)	40,542
Interest on plan assets	(69,546)	(84,973)
Net periodic cost	Ps. 259,291	Ps. 292,026



The Group's defined benefit obligations, plan assets, funded status and balances in the consolidated statements of financial position as of December 31, 2021 and 2020, associated with post-employment benefits, are presented as follows:

	Pensions		Seniority Premiums		2021	2020
Defined benefit obligations:						
Beginning of year	Ps.	2,634,125	Ps.	642,275	Ps. 3,276,400	Ps. 2,847,608
Service cost		101,550		74,098	175,648	148,987
Interest cost		146,941		46,372	193,313	187,470
Benefits paid		(157,261)		(64,774)	(222,035)	(221,184)
Remeasurement of post-employment benefit obligations		(243,332)		44,495	(198,837)	272,977
Past service cost		(39,326)		(798)	(40,124)	40,542
End of year		2,442,697		741,668	3,184,365	3,276,400
Fair value of plan assets:						
Beginning of year		909,324		286,425	1,195,749	1,379,496
Return on plan assets		52,506		17,040	69,546	84,973
Contributions		—		6,972	6,972	600
Remeasurement on plan assets		84,566		(3,578)	80,988	(71,336)
Benefits paid		(67,504)		(15,066)	(82,570)	(197,984)
End of year		978,892		291,793	1,270,685	1,195,749
Unfunded status of the plans	Ps.	1,463,805	Ps.	449,875	Ps. 1,913,680	Ps. 2,080,651

The changes in the net post-employment liability in the consolidated statements of financial position as of December 31, 2021 and 2020, are as follows:

	Pensions		Seniority Premiums		2021	2020
Net post-employment liability at beginning of year	Ps.	1,724,801	Ps.	355,850	Ps. 2,080,651	Ps. 1,468,112
Net periodic cost		156,659		102,632	259,291	292,026
Contributions		—		(6,972)	(6,972)	(600)
Remeasurement of post-employment benefits		(327,898)		48,073	(279,825)	344,313
Benefits paid		(89,757)		(49,708)	(139,465)	(23,200)
Net post-employment liability at end of year	Ps.	1,463,805	Ps.	449,875	Ps. 1,913,680	Ps. 2,080,651

The post-employment benefits as of December 31, 2021 and 2020, and remeasurements adjustments for the years ended December 31, 2021 and 2020, are summarized as follows:

	2021	2020
Pensions:		
Defined benefit obligations	Ps. 2,442,697	Ps. 2,634,125
Plan assets	978,892	909,324
Unfunded status of plans	1,463,805	1,724,801
Remeasurements adjustments ⁽¹⁾	(327,898)	250,283
Seniority premiums:		
Defined benefit obligations	Ps. 741,668	Ps. 642,275
Plan assets	291,793	286,425
Unfunded status of plans	449,875	355,850
Remeasurements adjustments ⁽¹⁾	48,073	94,030

⁽¹⁾ On defined benefit obligations and plan assets.

Pensions and Seniority Premiums Plan Assets

The plan assets are invested according to specific investment guidelines determined by the technical committees of the pension plan and seniority premiums trusts and in accordance with actuarial computations of funding requirements. These investment guidelines require a minimum investment of 30% of the plan assets in fixed rate instruments, or mutual funds comprised of fixed rate instruments. The plan assets that are invested in mutual funds are all rated "AA" or "AAA" by at least one of the main rating agencies. These mutual funds vary in liquidity characteristics ranging from one day to one month. The investment goals of the plan assets are to preserve principal, diversify the portfolio, maintain a high degree of liquidity and credit quality, and deliver competitive returns subject to prevailing market conditions. Currently, the plan assets do not engage in the use of financial derivative instruments. The Group's target allocation in the foreseeable future is to maintain approximately 30% in equity securities and 70% in fixed rate instruments.

The weighted average asset allocation by asset category as of December 31, 2021 and 2020, was as follows:

	2021	2020
Equity securities ⁽¹⁾	32.7%	28.8%
Fixed rate instruments	67.3%	71.2%
Total	100.0%	100.0%

⁽¹⁾ Included within plan assets at December 31, 2021 and 2020, are shares of the Company held by the trust with a fair value of Ps.119,851 and Ps.101,690, respectively.



The weighted average expected long-term rate of return of plan assets of 7.79% and 6.59% were used in determining net periodic pension cost in 2021 and 2020, respectively. The rate used reflected an estimate of long-term future returns for the plan assets. This estimate was primarily a function of the asset classes (equities versus fixed income) in which the plan assets were invested and the analysis of past performance of these asset classes over a long period of time.

This analysis included expected long-term inflation and the risk premiums associated with equity investments and fixed income investments.

The following table summarizes the Group's plan assets measured at fair value on a recurring basis as of December 31, 2021 and 2020:

		Balance as of December 31, 2021		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)
Common Stocks ⁽¹⁾	Ps.	119,851	Ps.	119,851	Ps.	—	Ps.	—
Mutual funds (fixed rate instruments) ⁽²⁾		115,185		115,185		—		—
Money market securities ⁽³⁾		726,781		726,781		—		—
Other equity securities		308,868		308,868		—		—
Total investment assets	Ps.	1,270,685	Ps.	1,270,685	Ps.	—	Ps.	—

		Balance as of December 31, 2020		Quoted Prices in Active Markets for Identical Assets (Level 1)		Internal Models with Significant Observable Inputs (Level 2)		Internal Models with Significant Unobservable Inputs (Level 3)
Common Stocks ⁽¹⁾	Ps.	101,690	Ps.	101,690	Ps.	—	Ps.	—
Mutual funds (fixed rate instruments) ⁽²⁾		231,837		231,837		—		—
Money market securities ⁽³⁾		607,658		607,658		—		—
Other equity securities		254,564		254,564		—		—
Total investment assets	Ps.	1,195,749	Ps.	1,195,749	Ps.	—	Ps.	—

⁽¹⁾ Common stocks are valued at the closing price reported on the active market on which the individual securities are traded. All common stock included in this line item relate to the Company's CPOs.

⁽²⁾ Mutual funds consist of fixed rate instruments. These are valued at the net asset value provided by the administrator of the fund.

⁽³⁾ Money market securities consist of government debt securities, which are valued based on observable prices from the new issue market, benchmark quotes, secondary trading and dealer quotes.

The Group did not make significant contributions to its plan assets in 2021 and 2020, and does not expect to make significant contributions to its plan assets in 2022.

The weighted average duration of the defined benefit plans as of December 31, 2021 and 2020, were as follows:

	2021	2020
Seniority Premiums	9.0 years	8.6 years
Pensions	5.1 years	5.7 years

17. Capital Stock and Long-term Retention Plan

Capital Stock

The Company has four classes of capital stock: Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, with no par value. The Series "A" Shares and Series "B" Shares are common shares. The Series "D" Shares are limited-voting and preferred dividend shares, with a preference upon liquidation. The Series "L" Shares are limited-voting shares.

The Company's shares are publicly traded in Mexico, primarily in the form of Ordinary Participation Certificates ("CPOs"), each CPO representing 117 shares comprised of 25 Series "A" Shares, 22 Series "B" Shares, 35 Series "D" Shares and 35 Series "L" Shares; and in the United States in the form of Global Depositary Shares ("GDS"), each GDS representing five CPOs. Non-Mexican holders of CPOs do not have voting rights with respect to the Series "A", Series "B" and Series "D" Shares.



At December 31, 2021, shares of capital stock and CPOs consisted of (in millions):

	Authorized and Issued ⁽¹⁾	Repurchased by the Company ⁽²⁾	Held by a Company's Trust ⁽³⁾	Outstanding
Series "A" Shares	121,073.9	—	(6,988.9)	114,085.0
Series "B" Shares	57,046.9	—	(5,583.4)	51,463.5
Series "D" Shares	87,006.6	—	(5,132.9)	81,873.7
Series "L" Shares	87,006.6	—	(5,132.9)	81,873.7
Total	352,134.0	—	(22,838.1)	329,295.9
Shares in the form of CPOs	290,849.7	—	(17,158.6)	273,691.1
Shares not in the form of CPOs	61,284.3	—	(5,679.5)	55,604.8
Total	352,134.0	—	(22,838.1)	329,295.9
CPOs	2,485.9	—	(146.7)	2,339.2

⁽¹⁾ As of December 31, 2021, the authorized and issued capital stock amounted to Ps.4,836,708 (nominal Ps.2,423,549).

⁽²⁾ In connection with a share repurchase program that was approved by the Company's stockholders and is exercised at the discretion of management. During the year ended December 31, 2021, the Company did not buy any shares under this program. In 2020, the Company repurchased 616.0 million shares, 5.3 million CPOs, in the amount of Ps.195,597. In April 2021, the Company's stockholders approved the cancellation of 5,173.2 million shares of capital stock in the form of 44.2 million CPOs which were repurchased by the Company in 2019 and 2020 under this program.

⁽³⁾ Primarily, in connection with the Company's LTRP described below.

A reconciliation of the number of shares and CPOs outstanding for the years ended December 31, 2021 and 2020, is presented as follows (in millions):

	Series "A" Shares	Series "B" Shares	Series "D" Shares	Series "L" Shares	Shares Outstanding	CPOs Outstanding
As of January 1, 2020	116,223.9	52,852.8	84,083.8	84,083.8	337,244.3	2,402.4
Repurchased ⁽¹⁾	(131.6)	(115.8)	(184.3)	(184.3)	(616.0)	(5.3)
Cancelled and forfeited ⁽²⁾	(3,097.4)	(1,830.0)	(2,911.3)	(2,911.3)	(10,750.0)	(83.2)
Acquired ⁽²⁾	(86.0)	(75.6)	(120.3)	(120.3)	(402.2)	(3.4)
Released ⁽²⁾	110.3	97.1	154.5	154.5	516.4	4.4
As of December 31, 2020	113,019.2	50,928.5	81,022.4	81,022.4	325,992.5	2,314.9
Forfeited ⁽²⁾	(187.9)	(165.4)	(263.1)	(263.1)	(879.5)	(7.5)
Acquired ⁽²⁾	(429.8)	(378.2)	(601.7)	(601.7)	(2,011.4)	(17.2)
Released ⁽²⁾	1,683.5	1,078.6	1,716.1	1,716.1	6,194.3	49.0
As of December 31, 2021	114,085.0	51,463.5	81,873.7	81,873.7	329,295.9	2,339.2

⁽¹⁾ Repurchased or cancelled by the Company in connection with a share repurchase program.

⁽²⁾ Acquired, released, cancelled or forfeited by a Company's trust in connection with the Company's Long-Term Retention Plan described below.

Under the Company's bylaws, the Company's Board of Directors consists of 20 members, of which the holders of Series "A" Shares, Series "B" Shares, Series "D" Shares and Series "L" Shares, each voting as a class, are entitled to elect eleven members, five members, two members and two members, respectively.

Holders of Series "D" Shares are entitled to receive a preferred dividend equal to 5% of the nominal capital attributable to those Shares (nominal Ps.0.00034412306528 per share) before any dividends are payable in respect of Series "A" Shares, Series "B" Shares or Series "L" Shares. Holders of Series "A" Shares, Series "B" Shares and Series "L" Shares are entitled to receive the same dividends as holders of Series "D" Shares if stockholders declare dividends in addition to the preferred dividend that holders of Series "D" Shares are entitled to. If the Company is liquidated, Series "D" Shares are entitled to a liquidation preference equal to the nominal capital attributable to those Shares nominal Ps.0.00688246130560 per share before any distribution is made in respect of Series "A" Shares, Series "B" Shares and Series "L" Shares.

At December 31, 2021, the restated for inflation tax value of the Company's common stock was Ps.56,346,582. In the event of any capital reduction in excess of the tax value of the Company's common stock, such excess will be treated as dividends for income tax purposes (see Note 18).

Long-Term Retention Plan

The Company has adopted a LTRP for the conditional sale of the Company's capital stock to key Group officers and employees under a special purpose trust.

At the Company's annual general ordinary stockholders' meeting held on April 2, 2013, the Company's stockholders approved that the number of CPOs that may be granted annually under the LTRP shall be up to 1.5% of the capital of the Company. As of December 31, 2021, approximately 11.7 million CPOs or CPO equivalents that were transferred to LTRP participants were sold in the open market during 2019 and 2021. Additional sales will continue to take place during or after 2022.



The special purpose trust created to implement the LTRP as of December 31, 2021 had approximately 194.0 million CPOs or CPO equivalents. This figure is net of approximately 32.3, 4.4 and 52.9 million CPOs or CPO equivalents vested in 2019, 2020 and 2021, respectively. Of the 194.0 million CPOs or CPO equivalents approximately 75.0% are in the form of CPOs and the remaining 25.0% are in the form of Series "A", Series "B", Series "D" and Series "L" Shares, not in the form of CPO units. As of December 31, 2021, approximately 116.7 million CPOs or CPO equivalents are held by a company trust and will become vested between 2022 and 2024 at prices ranging from Ps.38.69 to Ps.1.60 per CPO, which may be reduced by dividends, a liquidity discount and the growth of the consolidated or relevant segment Operating Income Before Depreciation and Amortization, or OIBDA (including OIBDA affected by acquisitions) between the date of award and the vesting date, among others.

During the first half of 2020, the trust for the LTRP increased the number of shares and CPOs held for the purposes of this Plan in the amount of: (i) 5,526.3 million shares of the Company in the form of 47.2 million CPOs, and 666.9 million Series "A" Shares, not in the form of CPO units, in connection with the cancellation of these shares in the fourth quarter of 2019, which were conditionally sold to certain of the Company's officers and employees in 2015 and 2016, and (ii) 1,009.7 million shares in the form of 8.6 million CPOs, in connection with forfeited rights under this Plan.

In the fourth quarter of 2020, the trust for the LTRP increased the number of shares and CPOs held for the purposes of this Plan in the amount of: 3,196.1 million shares in the form of 27.4 million CPOs, and 351.0 million Series "A" Shares, not in the form of CPO units, in connection with forfeited rights under this Plan.

In the third quarter of 2020, the Company recognized as a decrease to the balance of shares repurchased a refund in the amount of Ps.100,000, which was made to the Company in 2019 by the trust for the LTRP.

During the year ended December 31, 2021, the trust for the LTRP increased the number of shares and CPOs held for the purposes of this Plan in the amount of: (i) 2,011.4 million shares of the Company in the form of 17.2 million CPOs, which were acquired in the amount of Ps.774,073 and (ii) 879.5 million shares of the Company in the form of 7.5 million CPOs, in connection with forfeited rights under this Plan.

During the years ended December 31, 2020 and 2021, the Company made a funding for acquisition of shares in the aggregate amount of Ps.197,000 and Ps.328,500, respectively, to the trust held for the Company's LTRP.

As of December 31, 2021, the designated Retention Plan trust owned approximately 0.8 million CPOs or CPOs equivalents, which have been reserved to a group of employees, and may be sold at a price at least of Ps.36.52 per CPO, subject to certain conditions, in vesting periods between 2022 and 2023.

The Group has determined its share-based compensation expense (see Note 2 (y)), by using the BSPM at the date on which the stock was conditionally sold to personnel under the Company's LTRP, on the following arrangements and weighted-average assumptions:

Long-Term Retention Plan					
Arrangements:					
Year of grant	2017	2018	2019	2020	2021
Number of CPOs or CPOs equivalent granted	37,000	32,500	72,558	39,200	38,800
Contractual life	3 years	3 years	2.67 years	3 years	3.00 years
Assumptions:					
Dividend yield	0.38%	0.55%	0.82%	1.38%	0.94%
Expected volatility ⁽¹⁾	24.58%	25.38%	30.47%	35.13%	43.74%
Risk-free interest rate	7.04%	7.17%	6.88%	5.74%	5.51%
Expected average life of awards	2.96 years	3.00 years	2.67 years	3.00 years	3.00 years

⁽¹⁾ Volatility was determined by reference to historically observed prices of the Company's CPOs.

A summary of the stock conditionally sold to employees under the LTRP as of December 31, is presented below (in Mexican pesos and thousands of CPOs):

	2021		2020	
	CPOs or CPOs Equivalent	Weighted-Average Exercise Price	CPOs or CPOs Equivalent	Weighted-Average Exercise Price
Long-Term Retention Plan:				
Outstanding at beginning of year	160,365	39.36	243,472	65.19
Conditionally sold	38,800	8.62	39,200	6.84
Paid by employees	(8,633)	38.30	—	—
Forfeited	(13,674)	64.96	(122,307)	81.36
Outstanding at end of year	176,858	31.22	160,365	39.36
To be paid by employees at end of year	60,155	52.69	23,361	80.72

As of December 31, 2021 and 2020, the weighted-average remaining contractual life of the stock conditionally sold to employees under the LTRP is 1.28 years and 1.38 years respectively.

In addition to the LTRP, the Company entered into conditional sale contracts with members of its Board of Directors for 1.0 million CPOs in August 2021, and with certain officers of the Group for 7.5 million CPOs in December 2021, with vesting periods of eight months and three years, respectively.



18. Retained Earnings and Accumulated Other Comprehensive Income

(a) Retained Earnings:

	Legal Reserve	Unappropriated Earnings	Net Income for the Year	Retained Earnings
Balance at January 1, 2020	Ps. 2,139,007	Ps. 75,887,132	Ps. 4,626,139	Ps. 82,652,278
Appropriation of net income relating to 2019	—	4,626,139	(4,626,139)	—
Recognized share of income of OCEN (see Note 10)	—	147,975	—	147,975
Sale of repurchased shares	—	(997,174)	—	(997,174)
Cancellation of sale of shares	—	2,764,854	—	2,764,854
Share—based compensation	—	962,806	—	962,806
Net loss for the year 2020	—	—	(1,250,342)	(1,250,342)
Balance at December 31, 2020	2,139,007	83,391,732	(1,250,342)	84,280,397
Appropriation of net income relating to 2020	—	(1,250,342)	1,250,342	—
Dividends	—	(1,053,392)	—	(1,053,392)
Shares cancellation	—	(1,510,290)	—	(1,510,290)
Sale of repurchased shares	—	(1,126,573)	—	(1,126,573)
Cancellation of sale of shares	—	505,357	—	505,357
Share—based compensation	—	1,066,863	—	1,066,863
Net income for the year 2021	—	—	6,055,826	6,055,826
Balance at December 31, 2021	Ps. 2,139,007	Ps. 80,023,355	Ps. 6,055,826	Ps. 88,218,188

In accordance with Mexican law, the legal reserve must be increased by 5% of annual net profits until it reaches 20% of the capital stock amount. As of December 31, 2021 and 2020, the Company's legal reserve amounted to Ps.2,139,007 for both years, respectively and was classified into retained earnings in consolidated equity. As the legal reserve reached 20% of the capital stock amount, no additional increases were required in 2021, 2020 and 2019. This reserve is not available for dividends, but may be used to reduce a deficit or may be transferred to stated capital. Other appropriations of profits require the vote of the Company's stockholders.

In April 2019, the Company's stockholders approved for the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D" and "L" Shares, not in the form of a CPO, which was paid in May 2019, in the aggregate amount of Ps.1,066,187 (see Note 17).

In April 2020, to further maximize liquidity and as a precautionary measure, the Company's Board of Directors did not propose the payment of a 2020 dividend for approval of the Company's general stockholders' meeting held on April 28, 2020.

In April 2021, the Company's stockholders approved the payment of a dividend of Ps.0.35 per CPO and Ps.0.002991452991 per share of Series "A," "B," "D" and "L" Shares, not in the form of a CPO, which was paid in cash in May 2021, in the aggregate amount of Ps.1,053,392.

Dividends, either in cash or in other forms, paid by the Mexican companies in the Group will be subject to income tax if the dividends are paid from earnings that have not been subject to Mexican income tax computed on an individual company basis under the provisions of the Mexican Income Tax Law. In this case, dividends will be taxable by multiplying such dividends by a 1.4286 factor and applying to the resulting amount the income tax rate of 30%. This income tax will be paid by the company paying the dividends.

In addition, the entities that distribute dividends to its stockholders who are individuals or foreign residents must withhold 10% thereof for income tax purposes, which will be paid in Mexico. The foregoing will not be applicable when distributed dividends arise from the "taxed net earnings account" computed on an individual company basis generated through December 31, 2013.

As of December 31, 2021, cumulative earnings that have been subject to income tax and can be distributed by the Company free of Mexican income tax amounted to Ps.81,346,875.

(b) Accumulated Other Comprehensive Income:

Changes	Open-Ended Fund	Other Equity Instruments	Other Financial Assets	Warrants Exercisable for Common Stock of UHI	Exchange Differences on Translating Foreign Operations	Remeasurement of Post-Employment Benefit Obligations	Derivative Financial Instruments Cash Flow Hedges	Share of Income (Loss) of Associates and Joint Ventures	Income Tax	Total
Accumulated at January 1, 2020	Ps. 2,429,283	Ps. 991,902	—	Ps. (1,703,056)	Ps. 734,676	Ps. (1,010,132)	Ps. (545,363)	Ps. (75,415)	Ps. 498,556	Ps. 1,320,451
Changes in other comprehensive income	(904,423)	(353,496)	—	(21,899,164)	115,565	(340,319)	(1,370,145)	(61,033)	7,935,716	(16,877,299)
Accumulated at December 31, 2020	1,524,860	638,406	—	(23,602,220)	850,241	(1,350,451)	(1,915,508)	(136,448)	8,434,272	(15,556,848)
Changes in other comprehensive income	(19,718)	(123,359)	—	—	84,232	291,697	1,927,601	245,714	(471,311)	1,834,856
Accumulated at December 31, 2021	Ps. 1,505,142	Ps. 515,047	—	Ps. (23,602,220)	Ps. 934,473	Ps. (1,058,754)	Ps. 12,093	Ps. 109,266	Ps. 7,962,961	Ps. (13,621,992)



19. Non-controlling Interests

Non-controlling interests as of December 31, 2021 and 2020, consisted of:

	2021	2020
Capital stock	Ps. 1,100,312	Ps. 1,102,334
Additional paid-in capital	2,986,354	2,986,360
Legal reserve	215,736	216,071
Retained earnings from prior years ^{(1) (2) (3) (4)}	9,649,348	8,483,413
Net income for the year	1,298,959	1,553,166
Accumulated other comprehensive income (loss):		
Cumulative result from foreign currency translation	174,598	166,275
Remeasurement of post-employment benefit obligations on defined benefit plans	(18,905)	(10,595)
	Ps. 15,406,402	Ps. 14,497,024

- (1) In 2021, 2020 and 2019, the holding companies of the Sky segment paid a dividend to its equity owners in the aggregate amount of Ps.750,000, Ps.2,750,000 and Ps.3,800,000, respectively, of which Ps.309,174, Ps.1,134,808 and Ps.1,570,659, respectively, were paid to its non-controlling interests.
- (2) In 2021, Publicidad Virtual, S.A. de C.V. paid a dividend to its equity owners in the aggregate amount of Ps.40,000, of which Ps.19,600 was paid to its non-controlling interests.
- (3) In 2020, the stockholders of Pantelion approved the payment of a dividend in the amount of Ps.394,269, of which Ps.193,192 was paid to for its non-controlling interests.
- (4) In 2020, the stockholders of Radiópolis approved the payment of a dividend in the amount of Ps.650,346, of which Ps.325,173 was paid to its non-controlling interests.

Amounts of consolidated current assets, non-current assets, current liabilities and non-current liabilities of Empresas Cablevisión and Sky as of December 31, 2021 and 2020, are set forth as follows:

	Empresas Cablevisión		Sky	
	2021	2020	2021	2020
Assets:				
Current assets	Ps. 6,653,310	Ps. 6,046,592	Ps. 5,689,494	Ps. 6,632,763
Non-current assets	24,099,561	22,499,913	19,590,056	18,515,500
Total assets	30,752,871	28,546,505	25,279,550	25,148,263
Liabilities:				
Current liabilities	5,755,703	5,267,184	3,685,208	5,182,302
Non-current liabilities	4,308,115	3,943,909	7,041,237	5,967,680
Total liabilities	10,063,818	9,211,093	10,726,445	11,149,982
Net assets	Ps. 20,689,053	Ps. 19,335,412	Ps. 14,553,105	Ps. 13,998,281

Amounts of consolidated net sales, net income and total comprehensive income of Empresas Cablevisión and Sky for the years ended December 31, 2021 and 2020, are set forth as follows:

	Empresas Cablevisión		Sky	
	2021	2020	2021	2020
Net sales	Ps. 16,849,160	Ps. 15,906,914	Ps. 22,026,616	Ps. 22,134,943
Net-income	1,135,053	1,828,000	1,281,472	1,848,374
Total comprehensive income	1,134,181	1,820,135	1,304,822	1,864,408

As of December 31, 2020, the Group did not have dividends payable.

Amounts of consolidated summarized cash flows of Sky and Empresas Cablevisión for the years ended December 31, 2021 and 2020, are set forth as follows:

	Empresas Cablevisión		Sky	
	2021	2020	2021	2020
Cash flows from operating activities	Ps. 5,594,662	Ps. 3,959,679	Ps. 6,004,261	Ps. 8,645,025
Cash flows used in investing activities	(5,144,521)	(5,824,827)	(5,236,815)	(5,547,152)
Cash flows (used in) from financing activities	(740,046)	2,104,416	(1,350,432)	(6,392,614)
Net (decrease) increase in cash and cash equivalents	Ps. (289,905)	Ps. 239,268	Ps. (582,986)	Ps. (3,294,741)



20. Transactions with Related Parties

The principal transactions carried out by the Group with affiliated companies, including equity investees, stockholders and entities in which stockholders have an equity interest, for the years ended December 31, 2021, 2020 and 2019, were as follows:

	2021	2020	2019
Revenues, other income and interest income:			
Royalties (Univision) ^(a)	Ps. 8,548,036	Ps. 8,155,338	Ps. 7,527,364
Programming production and transmission rights ^(b)	738,650	707,247	485,157
Telecom services ^(c)	57,759	97,754	71,979
Administrative services ^(d)	7,371	13,561	20,598
Advertising ^(e)	10,417	36,385	151,296
Interest income ^(f)	49,736	64,809	83,625
	Ps. 9,411,969	Ps. 9,075,094	Ps. 8,340,019
Costs and expenses:			
Donations	Ps. 26,606	Ps. 26,729	Ps. 26,285
Administrative services ^(d)	19,410	1,529	24,899
Technical services ^(g)	295,915	459,960	465,250
Programming production, transmission rights and telecom ^(h)	787,487	674,270	666,312
	Ps. 1,129,418	Ps. 1,162,488	Ps. 1,182,746

^(a) The Group receives royalties from Univision for programming provided pursuant to an amended PLA, pursuant to which Univision has the right to broadcast certain Televisa content in the United States for a term that commenced on January 1, 2011 to end 7.5 years after the Group has sold two-thirds of its initial investment in UHI made in December 2010. The amended PLA includes a provision for certain yearly minimum guaranteed advertising, with a value of U.S.\$35.1 million (Ps.712,417), U.S.\$42.6 million (Ps.909,159) and U.S.\$32.3 million (Ps.625,410), for the fiscal years 2021, 2020 and 2019, respectively, to be provided by Univision, at no cost, for the promotion of certain Group businesses. This advertising does not have commercial substance for the Group, as it is related to activities that are considered ancillary to Group's normal operations in the United States. The Group received these royalties through January 31, 2022, as a result of the Transaction with UH II, which was closed on that date (see Notes 3, 9, 10 and 30).

^(b) Services rendered to Univision in 2021, 2020 and 2019.

^(c) Services rendered to a subsidiary of AT&T, Inc. ("AT&T") in 2021, 2020 and 2019, and Univision in 2021.

^(d) The Group receives revenue from and is charged by affiliates for various services, such as: property and equipment rental, security and other services, at rates which are negotiated. The Group provides management services to affiliates, which reimburse the Group for the incurred payroll and related expenses.

^(e) Advertising services rendered to Univision in 2021, OCEN and Univision in 2020, OCEN, Univision and Editorial Clío, Libros y Videos, S.A. de C.V. ("Editorial Clío") in 2019.

^(f) Includes mainly interest income from GTAC.

^(g) In 2021, 2020 and 2019, Sky received services from a subsidiary of AT&T, Inc. for play-out, uplink and downlink of signals.

^(h) Paid mainly to Univision and GTAC in 2021, 2020 and 2019. The Group pays royalties to Univision for programming provided pursuant to a Mexico License Agreement, under which the Group has the right to broadcast certain Univision content in Mexico for the same term as that of the PLA. The Group paid these royalties through January 31, 2022, as a result of the Transaction with UH II, which was closed on that date (see Notes 3, 9, 10 and 30). It also includes payments by telecom services to GTAC in 2021, 2020 and 2019. In 2021, includes payments by transmission rights to AT&T.

Other transactions with related parties carried out by the Group in the normal course of business include the following:

- (1) A consulting firm controlled by a relative of one of the Company's directors, has provided consulting services and research in connection with the effects of the Group's programming on its viewing audience. Total fees for such services during 2021, 2020 and 2019 amounted to Ps.19,983, Ps.19,433 and Ps.19,758, respectively.
- (2) Two Mexican banks have made loans to the Group. Some members of the Company's Board serve as Board members of these banks.
- (3) Several other current members of the Company's Board serve as members of the Boards and/or are stockholders of other companies, some of which purchased advertising services from the Group in connection with the promotion of their respective products and services.
- (4) During 2021, 2020 and 2019, a professional services firm in which the current Secretary of the Company's Board maintains an interest, provided legal advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.57,925, Ps.52,848 and Ps.34,603, respectively.
- (5) During 2021, 2020 and 2019, a professional services firm in which two current directors of the Company maintain an interest provided finance advisory services to the Group in connection with various corporate matters. Total fees for such services amounted to Ps.20,006, Ps.121,789 and Ps.20,554, respectively.
- (6) In 2021, 2020 and 2019, the Group entered into contracts leasing office space directly or indirectly from certain of our directors and officers for an aggregate annual amount of Ps.34,478, Ps.32,784 and Ps.29,613, respectively.



During 2021, 2020 and 2019, the Group paid to its directors, alternate directors and officers an aggregate compensation of Ps.1,115,354, Ps.936,794 and Ps.869,556, respectively, for services in all capacities. This compensation included certain amounts related to the use of assets and services of the Group, as well as travel expenses reimbursed to directors and officers. Projected benefit obligations related to the Group's directors, alternate directors and officers amounted to Ps.212,310, Ps.196,584 and Ps.170,856 as of December 31, 2021, 2020 and 2019, respectively. Cumulative contributions made by the Group to the pension and seniority premium plans on behalf of these directors and officers amounted to Ps.76,241, Ps.71,744 and Ps.82,768 as of December 31, 2021, 2020 and 2019, respectively. In addition, the Group has made conditional sales of the Company's CPOs to its directors and officers under the LTRP.

In 2015, the Group established a deferred compensation plan for certain officers of its Cable segment, which was payable in certain revenue and EBITDA targets (as defined) of a five-year plan were met. The present value of this long-term employee benefit obligation as of December 31, 2020 and 2019 amounted to Ps.1,224,000 and Ps.1,258,013, respectively, and the related service net cost for the years ended December 31, 2020 and 2019, amounted to Ps.225,804 and Ps.199,195, respectively. In 2020 and 2019, the Group made contributions to a trust (plan assets) for funding this deferred compensation in the aggregate amount of Ps.435,500 and Ps.700,000, respectively. In 2020, the Group paid an amount of Ps.470,000, related to this deferred compensation plan. The deferred compensation liability, net of related plan assets, amounted to Ps.1,208 and Ps.199,726 as of December 31, 2020 and 2019, respectively, and was presented in other current liabilities and other long-term liabilities in the Group's consolidated statements of financial position as of those dates. The related expense was classified in other expense in the Group's consolidated statements of income (see Note 22). In March 2021, the Group made a final payment of Ps.1,107,658, related to this deferred compensation plan, which amount was funded by plan assets.

In 2021, the Group established a new deferred compensation plan for certain key officers of its Cable segment, which will be payable if certain revenue and EBITDA targets (as defined) of a five-year plan are met. The present value of this long-term employee benefit obligation as of December 31, 2021, amounted to Ps.207,640 and was presented in other long-term liabilities in the Group's consolidated statement of financial position as of that date, and the net cost of related services for the year ended December 31, 2021, amounted to Ps.207,640, and was classified in other expense in the Group's consolidated statement of income for the year ended on that date.

The balances of receivables and payables between the Group and related parties as of December 31, 2021 and 2020, were as follows:

	2021	2020
Current receivables:		
UH II in 2021 and UHI in 2020, including Univision ⁽¹⁾	Ps. 819,355	Ps. 692,282
OCEN	—	34,137
Editorial Clío	337	2,308
Other	55,160	58,225
	Ps. 874,852	Ps. 786,952
Current payables:		
AT&T	Ps. 54,598	Ps. 32,310
Other	27,472	50,697
	Ps. 82,070	Ps. 83,007

⁽¹⁾As of December 31, 2021 and 2020, receivables from UH II and UHI related primarily to the PLA amounted to Ps.819,355 and Ps.692,282, respectively. Through December 29, 2020, the Group recognized a provision associated with a consulting arrangement entered into by the Group, UHI and an entity controlled by the former chairman of the Board of Directors of UHI, by which upon consummation of a qualified initial public offering of the shares of UHI or an alternative exit plan for the main current investors in UHI, the Group would pay the entity a portion of a defined appreciation in excess of certain preferred returns and performance thresholds of UHI. In connection with the sale of shares by the former control stockholders of UHI, which was concluded on December 29, 2020, and the dissolution of the special-purpose entity for this arrangement, the Company cancelled this provision on that date, and recognized a non-cash other income in the amount of Ps.691,221 in the statement of income for the year ended December 31, 2020 (see Note 22).

All significant account balances included in amounts due from affiliates bear interest, in 2021 and 2020, average interest rates of 6.6% and 6.9% were charged, respectively. Advances and receivables are short-term in nature; however, these accounts do not have specific due dates.

Customer deposits and advances as of December 31, 2021 and 2020, included deposits and advances from affiliates and other related parties, in an aggregate amount of Ps.146,354 and Ps.119,736, respectively, which were primarily made by UH II and UHI, including Univision.

In 2012, a subsidiary of the Company entered into an amended lease contract with GTAC for the right to use certain capacity in a telecommunication network. This amended lease agreement contemplates annual payments to GTAC in the amount of Ps.41,400 through 2029, with an annual interest rate of the lower of TIIE plus 122 basis points or 6% (see Notes 10, 11 and 14).



21. Cost of Sales, Selling Expenses and Administrative Expenses

Cost of sales represents primarily the production cost of programming, acquired programming and transmission rights at the moment of broadcasting or at the time the produced programs are sold and became available for broadcast (see Note 8). Such cost of sales also includes benefits to employees and post-employment benefits, network maintenance and interconnections, satellite links, paper and printing, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangible assets.

Selling expenses and administrative expenses include primarily benefits to employees, sale commissions, postemployment benefits, share-based compensation to employees, depreciation of property, plant and equipment, leases of real estate property, and amortization of intangibles.

The amounts of depreciation, amortization and other amortization included in cost of sales, selling expenses and administrative expenses for the years ended December 31, 2021, 2020 and 2019, were as follows:

		2021		2020		2019
Cost of sales	Ps.	17,461,411	Ps.	16,775,214	Ps.	16,035,227
Selling expenses		979,783		1,473,940		1,695,616
Administrative expenses		3,306,319		3,392,496		3,809,379
	Ps.	21,747,513	Ps.	21,641,650	Ps.	21,540,222

The amounts of expenses related to IFRS 16 included in cost of sales, selling expenses and administrative expenses for the year ended December 31, 2021, were as follows:

	2021
Expenses relating to variable lease payment not included in the measurement of the lease liability	Ps. 241,268
Expenses relating to short-term leases and leases of low-value assets	196,902
Total	Ps. 438,170

Expenses related to short-term employee benefits, share-based compensation and post-employment benefits and incurred by the Group for the years ended December 31, 2021, 2020 and 2019, were as follows:

		2021		2020		2019
Short-term employee benefits	Ps.	19,035,899	Ps.	17,921,266	Ps.	16,821,651
Other short-term employee benefits		1,711,945		1,396,804		1,210,671
Share-based compensation		1,088,413		984,356		1,129,644
Post-employment benefits		259,291		292,026		259,064
	Ps.	22,095,548	Ps.	20,594,452	Ps.	19,421,030

22. Other Income or Expense, Net

Other income (expense) for the years ended December 31, 2021, 2020 and 2019, is analyzed as follows:

		2021		2020		2019
Net gain on disposition of OISE/OCEN ⁽¹⁾	Ps.	4,547,029	Ps.	—	Ps.	—
Net gain on disposition of Radiópolis ⁽²⁾		—		932,449		—
Net gain on disposition of investments		—		—		627
Donations (see Note 20)		(27,701)		(62,155)		(27,786)
Legal and financial advisory and professional services ⁽³⁾		(683,311)		(534,448)		(353,937)
Accrued expense related to the disposal of the Content business and other net assets (see Notes 3 and 30)		(530,000)		—		—
Gain (loss) on disposition of property and equipment		45,921		57,949		(158,658)
Deferred compensation (see Note 20) ⁽⁴⁾		(207,640)		(225,804)		(199,195)
Dismissal severance expense ⁽⁵⁾		(312,337)		(273,281)		(533,233)
Surcharges for payments of taxes of prior years ⁽⁶⁾		(400,641)		—		—
Impairment adjustments ⁽⁷⁾		(97,293)		(40,803)		(67,574)
Income for cash reimbursement received from Imagina ⁽⁸⁾		—		167,619		—
Interest income for recovered Asset Tax from prior years		—		—		139,995
Other, net		53,981		212,102		(116,826)
	Ps.	2,388,008	Ps.	233,628	Ps.	(1,316,587)

⁽¹⁾ In 2021, included a payment in cash on disposal of OISE/OCEN in the amount of Ps.4,806,549 (see Note 3).

⁽²⁾ In 2020, included a pretax gain on disposal of Radiópolis, the Group's former Radio business in the amount of Ps.932,449 (see Note 3).

⁽³⁾ Includes primarily advisory and professional services in connection with certain litigation, financial advisory, and other matters (see Notes 3 and 20).



- (4) Includes the service cost of long-term deferred compensation plans for certain officers of the Group's Cable segment, which payment becomes payable when certain financial targets (as defined in the plans) are met.
- (5) Includes severance expense in connection with the dismissals of personnel, as a part of a continued cost reduction plan. In 2019 includes Ps.150,000 related to an accrual for restructuring certain administrative areas in the first quarter of 2020.
- (6) Surcharges resulting from payments made in 2021 by three companies in the Group's Cable, Sky and Content segments for income taxes of prior years.
- (7) In 2021 and 2020, includes impairment adjustments in connection with long-lived assets in the Group's Other Business segment (see Note 13).
- (8) In the second quarter of 2020, the Company received a cash reimbursement from Imagina Media Audiovisual, S.L. ("Imagina"), in connection with a legal outcome that was favorable to Imagina, a former associate of the Company.

23. Finance Expense, Net

Finance (expense) income, net, for the years ended December 31, 2021, 2020 and 2019, included:

	2021	2020	2019
Interest expense ⁽¹⁾	Ps. (9,135,531)	Ps. (10,482,168)	Ps. (10,402,021)
Other finance expense, net ⁽²⁾	(1,183,180)	—	(873,177)
Foreign exchange loss, net ⁽⁴⁾	(2,050,096)	—	—
Finance expense	(12,368,807)	(10,482,168)	(11,275,198)
Interest income ⁽³⁾	620,222	1,132,935	1,529,112
Other finance income, net ⁽²⁾	—	89,323	—
Foreign exchange gain, net ⁽⁴⁾	—	3,004,934	935,291
Finance income	620,222	4,227,192	2,464,403
Finance expense, net	Ps. (11,748,585)	Ps. (6,254,976)	Ps. (8,810,795)

- (1) In 2021, 2020 and 2019, interest expense included interest related to lease liabilities that were recognized in accordance with the guidelines of IFRS 16, in the aggregate amount of Ps.445,979, Ps.426,672 and Ps.426,541, respectively (see Notes 2 and 14).
- (2) In 2021, 2020 and 2019, other finance income or expense, net, included fair value gain or loss from derivative financial instruments (see Note 15), and in 2019, also included a loss from changes in fair value from other financial instruments.
- (3) In 2021, 2020 and 2019, included primarily interest income from cash equivalents.
- (4) In 2021, 2020 and 2019, foreign exchange gain or loss, net, included: (i) foreign exchange gain or loss resulted primarily from the appreciation or depreciation of the Mexican peso against the U.S. dollar on the Group's U.S. dollar-denominated monetary liability position, excluding designated hedging long-term debt of the Group's investments in UH II, UHI and Open-Ended Fund, during the years ended December 31, 2021, 2020 and 2019; and (ii) foreign exchange gain or loss resulted primarily from the appreciation or depreciation of the Mexican peso against the U.S. dollar on the Group's U.S. dollar-denominated monetary asset position during the years ended December 31, 2021, 2020 and 2019 (see Notes 2 (e), 4 and 14). The exchange rate of the Mexican peso against the U.S. dollar as of December 31, 2021, 2020 and 2019 was of Ps.20.5031, Ps.19.9493 and Ps.18.8838, respectively.

24. Income Taxes

The income tax expense (benefit) for the years ended December 31, 2021, 2020 and 2019 was comprised of:

	2021	2020	2019
Income taxes, current ⁽¹⁾	Ps. 6,376,268	Ps. 6,802,510	Ps. 5,267,157
Income taxes, deferred	369,510	(1,574,610)	(2,598,712)
	Ps. 6,745,778	Ps. 5,227,900	Ps. 2,668,445

- (1) The current income tax of Mexican companies payable in Mexico represented 96%, 93% and 95% of total current income taxes in 2021, 2020 and 2019, respectively.

The Mexican corporate income tax rate was 30% in 2021, 2020 and 2019, and will be 30% in 2022.

2014 Tax Reform

As a result of a 2014 Mexican Tax Reform (the "2014 Tax Reform"), which included the elimination of the tax consolidation regime allowed for Mexican controlling companies, beginning on January 1, 2014, the Company is no longer allowed to consolidate income or loss of its Mexican subsidiaries for income tax purposes and: (i) accounted for an additional income tax liability for the elimination of the tax consolidation regime in the aggregate amount of Ps.6,813,595 as of December 31, 2013; (ii) recognized a benefit from tax loss carryforwards of Mexican companies in the Group in the aggregate amount of Ps.7,936,044 as of December 31, 2013; and (iii) adjusted the carrying amount of deferred income taxes from temporary differences by recognizing such effects on a separate company basis by using the enacted corporate income tax rate as of December 31, 2013.



The income tax payable as of December 31, 2021 and 2020, in connection with the 2014 Tax Reform, is as follows:

		2021	2020
Tax losses of subsidiaries, net	Ps.	771,873	Ps. 1,759,301
Less: Current portion ^(a)		667,048	992,186
Non-current portion ^(b)	Ps.	104,825	Ps. 767,115

^(a) Accounted for as current income taxes payable in the consolidated statement of financial position as of December 31, 2021 and 2020.

^(b) Accounted for as non-current income taxes payable in the consolidated statement of financial position as of December 31, 2021 and 2020.

Maturities of income tax payable as of December 31, 2021, in connection with the 2014 Mexican Tax Reform, are as follows:

2022	Ps.	667,048
2023		104,825
	Ps.	771,873

The following items represent the principal differences between income taxes computed at the statutory rate and the Group's provision for income taxes.

	% 2021	% 2020	% 2019
Statutory income tax rate	30	30	30
Differences between accounting and tax bases, including tax inflation gain that is not recognized for accounting purposes	20	25	5
Asset tax	—	—	(2)
Tax loss carryforwards	4	7	(13)
2014 Tax Reform	—	—	1
Foreign operations	(1)	(2)	8
Disposition of investments	(3)	—	3
Disposition of Radiópolis	—	3	—
Share of income in associates and joint ventures, net	6	2	(2)
(Reversal of impairment loss) Impairment loss in investment in shares of UHI	(8)	30	—
Effective income tax rate	48	95	30

The Group has recognized the benefits from tax loss carryforwards of Mexican companies in the Group as of December 31, 2021 and 2020. The years of expiration of tax loss carryforwards as of December 31, 2021, are as follows:

Year of Expiration	Tax Loss Carryforwards for Which Deferred Taxes Were Recognized
2022	Ps. 79,295
2023	9,883
2024	325,535
2025	8,817,805
2026	7,076,201
Thereafter	7,878,620
	Ps. 24,187,339

As of December 31, 2021, tax loss carryforwards of Mexican companies in the Group for which deferred tax assets were not recognized amounted to Ps.8,318,914, and will expire between 2022 and 2031.

During 2021, 2020 and 2019, certain Mexican subsidiaries utilized operating tax loss carryforwards in the amounts of Ps.2,618,821, Ps.6,160,740 and Ps.6,457,550, respectively.

In addition to the tax loss carryforwards of Mexican companies in the Group referred as of December 31, 2021, the Group has tax loss carryforwards derived from the disposal in 2014 of its former investment in GSF Telecom Holdings, S.A.P.I. de C.V. ("GSF") in the amount of Ps.13,818,831. As of December 31, 2021, tax loss carryforwards derived from this disposal for which deferred taxes were recognized amounted to Ps.13,818,831, and will expire in 2025.

As of December 31, 2021, tax loss carryforwards of subsidiaries in South America, the United States, and Europe amounted to Ps.2,934,613, and will expire between 2022 and 2037.



The deferred income taxes as of December 31, 2021 and 2020, were principally derived from the following temporary differences and tax loss carryforwards:

	2021	2020
Assets:		
Accrued liabilities	Ps. 7,128,606	Ps. 6,219,312
Loss allowance	946,559	1,235,658
Customer advances	1,854,424	1,600,334
Derivative financial instruments	615	972,991
Property, plant and equipment, net	3,704,746	2,084,550
Prepaid expenses and other items	4,508,914	5,868,717
Tax loss carryforwards:		
Operating	6,240,930	5,481,738
Capital ⁽¹⁾	5,160,921	5,767,847
Tax credit carryforward ⁽²⁾	5,738,832	—
Liabilities:		
Investments	(1,733,507)	(729,910)
Intangible assets and transmission rights	(2,807,484)	(2,549,784)
Deferred income tax assets of Mexican companies	30,743,556	25,951,453
Deferred income tax assets of certain foreign subsidiaries	218,983	261,929
Deferred income tax assets, net	Ps. 30,962,539	Ps. 26,213,382

⁽¹⁾ Net of the benefit from tax loss carryforwards derived from the disposal in 2014 of the Group's investment in GSF, in the amount of Ps.4,145,649 and Ps.4,668,717 in 2021 and 2020, respectively.

⁽²⁾ Tax credit carryforward derived from a capital reduction made by one of the Company's subsidiaries in December 2021, which can be credited in a three-year period in accordance with applicable tax law.

The deferred tax assets are in tax jurisdictions in which the Group considers that based on financial projections of its cash flows, results of operations and synergies between subsidiaries, will generate taxable income in subsequent periods.

The gross roll-forward of deferred income tax assets, net, is as follows:

	2021	2020
At January 1	Ps. 26,213,382	Ps. 17,132,915
Statement of (expense charge) income credit	(369,510)	1,574,610
Other comprehensive income ("OCI") credit	(619,304)	7,528,693
Tax credit	5,738,832	—
Reserve for low value	(861)	—
Disposed operations	—	(22,836)
At December 31	Ps. 30,962,539	Ps. 26,213,382

The roll-forward of deferred income tax assets and liabilities for the year 2021, was as follows:

	At January 1, 2021	Credit (Charge) to Consolidated Statement of Income	Credit (Charge) to OCI and Retained Earnings	Credit (Charge) to Other Accounts	At December 31, 2021
Assets:					
Accrued liabilities	Ps. 6,219,312	Ps. 909,294	Ps. —	Ps. —	Ps. 7,128,606
Loss allowance	1,235,658	(289,099)	—	—	946,559
Customer advances	1,600,334	254,090	—	—	1,854,424
Derivative financial instruments	972,991	(394,096)	(578,280)	—	615
Property, plant and equipment, net	2,084,550	1,620,196	—	—	3,704,746
Prepaid expenses and other items	5,868,717	(1,274,995)	(83,947)	(861)	4,508,914
Tax loss carryforwards	11,249,585	152,266	—	—	11,401,851
Deferred income tax assets of foreign subsidiaries	261,929	(42,946)	—	—	218,983
Tax Credit	—	—	—	5,738,832	5,738,832
Liabilities:					
Investments	(729,910)	(1,046,520)	42,923	—	(1,733,507)
Intangible assets and transmission rights	(2,549,784)	(257,700)	—	—	(2,807,484)
Deferred income tax assets, net	Ps. 26,213,382	Ps. (369,510)	Ps. (619,304)	Ps. 5,737,971	Ps. 30,962,539



The roll-forward of deferred income tax assets and liabilities for the year 2020, was as follows:

	At January 1, 2020	Credit (Charge) to Consolidated Statement of Income	Credit (Charge) to OCI and Retained Earnings	Disposed Operations	At December 31, 2020
Assets:					
Accrued liabilities	Ps. 4,352,021	Ps. 1,867,291	Ps. —	Ps. —	Ps. 6,219,312
Loss allowance	1,550,482	(314,824)	—	—	1,235,658
Customer advances	1,499,462	100,872	—	—	1,600,334
Derivative financial instruments	273,210	288,737	411,044	—	972,991
Property, plant and equipment, net	1,650,860	433,690	—	—	2,084,550
Prepaid expenses and other items	3,700,673	2,087,586	103,294	(22,836)	5,868,717
Tax loss carryforwards	13,025,006	(1,516,219)	(259,202)	—	11,249,585
Deferred income tax assets of foreign subsidiaries	163,747	98,182	—	—	261,929
Liabilities:					
Investments	(6,676,401)	(1,327,066)	7,273,557	—	(729,910)
Intangible assets and transmission rights	(2,406,145)	(143,639)	—	—	(2,549,784)
Deferred income tax assets, net	Ps. 17,132,915	Ps. 1,574,610	Ps. 7,528,693	Ps. (22,836)	Ps. 26,213,382

The tax (charge) credit relating to components of other comprehensive income is as follows:

	2021		
	Before Tax	Tax (Charge) Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. 279,825	Ps. (83,947)	Ps. 195,878
Exchange differences on translating foreign operations	92,555	151,555	244,110
Derivative financial instruments cash flow hedges	1,927,601	(578,280)	1,349,321
Open-Ended Fund	(19,718)	5,915	(13,803)
Other equity instruments	(123,359)	37,008	(86,351)
Share of income or loss of associates and joint ventures	245,714	—	245,714
Other comprehensive loss	Ps. 2,402,618	Ps. (467,749)	Ps. 1,934,869
Current tax		Ps. 151,555	
Deferred tax		(619,304)	
		Ps. (467,749)	

	2020		
	Before Tax	Tax (Charge) Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. (344,313)	Ps. 103,294	Ps. (241,019)
Exchange differences on translating foreign operations	133,522	408,221	541,743
Derivative financial instruments cash flow hedges	(1,370,145)	411,044	(959,101)
Warrants exercised for common stock of UHI	(21,899,164)	6,639,400	(15,259,764)
Open-Ended Fund	(904,423)	268,906	(635,517)
Other equity instruments	(353,496)	106,049	(247,447)
Share of loss of associates and joint ventures	(61,033)	—	(61,033)
Other comprehensive loss	Ps. (24,799,052)	Ps. 7,936,914	Ps. (16,862,138)
Current tax		Ps. 408,221	
Deferred tax		7,528,693	
		Ps. 7,936,914	

	2019		
	Before Tax	Tax (Charge) Credit	After Tax
Remeasurement of post-employment benefit obligations	Ps. (247,092)	Ps. 74,128	Ps. (172,964)
Remeasurement of post-employment benefit obligations of assets held for sale	(3,445)	1,033	(2,412)
Exchange differences on translating foreign operations	(98,422)	(101,323)	(199,745)
Derivative financial instruments cash flow hedges	(1,521,912)	456,574	(1,065,338)
Warrants exercisable for common stock of UHI	257,306	(77,192)	180,114
Open-Ended Fund	(351,202)	112,590	(238,612)
Other equity instruments	(794,624)	238,387	(556,237)
Other financial assets	111	(33)	78
Share of loss of associates and joint ventures	(236,159)	—	(236,159)
Other comprehensive loss	Ps. (2,995,439)	Ps. 704,164	Ps. (2,291,275)
Current tax		Ps. (449,933)	
Deferred tax		1,154,097	
		Ps. 704,164	



The Group does not recognize deferred income tax liabilities related to its investments in certain associates and joint ventures, as either (i) the Group is able to control the timing of the reversal of temporary differences arising from these investments, and it is probable that these temporary differences will not reverse in the foreseeable future or (ii) no temporary difference arises due to the application of Mexican income tax law. As of December 31, 2021 and 2020, the deferred tax liabilities in connection with the Group's investment in PDS amounted to an aggregate of Ps.44,945 and Ps.44,820, respectively. In 2019 included primarily the investment in UHI (see Note 10).

In December 2018, the Mexican Federal Congress approved reforms to the Economic Plan for 2019, which did not include relevant changes in the Mexican tax legislation, except for the limitation to use overpayments of taxes against the same kind of tax (Value Added Taxes ("VAT") against VAT), and some incentives for taxpayers operating in the Northern border region of Mexico. Until December 2018, taxpayers were able to offset overpayments of different type of taxes against each other and against taxes withheld. With the tax reform, this ability was eliminated, and taxpayers are only allowed to offset tax overpayments that derive from the same tax. This limitation may affect some of our subsidiaries that recurrently have VAT or Income Tax overpayments but could offset those overpayments against each other (i.e. VAT against Income Tax). Beginning on January 1, 2019, they will only be able to: (i) to request a refund of the overpayment or (ii) to offset tax overpayments against the same tax.

In December 2019, the Mexican Federal Congress approved reforms to the Economic Plan for 2020. These tax reforms included amendments to the Mexican Income Tax Law, Value Added Tax Law, Special Tax on Production and Services Law, and Federal Tax Code, and they became effective as of January 1, 2020. Some of the most relevant changes to the Mexican tax legislation incorporated some of the Actions included in the Base Erosion and Profit Shifting Final Report (BEPS) published by the OCDE in February 2013, such as: (i) limitations to the deduction of net interest paid by companies as well as to some other deductions, (ii) update of the Controlled Foreign Corporation (CFC) Rules, (iii) new provisions to tax transparent entities, (iv) modification of the definition of permanent establishment, and (v) incorporation of new rules to tax digital economy. Some other relevant amendments to avoid tax evasion included: (i) a new obligation of tax advisors and taxpayers to disclose reportable schemes, and (ii) inclusion of general anti-avoidance rule.

In December 2020, the Mexican Federal Congress approved minimum amendments to the Income Tax Law, Value Added Tax Law and Federal Tax Code as part of the Economic Plan for 2021. Regarding the Income Tax Law several changes were made to the general regime applicable to Tax-Exempt Organizations, that aimed to control and restrict the application of such regime to ensure that only the companies that perform non-for-profit activities benefit from the dispositions of such Regime. Another important amendment was the decrease of the rate of annual withholding tax applicable to the capital that produces interest paid by the financial system, which changed from 1.45% to 0.97%. In terms of value added tax, derived from the entry into force of the digital economy dispositions, some more dispositions were included to specify the way to comply with those obligations, as well as penalties to ensure such compliance.

In December 2021, the Mexican Federal Congress approved minimum amendments to the Income Tax Law, Value Added Tax Law, Special Tax on Production and Services Law, and Federal Tax Code as part of the Economic Plan for 2022. These amendments do not propose the addition of new taxes or increases to the existing ones. With respect to the Income Tax Law, a new simplified regime applicable to individuals and corporations was added. This new regime applies under certain conditions and is based on cash flow received and paid. With respect to the Value Added Tax Law, a few modifications were included such as the concept of non-subject activities. Most of the reforms were made to the Federal Tax Code, the most relevant of which are: (i) several cases where the Certificate of Digital Signature can be canceled or restricted to the taxpayer were included, this certificate is used to issue invoices; (ii) the definition of resident was modified; (iii) new requirements were added or modified regarding the procedure to perform a split or a merger to ensure that any splits or mergers are done for a business reason; and (iv) new information has to be added in invoices and the time for canceling them was limited for certain period.

2021 Labor Reform

In April 2021, the Mexican Congress approved modifications to various laws in connection with outsourcing structures, including the Income Tax law, VAT Law, and the Labor Law (the "2021 Labor Reform"). Outsourcing is defined as a Mexican entity contracting with a related or unrelated legal entity/individual for services and the employees of the service provider are at the disposition and benefit of the service recipient. The most significant modifications to outsourcing included in the 2021 Labor Reform are the following:

- The 2021 Labor Reform, generally, prohibits outsourcing activities. An exception was created to allow for the rendering of specialized services or the execution of special projects that are not within the business purpose stated in the formation documents or are not part of the primary economic activity of the service recipient ("Specialized Services") so long as the service provided is duly registered. Entities that will provide Specialized Services must comply with a new registration procedure with the Mexican Ministry of Labor. The registry will be made public.
- The employee profit sharing obligation are capped at an amount per employee. The maximum employee profit sharing payable will be the higher of a three-months' salary or the average employee profit sharing received over the last three years.
- Significant penalties apply to entities that do not comply with the outsourcing limitations, including potential characterization as tax fraud. Payments for outsourcing will not be deductible for income tax purposes unless they qualify as Specialized Services and comply with all relevant formalities. Payments that are not deductible for the Income Tax law will also not be creditable for purposes of the VAT Law. The tax law changes became effective on September 1, 2021.

During 2021, the Group's management analyzed the effects of these changes on its Mexican operations, made the changes prescribed by the 2021 Labor Reform, including the transfer of employees among companies in the Group, and established controls to comply with the modifications to the various laws.



25. Earnings per CPO/Share

At December 31, 2021 and 2020, the weighted average of outstanding total shares, CPOs and Series "A", Series "B", Series "D" and Series "L" Shares (not in the form of CPO units), was as follows (in thousands):

	2021	2020
Total Shares	327,524,800	330,685,559
CPOs	2,326,366	2,351,464
Shares not in the form of CPO units:		
Series "A" Shares	55,339,297	55,563,596
Series "B" Shares	187	187
Series "D" Shares	239	239
Series "L" Shares	239	239

Basic earnings per CPO and per each Series "A", Series "B", Series "D" and Series "L" Share (not in the form of a CPO unit) for the years ended December 31, 2021, 2020 and 2019, are presented as follows:

	2021		2020		2019	
	Per CPO	Per Share (*)	Per CPO	Per Share (*)	Per CPO	Per Share (*)
Net (loss) income attributable to stockholders of the Company	Ps. 2.17	Ps. 0.02	Ps. (0.44)	Ps. 0.00	Ps. 1.60	Ps. 0.01

(*) Series "A", "B", "D" and "L" Shares not in the form of CPO units.

Diluted earnings per CPO and per Share attributable to stockholders of the Company calculated in connection with CPOs and shares in the LTRP, are as follows:

	2021	2020
Total Shares	352,134,036	352,237,926
CPOs	2,485,895	2,486,783
Shares not in the form of CPO units:		
Series "A" Shares	58,926,613	58,926,613
Series "B" Shares	2,357,208	2,357,208
Series "D" Shares	239	239
Series "L" Shares	239	239

Diluted earnings per CPO and per each Series "A", Series "B", Series "D" and Series "L" Share (not in the form of a CPO unit) for the years ended December 31, 2021, 2020 and 2019, are presented as follows:

	2021		2020		2019	
	Per CPO	Per Share (*)	Per CPO	Per Share (*)	Per CPO	Per Share (*)
Net (loss) income attributable to stockholders of the Company	Ps. 2.01	Ps. 0.02	Ps. (0.41)	Ps. 0.00	Ps. 1.53	Ps. 0.01

(*) Series "A", "B", "D" and "L" Shares not in the form of CPO units.

26. Segment Information

Reportable segments are those that are based on the Group's method of internal reporting.

The Group is organized on the basis of services and products. The Group's segments are strategic business units that offer different entertainment services and products. Through December 31, 2021, the Group's reportable segments were as follows:

Cable

The Cable segment includes the operation of cable multiple systems covering the Mexico City metropolitan area, Monterrey and suburban areas, and over 200 other cities of Mexico; and the operation of telecommunication facilities through a fiber-optic network that covers the most important cities and economic regions of Mexico and the cities of San Antonio and San Diego in the United States (Bestel).

The cable multiple system businesses derive revenues from cable subscribers, principally from basic and premium television services subscription, pay-per-view fees, installation fees, Internet services subscription, telephone and mobile services subscription as well as from local and national advertising sales.

The telecommunication facilities business derives revenues from providing data and long-distance services solutions to carriers and other telecommunications service providers through its fiber-optic network.



Sky

The Sky segment includes DTH broadcast satellite pay television services in Mexico, Central America and the Dominican Republic. Sky revenues are primarily derived from program services, installation fees and equipment rental to subscribers, and national advertising sales.

Content

The Content segment categorizes the Group's sources of content revenue as follows: (a) Advertising; (b) Network Subscription Revenue; and (c) Licensing and Syndication. Given the cost structure of the Group's Content business, operating segment income is reported as a single line item.

The Advertising revenue is derived primarily from the sale of advertising time on the Group's television broadcast operations, which include the production of television programming and broadcasting of Channels 2, 4, 5 and 9 ("television networks"), as well as the sale of advertising time on programs provided to pay television companies in Mexico and advertising revenue in the Group's Internet business and the production of television programming and broadcasting for local television stations in Mexico. The broadcasting of television networks is performed by television repeater stations in Mexico, either wholly-owned, majority-owned or minority-owned by the Group or otherwise affiliated with the Group's networks.

The Network Subscription revenue is derived from domestic and international programming services provided to independent cable television systems in Mexico and the Group's direct-to-home ("DTH") satellite and cable television businesses. These programming services for cable and pay-per-view television companies are provided in Mexico, other countries in Latin America, the United States and Europe. The programming services consist of both programming produced by the Group and programming produced by others.

The Licensing and Syndication revenue was derived from international program licensing and syndication fees. The Group's television programming is licensed and syndicated to customers abroad, including Univision.

On January 31, 2022, the Group disposed of most of its Content segment and other net assets. Through December 31, 2021, the Content segment was reported separately as the disposal of this Group's segment had not been concluded as of that date. Beginning in the first quarter of 2022, the Group's operating results of its disposed businesses through January 31, 2022, will be classified as discontinued operations, including the corresponding comparative information for earlier periods (see Notes 3 and 30).

Other Businesses

Through December 31, 2021, the Other Businesses segment included the Group's feature-film production and distribution, domestic operations in sports and show business promotion, soccer, publishing and publishing distribution, and gaming. Through the third quarter of 2019, the Radio business was classified in the Group's Other Businesses segment. Beginning in the fourth quarter of 2019, the Radio operating results were classified as held-for-sale operations through June 30, 2020, and as disposed operations following the disposition of this business in July 2020 (see Notes 2 (b) and 3). On January 31, 2022, the feature-film production and distribution business, was disposed of by the Group in conjunction with the disposal of most of its Content segment. Beginning in the first quarter of 2022, the Group's operating results of the feature-film production and distribution business through January 31, 2022, will be classified as discontinued operations, including the corresponding comparative information for earlier periods (see Notes 3 and 30).

The table below presents information by segment and a reconciliation to consolidated total for the years ended December 31, 2021, 2020 and 2019:

	Total Revenues		Intersegment Revenues		Consolidated Revenues		Segment Income
2021:							
Cable	Ps.	48,020,929	Ps.	737,536	Ps.	47,283,393	Ps. 20,285,023
Sky		22,026,616		594,773		21,431,843	8,504,169
Content		35,941,918		5,137,690		30,804,228	13,778,960
Other Businesses		5,029,067		1,026,708		4,002,359	907,382
Segment totals		111,018,530		7,496,707		103,521,823	43,475,534
Reconciliation to consolidated amounts:							
Corporate expenses		—		—		—	(2,203,548)
Intersegment operations		(7,496,707)		(7,496,707)		—	(64,354)
Depreciation and amortization expense		—		—		—	(21,418,369)
Consolidated net sales and operating income before other income		103,521,823		—		103,521,823	19,789,263 ⁽¹⁾
Other income, net		—		—		—	2,388,008
Consolidated net sales and operating income	Ps.	103,521,823	Ps.	—	Ps.	103,521,823	Ps. 22,177,271 ⁽²⁾



	Total Revenues		Intersegment Revenues		Consolidated Revenues		Segment Income
2020:							
Cable	Ps.	45,367,108	Ps.	710,357	Ps.	44,656,751	Ps. 18,898,301
Sky		22,134,701		581,270		21,553,431	9,135,346
Content		32,613,007		4,679,805		27,933,202	12,360,797
Other Businesses		4,276,074		1,281,096		2,994,978	116,480
Segment totals		104,390,890		7,252,528		97,138,362	40,510,924
Reconciliation to consolidated amounts:							
Disposed operations ⁽³⁾		223,272		—		223,272	(3,991)
Corporate expenses		—		—		—	(1,882,923)
Intersegment expenses		(7,252,528)		(7,252,528)		—	(71,483)
Depreciation and amortization expense		—		—		—	(21,260,787)
Consolidated net sales and operating income before other income		97,361,634		—		97,361,634	17,291,740 ⁽¹⁾
Other income, net		—		—		—	233,628
Consolidated net sales and operating income	Ps.	97,361,634	Ps.	—	Ps.	97,361,634	Ps. 17,525,368 ⁽²⁾

	Total Revenues		Intersegment Revenues		Consolidated Revenues		Segment Income
2019:							
Cable	Ps.	41,701,982	Ps.	591,618	Ps.	41,110,364	Ps. 17,797,571
Sky		21,347,078		437,275		20,909,803	9,121,221
Content		35,060,534		3,589,407		31,471,127	12,649,135
Other Businesses ⁽³⁾		8,200,212		772,793		7,427,419	1,464,249
Segment totals		106,309,806		5,391,093		100,918,713	41,032,176
Reconciliation to consolidated amounts:							
Disposed operations ⁽³⁾		841,437		2,969		838,468	258,885
Corporate expenses		—		—		—	(1,888,398)
Intersegment expenses		(5,394,062)		(5,394,062)		—	(72,250)
Depreciation and amortization expense		—		—		—	(21,008,796)
Consolidated net sales and operating income before other expense		101,757,181		—		101,757,181	18,321,617 ⁽¹⁾
Other expense, net		—		—		—	(1,316,587)
Consolidated net sales and operating income	Ps.	101,757,181	Ps.	—	Ps.	101,757,181	Ps. 17,005,030 ⁽²⁾

⁽¹⁾ This amount represents income before other income or expense, net.

⁽²⁾ This amount represents consolidated operating income.

⁽³⁾ In 2018, the Radio operations were previously reported as part of the Other Businesses segment. In 2019 and 2020, the Radio operations were classified as disposed operations for comparison purposes.

Accounting Policies

The accounting policies of the segments are the same as those described in the Group's summary of significant accounting policies (see Note 2). The Group evaluates the performance of its segments and allocates resources to them based on operating income before depreciation and amortization.

Intersegment Revenue

Intersegment revenue consists of revenues derived from each of the segments principal activities as provided to other segments.

The Group accounts for intersegment revenues as if the revenues were from third parties, that is, at current market prices.

Allocation of Corporate Expenses

Non-allocated corporate expenses primarily include share-based compensation expense for certain key officers and employees in connection with the Company's LTRP, as well as other general expenses that because of their nature and characteristics are not subject to be allocated within the Group's business segments.



The table below presents segment information about assets, liabilities, and additions to property, plant and equipment as of and for the years ended December 31, 2021, 2020 and 2019:

	Segment Assets at Year-End	Segment Liabilities at Year-End	Additions to Property, Plant and Equipment
2021:			
Continuing operations:			
Cable	Ps. 119,102,077	Ps. 24,449,798	Ps. 17,339,270
Sky	25,615,006	10,745,984	4,949,039
Content	93,463,141	37,286,277	909,164
Other Businesses	8,744,886	3,203,932	70,374
Total	Ps. 246,925,110	Ps. 75,685,991	Ps. 23,267,847
2020:			
Continuing operations:			
Cable	Ps. 112,478,015	Ps. 22,295,808	Ps. 14,182,848
Sky	26,423,707	10,696,397	5,361,494
Content	80,237,558	27,427,941	479,731
Other Businesses	8,177,183	3,936,289	107,665
Total	Ps. 227,316,463	Ps. 64,356,435	Ps. 20,131,738
2019:			
Continuing operations:			
Cable	Ps. 105,841,104	Ps. 21,637,395	Ps. 12,995,448
Sky	27,755,967	12,902,845	4,039,020
Content	78,336,679	31,555,070	1,690,805
Other Businesses	10,268,185	4,530,712	383,011
Total	Ps. 222,201,935	Ps. 70,626,022	Ps. 19,108,284

Segment assets reconcile to total assets as of December 31, 2021 and 2020, as follows:

	2021	2020
Segment assets	Ps. 246,925,110	Ps. 227,316,463
Investments attributable to:		
Cable	614,146	515,002
Content ⁽¹⁾	31,920,796	29,096,777
Other Businesses	245,372	204,464
Goodwill attributable to:		
Cable	13,794,684	13,794,684
Content	241,973	241,973
Other Businesses	—	76,969
Total assets	Ps. 293,742,081	Ps. 271,246,332

⁽¹⁾ Includes goodwill attributable to equity investments of Ps.359,613 in 2020 (see Notes 3 and 10).

Equity method gain (loss) recognized in income for the years ended December 31, 2021, 2020 and 2019 attributable to equity investments in Cable, was Ps.161,468, Ps.(7,826) and Ps.(62,329), respectively.

Equity method gain (loss) recognized in income for the years ended December 31, 2021, 2020 and 2019 attributable to equity investments in Content, was Ps.3,503,357, Ps.(5,739,833) and Ps.642,768, respectively.

Equity method gain recognized in income for the years ended December 31, 2021, 2020 and 2019 attributable to equity investments in Other Businesses, was Ps.7,052, Ps.7,991 and Ps.584, respectively.

Segment liabilities reconcile to total liabilities as of December 31, 2021 and 2020, as follows:

	2021	2020
Segment liabilities	Ps. 75,685,991	Ps. 64,356,435
Debt not allocated to segments	121,532,026	118,950,864
Total liabilities	Ps. 197,218,017	Ps. 183,307,299



Geographical segment information:

	Total Net Sales		Segment Assets at Year-End		Additions to Property, Plant and Equipment	
2021:						
Mexico	Ps.	90,815,023	Ps.	230,559,883	Ps.	22,859,403
Other countries ⁽¹⁾		12,706,800		16,365,227		408,444
	Ps.	103,521,823	Ps.	246,925,110	Ps.	23,267,847
2020:						
Mexico	Ps.	84,664,293	Ps.	215,395,954	Ps.	19,707,436
Other countries ⁽¹⁾		12,697,341		11,920,509		424,302
	Ps.	97,361,634	Ps.	227,316,463	Ps.	20,131,738
2019:						
Mexico	Ps.	88,388,569	Ps.	211,592,987	Ps.	18,804,629
Other countries ⁽¹⁾		13,368,612		10,608,948		303,655
	Ps.	101,757,181	Ps.	222,201,935	Ps.	19,108,284

⁽¹⁾ The United States is the largest country from which revenue is derived.

Net sales are attributed to geographical segment based on the location of customers.

Disaggregation of Total Revenues

The table below present total revenues for each reportable segment disaggregated by major service/product lines and primary geographical market for the years ended December 31, 2021, 2020 and 2019:

	Domestic		Export		Abroad		Total
2021:							
Cable:							
Digital TV Service ^(a)	Ps.	15,883,520	Ps.	—	Ps.	—	Ps. 15,883,520
Advertising		1,971,853		—		—	1,971,853
Broadband Services ^(a)		18,648,098		—		—	18,648,098
Telephony ^(a)		4,977,671		—		—	4,977,671
Other Services		598,890		—		—	598,890
Enterprise Operations		5,699,425		—		241,472	5,940,897
Sky:							
DTH Broadcast Satellite TV ^(a)		19,210,652		—		1,514,377	20,725,029
Advertising		1,233,537		—		—	1,233,537
Pay-Per-View		56,883		—		11,167	68,050
Content:							
Advertising		18,925,794		236,248		—	19,162,042
Network Subscription Revenue		4,525,815		864,952		—	5,390,767
Licensing and Syndication		1,781,380		9,607,729		—	11,389,109
Other Businesses:							
Gaming		1,673,911		—		—	1,673,911
Soccer, Sports and Show Business Promotion		1,658,928		71,661		—	1,730,589
Publishing - Magazines		341,159		—		—	341,159
Publishing - Advertising		143,622		—		—	143,622
Publishing Distribution		286,454		—		—	286,454
Feature Film Production and Distribution		694,138		—		159,194	853,332
Segment total		98,311,730		10,780,590		1,926,210	111,018,530
Intersegment eliminations		(7,496,707)		—		—	(7,496,707)
Consolidated total revenues	Ps.	90,815,023	Ps.	10,780,590	Ps.	1,926,210	Ps. 103,521,823



	Domestic	Export	Abroad	Total
2020:				
Cable:				
Digital TV Service ^(a)	Ps. 16,549,458	Ps. —	Ps. —	Ps. 16,549,458
Advertising	1,633,201	—	—	1,633,201
Broadband Services ^(a)	16,540,687	—	—	16,540,687
Telephony ^(a)	4,382,964	—	—	4,382,964
Other Services	702,023	—	—	702,023
Enterprise Operations	5,245,443	—	313,332	5,558,775
Sky:				
DTH Broadcast Satellite TV ^(a)	19,398,285	—	1,569,999	20,968,284
Advertising	1,112,662	—	—	1,112,662
Pay-Per-View	42,291	—	11,464	53,755
Content:				
Advertising	16,180,397	169,362	—	16,349,759
Network Subscription Revenue	4,322,535	1,143,657	—	5,466,192
Licensing and Syndication	1,572,659	9,224,397	—	10,797,056
Other Businesses:				
Gaming	959,985	—	—	959,985
Soccer, Sports and Show Business Promotion	1,382,708	146,324	—	1,529,032
Publishing - Magazines	269,768	—	942	270,710
Publishing - Advertising	173,645	—	—	173,645
Publishing Distribution	309,673	—	—	309,673
Feature Film Production and Distribution	915,165	—	117,864	1,033,029
Segment total	91,693,549	10,683,740	2,013,601	104,390,890
Disposed operations: Radio - Advertising (see Note 3)	223,272	—	—	223,272
Intersegment eliminations	(7,252,528)	—	—	(7,252,528)
Consolidated total revenues	Ps. 84,664,293	Ps. 10,683,740	Ps. 2,013,601	Ps. 97,361,634

	Domestic	Export	Abroad	Total
2019:				
Cable:				
Digital TV Service ^(a)	Ps. 16,298,079	Ps. —	Ps. —	Ps. 16,298,079
Advertising	1,507,831	—	—	1,507,831
Broadband Services ^(a)	14,544,473	—	—	14,544,473
Telephony ^(a)	3,658,121	—	—	3,658,121
Other Services	801,937	—	—	801,937
Enterprise Operations	4,626,396	—	265,145	4,891,541
Sky:				
DTH Broadcast Satellite TV ^(a)	18,918,077	—	1,359,079	20,277,156
Advertising	953,634	—	—	953,634
Pay-Per-View	98,539	—	17,749	116,288
Content:				
Advertising	19,236,014	223,434	—	19,459,448
Network Subscription Revenue	3,832,716	1,160,459	—	4,993,175
Licensing and Syndication	1,794,636	8,813,275	—	10,607,911
Other Businesses:				
Gaming	2,974,284	—	—	2,974,284
Soccer, Sports and Show Business Promotion	1,821,605	1,182,972	—	3,004,577
Publishing - Magazines	393,763	—	18,076	411,839
Publishing - Advertising	246,309	—	23,461	269,770
Publishing Distribution	337,685	—	—	337,685
Feature Film Production and Distribution	890,927	787	310,343	1,202,057
Segment total	92,935,026	11,380,927	1,993,853	106,309,806
Disposed operations: Radio - Advertising (see Note 3)	841,437	—	—	841,437
Intersegment eliminations	(5,387,894)	—	(6,168)	(5,394,062)
Consolidated total revenues	Ps. 88,388,569	Ps. 11,380,927	Ps. 1,987,685	Ps. 101,757,181

^(a) Digital TV Service revenues include revenue from leasing set-top equipment to subscribers in the Cable segment in the amount of Ps.5,678,042, Ps.5,514,984 and Ps.5,289,996, for the years ended December 31, 2021, 2020 and 2019, respectively. DTH Broadcast Satellite TV revenues include revenue from leasing set-top equipment to subscribers in the Sky segment in the amount of Ps.9,338,664, Ps.9,212,317 and Ps.9,232,152, for the years ended December 31, 2021, 2020 and 2019, respectively. Revenue from leasing set-top equipment to subscribers is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property, plant and equipment and is leased to subscribers through operating lease contracts.



Net sales from external customers for the years ended December 31, 2021, 2020 and 2019 are presented by sale source, as follows:

	2021	2020	2019
Services	Ps. 77,050,269	Ps. 71,745,105	Ps. 75,988,820
Royalties	10,439,063	9,907,313	10,005,977
Goods	806,907	805,690	932,198
Leases ⁽¹⁾	15,225,584	14,903,526	14,830,186
Total	Ps. 103,521,823	Ps. 97,361,634	Ps. 101,757,181

⁽¹⁾ This line includes primarily revenue from leasing set-top equipment to subscribers in the Cable and Sky segments, which is recognized when services are rendered to such subscribers. Set-top equipment is part of the Group's property and equipment and is leased to subscribers through operating lease contracts.

27. Commitments and Contingencies

Commitments

As of December 31, 2021, the Group had commitments for programming and transmission rights to be acquired or licensed from third party producers and suppliers, mainly related to special events, in the aggregate amount of U.S.\$69.7 million (Ps.1,429,392) and U.S.\$1,198.1 million (Ps.24,565,445), respectively, with various payment commitments to be made between 2022 and 2030.

As of December 31, 2021, the Group had third party commitments for transmission rights to be sublicensed by the Group in the aggregate amount of U.S.\$47.6 million (Ps.977,004) with various cash payments to be received by the Group between 2022 and 2030.

At December 31, 2021, the Group had commitments in an aggregate amount of Ps.2,888,260, of which Ps.8,441, were commitments related to gaming operations, Ps.136,208, were commitments to acquire television technical equipment, Ps.664,454, were commitments for the acquisition of software and related services, and Ps.2,079,157, were construction commitments for building improvements and technical facilities.

In connection with a long-term credit facility, the Group expects to provide financing to GTAC in 2022 in the principal amount of U.S.\$8.9 million (Ps.191,900) (see Note 10).

At December 31, 2021, the Group had the following aggregate minimum annual commitments (undiscounted) for the use of satellite transponders:

	Thousands of U.S. Dollars
2022	U.S.\$ 6,605
2023	4,760
2024	4,678
2025 and thereafter	2,646
	U.S.\$ 18,689

A reconciliation of the non-cancellable lease commitments as of December 31, 2018 and the initial measurement of the lease liabilities under IFRS 16 were as follow:

Operating lease commitments disclosed under IAS 17 in the Group's consolidated financial statements as of December 31, 2018	Ps. 7,160,431
Discounted using the incremental borrowing rate at January 1, 2019	(2,669,751)
Finance lease liabilities recognized at December 31, 2018	5,317,944
Adjustments as a result of a different treatment of extension, termination options and short-term and low-value exemptions	306,632
Lease liabilities recognized at January 1, 2019	Ps. 10,115,256

Preponderant Economic Agent

On March 6, 2014, the IFT issued a decision whereby it determined that the Company, together with certain subsidiaries with concessions that provide broadcast television, are preponderant economic agents in the broadcasting sector in Mexico (together, the "Preponderant Economic Agent"). The preponderance decision imposes on the Preponderant Economic Agent various measures, terms, conditions and restrictive obligations, some of which may adversely affect the activities of the Group's broadcasting businesses, as well as their results of operations and financial condition. Among these measures, terms, conditions and restrictive obligations are included the following:

Infrastructure sharing – The Preponderant Economic Agent must make its passive broadcasting infrastructure (as defined in the preponderance decision) available to third-party concessionaries of broadcast television (as defined in the preponderance decision) for commercial purposes in a non-discriminatory and non-exclusive manner, with the exception of broadcasters that, at the time the measures enter into force, have 12 MHz or more of radio-electric spectrum in the geographic area concerned.

Advertising sales – The Preponderant Economic Agent must deliver to IFT and publish the terms and conditions of certain broadcast advertising services and fee structures, including, without limitation, commercials, packages, bonuses and discount plans and any other commercial practice, and publish them on its webpage.

Prohibition on acquiring certain exclusive content – The Preponderant Economic Agent may not acquire transmission rights, on an exclusive basis, for any location within Mexico with respect to certain relevant content, determined by IFT in the Ruling whereby IFT



identifies the relevant audiovisual contents in terms and for the purposes of the fourth measure and the second transitory article of the fourth attachment whereby the Preponderant Economic Agent in the telecommunication sector was resolved and the eighteenth and thirteenth transitory articles of the first attachment of the resolution whereby the Preponderant Economic Agent in the broadcasting sector as resolved (the “Relevant Content Ruling”), which may be updated every two years by IFT.

Over-the-air channels – When the Preponderant Economic Agent offers any of its over-the-air channels, or channels that have at least 50% of the programming broadcasted between 6:00 and 24:00 hours on such channels in the same day, to its affiliates, subsidiaries, related parties and third parties, for distribution through a different technological platform than over-the-air-broadcast television, the Preponderant Economic Agent must offer these channels to any other person that asks for distribution over the same platform as the Preponderant Economic Agent has offered, on the same terms and conditions.

Prohibition on participating in “buyers’ clubs” or syndicates to acquire audiovisual content, without IFT’s prior approval - The Preponderant Economic Agent may not enter into or remain in any “buyers’ club” or syndicates of audiovisual content unless it has received the prior approval of IFT.

There are currently no resolutions from the IFT, judgments or orders that would require the Group to divest any of the assets as a result of being declared a Preponderant Economic Agent in the broadcasting sector.

On February 27, 2017, as part of a biennial review of the broadcasting sector preponderance rules, the IFT issued a ruling that amended some of the existing preponderance rules in broadcasting and included some additional obligations on the Company and some of its subsidiaries (the “New Preponderance Measures”), as follows:

Infrastructure sharing – In addition to the previously imposed obligations regarding the sharing of passive infrastructure, the New Preponderance Measures have included the service of signal emissions only in the event that no passive infrastructure exists on the requested site. In addition, the New Preponderance Measures strengthen the supervision of the infrastructure services provided by the Group, including certain rules relating to the publicity of its tariffs. In addition, more specifications for the Electronic Management System as part of the new measures are included. Likewise, the IFT determined specific tariffs for our infrastructure offer.

Prohibition to acquire certain exclusive content for broadcasting – This measure has been modified by enabling the Group to acquire relevant content under certain circumstances, as long as it obtains the right to sublicense such transmission rights to the other broadcasters in Mexico on non-discriminatory terms. In December 2018, the Relevant Content Ruling was updated.

Advertising sales – IFT modified this measure mainly by including specific requirements to the Group in its provision of over-the-air advertising services, particularly, to telecommunications companies. Such requirements include, among others: a) publishing and delivering to IFT specific information regarding tariffs, discount plans, contracting and sales terms and conditions, contract forms and other relevant practices; and b) terms and conditions that prohibit discrimination or refusal to deal, conditioned sales and other conditions that inhibit competition. The Group began the process of providing very detailed information to IFT on a recurrent basis of over the air advertising services related to telecommunications companies.

Accounting separation – The Group, as Preponderant Economic Agent, is required to implement an accounting separation methodology under the criteria defined by IFT, published in the Official Gazette of the Federation on December 29, 2017, as amended.

On March 28, 2014, the Company, together with its subsidiaries determined to be the Preponderant Economic Agent in the broadcasting sector, filed an *amparo* proceeding challenging the constitutionality of the Preponderance Decision. The Supreme Court resolved the *amparo* proceeding, resolving the constitutionality of the Preponderance Resolution and therefore, it is still valid.

Additionally, on March 31, 2017, the Company, together with its subsidiaries, filed an *amparo* proceeding challenging the constitutionality of the New Preponderance Measures. On November 21, 2019 the Second Court of the Supreme Court granted the *amparo* and revoked the New Preponderance Measures. Consequently, the valid and applicable measures in force are the resolved in accordance with the Preponderance Resolution.

The earliest bi-annual review of the preponderance measures for broadcasting sector that began in 2019 was concluded as a result of the *amparo* resolution.

The Company will continue to assess the extent and impact of the various measures, terms, conditions and restrictive obligations in connection with its designation by IFT as Preponderant Economic Agent, including the New Preponderance Measures, and will analyze carefully any actions and/or remedies (legal, business and otherwise) that the Company should take and/or implement regarding these matters.

Substantial Power Economic Agent

On November 26, 2020, the IFT notified the Company of the final resolution confirming the existence of substantial power in the 35 relevant markets of restricted television and audio services. Consequently, on December 17, 2020, the Company filed three *amparos* challenging the constitutionality of the resolution, which are now under review by the competent court. However, we are unable to predict the outcome of these procedures. Some of the consequences derived from the determination of substantial market power, are applicable as a matter of law and others may be imposed by IFT in a new procedure in accordance with the LFTR; these may consist of: (i) the obligation to obtain IFT’s approval and to register the rates for our services; (ii) to inform the IFT in case of the adoption of new technology or modifications to the network; (iii) the agent with substantial power may not be entitled to the benefits of some rules of the “must carry” and “must offer” provisions; and (iv) the implementation of accounting separation.



Contingencies

On March 5, 2018, a purported stockholder class action lawsuit was filed in the United States District Court for the Southern District of New York (the "District Court"), alleging securities law violations in connection with allegedly misleading statements and/or omissions in the Company's public disclosures. The lawsuit alleges that the Company and two of its executives failed to disclose alleged involvement in bribery activities relating to certain executives of *Fédération Internationale de Football Association* ("FIFA"), and wrongfully failed to disclose weaknesses in the Company's internal control over its financial reporting as of December 31, 2016.

On May 17, 2018, the Court appointed a lead plaintiff for the putative stockholder class. On August 6, 2018, the lead plaintiff filed an amended complaint. The Company thereupon filed a motion to dismiss the amended complaint. On March 25, 2019, the court issued a decision denying the Company's motion to dismiss, holding that plaintiff's allegations, if true, were sufficient to support a claim. The parties began to exchange discovery materials, and the discovery process has continued into 2021. On June 8, 2020, the court issued a decision denying class certification based on the inadequacy of the proposed class representative. On June 29, 2020, the court issued a decision granting class certification to a new class representative. The Company sought permission for leave to appeal the District Court's order.

On October 6, 2020, the United States Court of Appeals for the Second Circuit (the "Court of Appeals") denied the Company's request for leave to appeal the District Court's class certification order.

On May 19, 2021, the District Court issued an order disqualifying class counsel and stayed the case for thirty days so the class representative could identify replacement counsel. On June 17, 2021, the District Court granted a request from the class representative and disqualified counsel to extend the stay for an additional sixty days. On June 18, 2021, a petition for a writ of mandamus was filed in the Court of Appeals, seeking reinstatement of disqualified counsel. On June 23, 2021, the Court of Appeals granted a request from the petitioners to stay proceedings in the District Court pending the Court of Appeals' decision on the petition. On August 24, 2021, the Court of Appeals denied the petition. On September 14, 2021, the case was returned to the District Court. On October 8, 2021, the District Court appointed new class counsel. Discovery has continued, but is scheduled to conclude, with exceptions, on March 31, 2022.

The Company continues to believe that the lawsuit, and the material allegations and claims therein, are without merit and intends to vigorously defend against the lawsuit. With regard to plaintiff's allegations regarding FIFA, outside counsel long previously investigated the circumstances surrounding the Company's acquisition of the Latin American media rights for the Canada, Mexico and USA 2026 FIFA World Cup and 2030 FIFA World Cup and uncovered no credible evidence that would form the basis for liability for the Company or for any executive, employee, agent or subsidiary thereof. In particular, the Company itself made no payment to any FIFA person and in no way knew of, or condoned, any payment by any third party to any FIFA person. The Company also notes that no proceedings have been initiated against it by any governmental agency.

On April 27, 2017, the tax authorities initiated a tax audit to the Company, with the purpose of verifying compliance with tax provisions for the fiscal period from January 1 to December 31, 2011, regarding federal taxes as direct subject of Income Tax (*Impuesto sobre la Renta* or ISR), Flat tax (*Impuesto Empresarial a Tasa Única*) and Value Added Tax (*Impuesto al Valor Agregado*). On April 25, 2018, the authorities informed the observations determined as a result of such audit, that could entail a default on the payment of the abovementioned taxes. On May 25, 2018, by a document submitted before the authority, the Company asserted arguments and offered evidence to undermine the authority's observations. On June 27, 2019, the Company was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.682 million for ISR, penalties, surcharges and inflation adjustments. On August 22, 2019, the Company filed an administrative proceeding (*recurso de revocación*) against such tax liability, before the Legal area of the Tax Authorities, which is in the process of being resolved. As of the date of this report, there are no elements to determine if the outcome would be adverse to the Company's interests.

On June 1, 2016, the tax authority initiated a tax audit to a Company's indirect subsidiary that carries out operations in the Gaming business, which is presented in the Other Businesses segment, with the purpose of verifying compliance with tax provisions for the period from January 1 to December 31, 2014, regarding federal taxes as direct subject, as well as withholder. On April 24, 2017, the authorities informed the facts and omissions detected during the development of the verification process, that could entail a default on the payment of the abovementioned taxes. On May 30, 2017, by a document submitted before the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the authority's last partial record. On June 21, 2019, such entity was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.1,334 million, essentially related to IEPS (*Impuesto Especial sobre Producción y Servicios* or Excise Tax); on August 16, 2019, an administrative proceeding (*recurso de revocación*) was filed before the Legal area of the Tax Authorities. On January 7, 2021, the resolution to the administrative proceeding was notified, in which the appealed resolution was confirmed. On February 19, 2021 a claim (*juicio de nulidad*) against the resolution issued in the referred administrative proceeding was filed in the Second Regional Court of Puebla of the Federal Court of Administrative Justice (*Tribunal Federal de Justicia Administrativa*), which is still pending of resolution. As of the date of this report, there are no elements to determine if the outcome would be adverse to the Company's interests.

On August 12, 2019, the tax authority initiated a Foreign Trade Audit of one of the Company's indirect subsidiaries (Cablebox. S.A. de C.V.), with the purpose of verifying the correct payment of the contributions and levies on the import of the merchandise, as well as compliance with non-customs regulations and restrictions applicable to 26 foreign trade operations carried out during fiscal year 2016. On April 30, 2020, the tax authority released the observations determined as a result of the aforementioned review, which could lead to non-compliance with the payment of the referred contributions. On April 30, 2020, the tax authority informed the facts and omissions detected during the development of the verification process, that could entail a default on several provisions of the Customs Act (*Ley Aduanera*). On June 2 and 29, 2020, by several documents submitted before the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the tax authority's last partial record. On July 16, 2020 such entity was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.290 million for a fine consisting of 70% of the commercial value of the merchandise subject to review, due to the alleged failure to comply with the *Norma Oficial Mexicana*, or Official Mexican Standards (NOM-019-SCFI-1998), as well as on the amount of the commercial value of the merchandise due to the material impossibility of the merchandise becoming property of the Federal Treasury. On August 27, 2020, an administrative proceeding (*recurso*



de revocación) was filed before the Legal department of the Tax Authority, which is in the process of being resolved. As of the date of this report, it is not possible to determine if the outcome would be adverse or favorable to the Company's interests.

On July 29, 2019, the tax authority initiated a Foreign Trade Audit of one of the Company's indirect subsidiaries (CM Equipos y Soporte, S.A. de C.V.), with the purpose of verifying the correct payment of the contributions and levies on the import of the merchandise, as well as compliance with non-customs regulations and restrictions applicable to 32 foreign trade operations carried out during fiscal year 2016. On July 10, 2020, the tax authority released the observations determined as a result of the aforementioned review, which could lead to a determination of non-compliance with the payment of the referred contributions. On August 21, 2020, through several documents submitted to the authorities, the Company's subsidiary asserted arguments and offered evidence to undermine the facts and omissions included in the tax authority's most recent partial record. On May 28, 2021, the subsidiary was notified of the outcome of the audit, in which a tax liability was determined for an amount of Ps.256.3 million for a fine consisting of 70% of the commercial value of the merchandise subject to review, due to the alleged failure to comply with the *Normas Oficiales Mexicanas*, or Official Mexican Standards (NOM-019-SCFI-1998, NOM-EM-015-SCFI-2015 and NOM-024-SCFI-2013), as well as on the amount of the commercial value of the merchandise due to the material impossibility of the merchandise becoming property of the Federal Treasury. On July 12, 2021, an administrative proceeding (*recurso de revocación*) was filed before the Legal department of the Tax Authority, which is in the process of being resolved. As of the date of these financial statements, it is not possible to determine if the outcome would be adverse or favorable to the Company.

The matters discussed in the previous paragraphs did not require the recognition of a provision as of December 31, 2021.

There are several legal actions and claims pending against the Group, which are filed in the ordinary course of business. In the opinion of the Company's management, none of these actions and claims is expected now to have a material adverse effect on the Group's financial statements as a whole; however, the Company's management is unable to predict the outcome of any of these legal actions and claims.

28. Changes in Accounting Policies Required by the Initial Application of IFRS 16

IFRS 16 was issued in January 2016, replaced IAS 17, and became effective for annual periods beginning on January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the former IFRS Standard: lessors continue to classify leases as finance or operating leases.

Beginning in the first quarter of 2019, the Group adopted the guidelines of IFRS 16 by using the retrospective cumulative effect, which consists of recognizing any cumulative adjustment due to the new IFRS Standard at the date of initial adoption in consolidated assets and liabilities. Accordingly, as a lessee, the Group recognized lease liabilities as of January 1, 2019, for leases classified as operating leases through December 31, 2018, and measured these lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of January 1, 2019. The carrying amounts of leases classified as a finance leases through December 31, 2018, became the initial carrying amounts of right-of-use assets and lease liabilities under the guidelines of IFRS 16 beginning on January 1, 2019.

The initial impact of recording lease liabilities, and the corresponding right-of-use assets in accordance with the guidelines of IFRS 16, increased the Group's consolidated total assets and liabilities as of January 1, 2019, as described below. Also, as a result of the adoption of IFRS 16, the Group recognizes a depreciation of rights-of-use assets for long-term lease agreements, and a finance expense for interest from related lease liabilities, instead of affecting consolidated operating costs and expenses for lease payments made, as they were recognized through December 31, 2018, under the guidelines of the former IFRS Standard.

The Company's management has concluded the analysis and assessment of any changes to be made in the Group's accounting policies for long-term lease agreements as a lessee, including the implementation of controls over financial reporting in the different business segments of the Group, in connection with the measurement and disclosures required by IFRS 16.

As a result of the adoption of IFRS 16, the Group recognized as right-of-use assets and lease liabilities in its consolidated statements of financial position as of December 31, 2021, December 31, 2020 and January 1, 2019, long-term lease agreements that were recognized as operating leases through December 31, 2018, as follows:

Long-term Lease Agreements	December 31, 2021 Assets (Liabilities)	December 31, 2020 Assets (Liabilities)	January 1, 2019 Assets (Liabilities)
Right-of-use assets, net	Ps. 5,086,783	Ps. 4,392,420	Ps. 4,797,312
Lease liabilities ⁽¹⁾	(5,533,552)	(4,745,292)	(4,797,312)
Net effect	Ps. (446,769)	Ps. (352,872)	—

⁽¹⁾ Current portion of lease liabilities as of December 31, 2021, December 31, 2020 and January 1, 2019, amounted to Ps.718,501, Ps.524,458 and Ps.462,513, respectively.

Depreciation of right-of-use assets referred to in the table above and charged to income for the year ended December 31, 2021 and 2020, amounted to Ps.730,145 and Ps.670,749, respectively.



The Group also classified as right-of-use assets and lease liabilities in its consolidated statements of financial position as of December 31, 2021, December 31, 2020 and January 1, 2019, property and equipment and obligations under long-term lease agreements that were recognized as finance leases through December 31, 2018, as follows:

Long-term Lease Agreements	December 31, 2021 Assets (Liabilities)	December 31, 2020 Assets (Liabilities)	January 1, 2019 Assets (Liabilities)
Right-of-use assets, net	Ps. 2,517,784 Ps.	2,819,745 Ps.	3,402,869
Lease liabilities ⁽¹⁾	(4,147,007)	(4,547,059)	(5,317,944)
Net effect	Ps. (1,629,223)Ps.	(1,727,314) Ps.	(1,915,075)

⁽¹⁾ Current portion of lease liabilities as of December 31, 2021, December 31, 2020 and January 1, 2019, amounted to Ps.759,881, Ps.753,296 and Ps.651,800, respectively.

Depreciation of right-of-use assets referred to in the table above and charged to income for the years ended December 31, 2021 and 2020, amounted to Ps.417,903 and Ps.426,025, respectively.

In applying IFRS 16 for the first time, the Group used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as of January 1, 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as of January 1, 2019 as short-term leases
- Excluding initial direct cost for the measurement of the right-of-use asset at the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

29. Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of Coronavirus (“COVID-19”) as a pandemic. Most governments in the world have been implementing different restrictive measures to contain the spread of this pandemic. This situation is significantly affecting the global economy, including Mexico, due to the disruption or slowdown of supply chains and the increase in economic uncertainty, as evidenced by the increase in volatility of asset prices, exchange rates and increases/decreases in long-term interest rates. For the year ended December 31, 2021, the financial crisis caused by the COVID-19 pandemic still had a negative effect on the Group’s businesses, financial position, and results of operations, and it is currently difficult to predict the degree of the impact in the future. During 2021 and 2020, the Company’s management made an assessment of potential adverse impacts of COVID-19 in its business segments, primarily in connection with impairment indicators and testing of significant long-lived assets, expected credit losses for accounts receivable, recovery of deferred income tax assets and workforce considerations. The Company’s management will continue to assess the potential adverse impacts of COVID-19, including the monitoring of impairment indicators and testing, forecasts and budgets, fair values and/or estimated future cash flows related to the recoverability of significant financial and non-financial assets of its business segments. As of the authorization date of these consolidated financial statements, the Company’s management cannot predict the adverse impact of COVID-19 in the Group’s consolidated financial statements for the year ending December 31, 2022.

The Company’s management cannot guarantee that conditions in the bank lending, capital and other financial markets will not continue to deteriorate as a result of the pandemic, or that its access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings, renewals or refinancings. In addition, the deterioration of global economic conditions as a result of the pandemic may ultimately reduce the demand for the Group’s products across its segments, as its clients and customers reduce or defer their spending.

Although vaccination efforts have continued, the Mexican Government is still implementing its plan to reactivate economic activities in accordance with color-based phases determined in every state of the country. Most non-essential economic activities are open, and there are some limitations in place with respect to capacity and hours of operation. Notwithstanding the foregoing, during the year ended December 31, 2021, this has affected, and is still affecting the ability of the Group’s employees, suppliers and customers to conduct their functions and businesses in their typical manner.

The Group continued operating its media business (until the merger with Univision on January 31, 2022) and its telecommunications businesses uninterrupted to continue benefiting the country with connectivity, entertainment and information, and during the year ended December 31, 2021, the Group continued with the production of new content following the requirements and health guidelines imposed by the Mexican Government. The Group’s Content business continued to recover during the year ended December 31, 2021, as a result of the easing of lockdown restrictions in most jurisdictions in which its customers are located.

In the Group’s Other Businesses segment, sporting and other entertainment events for which it has broadcast rights, or which it produces, organizes, promotes and/or are located in venues it owns, are operating with some restrictions and taking the corresponding sanitary measures, and the Group’s casinos are operating with reduced capacity and hours of operation, with some casinos closing and reopening in regions with a high number of COVID-19 cases, as mandated by the authorities. Local authorities may impose additional, including restrictions on capacity and operating hours, which may affect the results of the Group’s Other Businesses segment in the following months.



In addition, the authorities may impose restrictions on non-essential activities, including but not limited to temporary shutdowns or additional guidelines, which could be expensive or burdensome to implement, and which may affect the Group's operations. The magnitude of the impact on the Group's businesses will depend on the duration and extent of the COVID-19 pandemic, and the impact of federal, state, local and foreign governmental actions, including continued or future social distancing, and consumer behavior in response to the COVID-19 pandemic and such governmental actions. Due to the evolving and uncertain nature of this situation, the Company's management is not able to estimate the full extent of the impact of the COVID-19 pandemic, but it may continue affecting the Group's businesses, financial position and results of operations over the near, medium or long-term.

30. Events after the Reporting Period

As described in Note 3, on January 24, 2022, the Group and UH II announced that all required regulatory approvals sought in connection with the proposed merger of the Group's media, content and production assets with Univision had been received by the parties in the Transaction Agreement dated April 13, 2021. On January 31, 2022, the Group and TelevisaUnivision (formerly known as UH II) announced that this transaction was concluded on that date. As a result, in the first quarter of 2022, the Group expects to (i) increase its cash and cash equivalents in the amount of approximately U.S.\$3,220 million; (ii) increase its investment in common and preferred shares of TelevisaUnivision in the amount of U.S.\$1,500 million; (iii) recognize a net gain on disposition of most of its former Content business segment and other net assets in its consolidated statement of income for the first quarter of 2022; and (iv) increase its share of income or loss in associates derived from a larger ownership in TelevisaUnivision. The expected results of this transaction will be partially offset in the Group's consolidated statement of income for the first quarter of 2022, by a reduction in its consolidated operating income resulting primarily from the disposal of its former Content business segment. Also, beginning in the first quarter of 2022, the Group will present the results of operations from its disposed businesses as discontinued operations in its consolidated statements of income for any prior period presented for comparative purposes and for the month ended January 31, 2022.

The Company entered into conditional sale contracts with certain officers of the Group, primarily in February 2022, for 24.7 million CPOs. For accounting purposes, these contracts will be treated as share-based expenses in the Group's consolidated financial statements for the first quarter of 2022. Additionally, in the first quarter of 2022, the Company cancelled contracts for 10.6 million CPOs and will recognize in its consolidated statement of income for the first quarter of 2022 the release of contracts for 8.0 million CPOs, which were originally assigned under the LTRP to certain officers and employees of the Group in 2019, 2020 and 2021.

In February 2022, the Company's revolving credit facility with a syndicate of banks was increased by U.S.\$32 million reaching a total amount of U.S.\$650 million payable in Mexican pesos, and extended for a three-year term, with maturity in February 2025 (see Note 14).

In February 2022, the Company announced a partial redemption of U.S.\$200 million aggregate principal amount of its U.S.\$600 million 6.625% Senior Notes due 2025 (the "Notes"), outstanding on March 30, 2022 (the "Redemption Date"), at a redemption price equal to the greater of: (i) 100% of the principal amount thereof; and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semiannual basis, at the Treasury Rate plus 40 basis points, plus accrued and unpaid interest on the principal amount of the Notes to the Redemption Date. The Notes redemption was completed on the Redemption Date (see Note 14).

In February and March 2022, the Company prepaid outstanding long-term loans with three Mexican banks, in the aggregate principal amount of Ps.6,000,000, and related accrued interest for an aggregate amount of Ps.37,057. The original maturities of these loans were in the fourth quarter 2022 and first quarter of 2023.

In February 2022, the Company's Board of Directors approved a proposal for a dividend of Ps.0.35 per CPO payable in the second quarter of 2022, subject to approval of the Company's stockholders.

