



**GRUPO ELEKTRA ANNOUNCES REVENUES OF Ps.30,256 MILLION
AND EBITDA OF Ps.2,085 MILLION IN 3Q20**

**—Remarkable dynamism of the commercial business;
revenues increased 28% to Ps.13,686 million in the quarter—**

**—16% growth in deposits at Banco Azteca Mexico, to Ps.170,634 million,
consolidates firm prospects for the financial business, with optimal cost of funding—**

**—Strong performance of Banco Azteca Mexico's loan portfolio;
grows 7%, to Ps.99,396 million in the period—**

**Mexico City, October 27, 2020—Grupo Elektra, S.A.B. de C.V. (BMV: ELEKTRA*;
Latibex: XEKT), Latin America's leading specialty retailer and financial services company,
and the largest non-bank provider of cash advance services in the United States, today
announced third quarter 2020 financial results.**

Third Quarter Results

Consolidated revenues grew 2%, to Ps.30,256 million in the period, compared to Ps.29,733 million in the same quarter of the previous year. Operating costs and expenses were Ps.28,171 million, from Ps.25,651 million in the same period of 2019.

As a result, EBITDA was Ps.2,085 million, compared to Ps.4,082 million a year ago. Operating income was Ps.112 million this quarter, from Ps.2,198 million in the same period of 2019.

The company reported a net loss of Ps.1,636 million, compared to a net income of Ps.4,258 million a year ago.

	3Q 2019	3Q 2020	Change	
			Ps.	%
Consolidated revenue	\$29,773	\$30,256	\$523	2%
EBITDA	\$4,082	\$2,085	\$(1,996)	-49%
Operating result	\$2,198	\$112	\$(2,085)	-95%
Net result	\$4,258	\$(1,636)	\$(5,894)	----
Net result per share	\$18.64	\$(7.19)	\$(25.83)	----

Figures in millions of pesos

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

As of September 30, 2019, Elektra* outstanding shares were 228.4 million and as of September 30, 2020, were 227.6 million.

Revenue

Consolidated revenues increased 2%, as a result of a 28% growth in commercial sales, partially offset by a 13% decrease in financial revenues.

The growth in sales of the commercial business — to Ps.13,686 million, from Ps.10,725 million a year ago— is largely the result of a solid increase in sales of Italika motorcycles — which boosts business productivity and the mobility of thousands of families — telephony and computing — that strengthen the connectivity of more and more users — as well as appliances and mattresses, which effectively satisfy the needs of thousands of families and are commercialized in the most competitive market conditions.

Sales from the commercial business were further boosted with the development of new stores under a larger surface format, which includes a wide variety of merchandise and services, to satisfy an increasing number of customers. Similarly, Omnichannel operations, with the online store www.elektra.com.mx, which sells thousands of products at unparalleled prices, from any device and at any time, further strengthened business performance, in a context of growing online transactions, given the health contingency.

The reduction in financial income — to Ps.16,570 million, from Ps.19,008 million in the previous year — reflects lower interests earned in the period, within the framework of deterioration in economic performance indicators, as a consequence of the health emergency.

Costs and Expenses

Consolidated costs for the quarter were Ps.14,808 million, from Ps.12,791 million from the previous year. The growth in costs is explained by a 29% increase in the commercial cost, in line with the strong growth in merchandise sales, partially offset by a 2% reduction in

the financial cost, largely derived from lower interests paid, in line with decreasing market rates.

Selling, administrative and marketing expenses grew 4% to Ps.13,363 million as a result, mainly, of higher personnel expenses — in the framework of extraordinary disbursements for operating restructurings given the new economic context — and expenses related to the protection of employees and customers' health, partially offset by lower advertising expenses.

EBITDA and net result

EBITDA was Ps.2,085 million, from Ps.4,082 million from the previous year. The company reported operating income of Ps.112 million, compared to Ps.2,198 million in the same quarter of 2019.

The main variations below EBITDA were the following:

A negative variation of Ps.6,259 million in the other financial results line, which reflects a depreciation of 5% this quarter in the market value of underlying assets of financial instruments held by the company — which does not imply cash flow — in comparison to an 11% gain a year ago.

Congruent with the operating results for the quarter, there was a reduction of Ps.2,773 million in the tax provision in the period.

Grupo Elektra reported net loss of Ps.1,636 million, compared to a net income of Ps.4,258 million a year ago.

Unconsolidated Balance Sheet

In order to allow the visualization of the non-consolidated financial situation, a pro forma exercise of the balance sheet of Grupo Elektra is presented, excluding the net assets of the financial business, whose investment is valued under the equity method, in this case.

This presentation shows the debt of the company without considering Banco Azteca's immediate and term deposits, which do not constitute debt with cost for Grupo Elektra. The pro forma balance sheet also does not include the bank's gross loan portfolio.

This proforma exercise provides greater clarity regarding the businesses that make up the company and allows financial market participants to estimate the value of the company, considering only the relevant debt for such calculations.

Consistent with this, debt with cost was Ps.25,731 million as of September 30, 2020, compared to Ps.24,614 million in the previous year. The balance of cash and cash equivalents was Ps.5,358 million, from Ps.5,427 million from the previous year. As a result, net debt as of September 30, 2020 was Ps.20,373 million, compared to Ps.19,187 million a year ago.

As of September 30, 2020, the company's stockholders' equity was Ps.94,100 million, and the stockholders' equity to total liabilities ratio was 1.4 times.

	As of September 30, 2019	As of September 30, 2020	Change Ps.	%
Cash and cash equivalents	\$ 5,427	\$ 5,358	(69)	(1%)
Marketable financial instruments	39,374	38,774	(599)	(2%)
Inventories	12,017	14,200	2,183	18%
Accounts receivables	48,871	47,088	(1,783)	(4%)
Other current assets	3,882	3,655	(227)	(6%)
Investments in shares	34,858	35,686	828	2%
Fixed assets	7,760	7,695	(64)	(1%)
Right of use assets	8,748	8,556	(192)	(2%)
Other assets	2,050	1,543	(508)	(25%)
Total assets	\$ 162,987	\$ 162,555	-\$ 432	(0%)
Short-term debt	\$ 3,746	\$ 11,356	7,610	203%
Suppliers	7,756	9,184	1,428	18%
Other short-term liabilities	11,288	13,853	2,564	23%
Long-term debt	20,868	14,375	(6,493)	(31%)
Differed taxes	11,933	10,217	(1,715)	(14%)
Other long-term debt	10,194	9,470	(724)	(7%)
Total liabilities	\$ 65,784	\$ 68,455	\$ 2,671	4%
Stakeholder's equity	\$ 97,203	\$ 94,100	-\$ 3,103	(3%)
Liabilities and equity	\$ 162,987	\$ 162,555	-\$ 432	(0%)

Figures in millions of pesos

Consolidated Balance Sheet

Loan Portfolio and Deposits

Banco Azteca Mexico, Purpose Financial and Banco Azteca Latin America's consolidated gross portfolio as of September 30, 2020 grew 7% to Ps.118,026 million, from Ps.110,393 million for the previous year. The consolidated delinquency rate was 5.1% at the end of the period, compared to 4.3% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 7% to Ps.99,396 million, from Ps.93,102 million a year ago. The default rate for the bank at the end of the quarter was 5.1%, in comparison with 3.7% for the previous year, in the context in which a large number of customers from the Bank chose not to resort to official support plans to differ payments, offered by the sector.

The average term of the credit portfolio for principal credit lines — consumer, personal loans, and Tarjeta Azteca — was 64 weeks at the end of the third quarter.

Grupo Elektra's consolidated deposits were Ps.176,535 million, 17% higher than the Ps.150,781 million a year ago. Deposits of Banco Azteca Mexico were Ps.170,634 million, 16% higher than the Ps.146,593 million a year ago.

The ratio of deposits to gross portfolio of 1.7 times, consolidates the solid growth prospects of the Bank, with optimal funding cost.

The Bank's liquidity coverage ratio — total of eligible liquid assets / total net cash out — was 742%, an outstanding figure in the Mexican banking sector.

The estimated capitalization index of Banco Azteca Mexico was 14.92%, level that shows the remarkable financial strength of the institution.

Infrastructure

Grupo Elektra currently has 6,945 points of contact, compared to 7,232 units the previous year. The decrease results from the closure of 377 points of contact for Purpose Financial in the United States, in the context of strategies aimed at boosting online credit operations and strengthening the company's operating efficiency.

In Mexico, during the last twelve months, 47 new Elektra stores were opened in strategic locations, with greater surface area, which increases the offer of products and services, and maximizes the customer's shopping experience.

The company has 4,778 storefronts in Mexico at the end of the quarter, 1,521 in the United States, and 646 in Central and South America. The important distribution network allows the company to maintain close contact with customers and grants a superior market positioning in the countries where it operates.

Nine-month consolidated results

Consolidated revenues in the first nine months of the year grew 4% — to Ps.89,021 million, from Ps.85,533 million in the same period of 2019 — as a result of a 15% increase in the commercial business and a 2% reduction in the financial business.

EBITDA was Ps.5,374 million, compared to Ps.13,653 million from the previous year. The decrease is largely due to the credit reserves made by Banco Azteca last March, for 100% of the loan amount of Ps.7,243 million from a borrower that initiated a bankruptcy process (Chapter 11) in the United States, as previously announced.

The company reported an operating loss of Ps.716 million, from an operating profit of Ps.8,360 million a year ago. In the first nine months of 2020, a net loss of Ps.5,032 million was registered, compared to a Ps.14,618 million net income a year ago.

	9M 2019	9M 2020	Change Ps.	%
Consolidated revenue	\$85,533	\$89,021	\$3,488	4%
EBITDA	\$13,653	\$5,374	\$(8,279)	-61%
Operating result	\$8,360	\$(716)	\$(9,076)	----
Net result	\$14,618	\$(5,032)	\$(19,650)	----
Net result per share	\$64.00	\$(22.11)	\$(86.11)	----

Figures in millions of pesos

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

As of September 30, 2019, Elektra* outstanding shares were 228.4 million and as of September 30, 2020, were 227.6 million.

Company Profile:

Grupo Elektra is Latin America's leading financial services company and specialty retailer and the largest non-bank provider of cash advance services in the United States. The group operates more than 7,000 points of contact in Mexico, the United States, Guatemala, Honduras, Panama and Peru.

Grupo Elektra is a Grupo Salinas company (www.gruposalinas.com), a group of dynamic, fast growing, and technologically advanced companies focused on creating economic value through market innovation and goods and services that improve standards of living; social value to improve community wellbeing; and environmental value by reducing the negative impact of its business activities. Created by Mexican entrepreneur Ricardo B. Salinas (www.ricardosalinas.com), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. These companies include TV Azteca (www.TVazteca.com; www.irtvazteca.com), Grupo Elektra (www.grupoelektra.com.mx), Banco Azteca (www.bancoazteca.com.mx), Purpose Financal (havepurpose.com), Afore Azteca (www.aforeazteca.com.mx), Seguros Azteca (www.segurosazteca.com.mx), Punto Casa de Bolsa (www.puntocasadebolsa.mx), Totalplay (www.totalplay.com.mx) and Totalplay Empresarial (totalplayempresarial.com.mx). TV Azteca and Grupo Elektra trade shares on the

Mexican Stock Market and in Spain's' Latibex market. Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. The group of companies shares a common vision, values and strategies for achieving rapid growth, superior results and world-class performance.

Except for historical information, the matters discussed in this press release are concepts about the future that involve risks and uncertainty that may cause actual results to differ materially from those projected. Other risks that may affect Grupo Elektra and its subsidiaries are presented in documents sent to the securities authorities.

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GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
MILLIONS OF MEXICAN PESOS

	<u>3Q19</u>		<u>3Q20</u>		<u>Change</u>	
Financial income	19,008	64%	16,570	55%	(2,438)	-13%
Commercial income	10,725	36%	13,686	45%	2,961	28%
Income	29,733	100%	30,256	100%	523	2%
Financial cost	5,491	18%	5,367	18%	(124)	-2%
Commercial cost	7,300	25%	9,441	31%	2,141	29%
Costs	12,791	43%	14,808	49%	2,017	16%
Gross income	16,942	57%	15,448	51%	(1,494)	-9%
Sales, administration and promotion expenses	12,860	43%	13,363	44%	502	4%
EBITDA	4,082	14%	2,085	7%	(1,996)	-49%
Depreciation and amortization	1,120	4%	1,259	4%	139	12%
Depreciation right of use asset	732	2%	840	3%	108	15%
Other expense (income), net	31	0%	(126)	0%	(157)	----
Operating income	2,198	7%	112	0%	(2,085)	-95%
Comprehensive financial result:						
Interest income	357	1%	235	1%	(122)	-34%
Interest expense	(923)	-3%	(859)	-3%	64	7%
Foreign exchange gain (loss), net	186	1%	(77)	0%	(263)	----
Other financial results, net	4,396	15%	(1,863)	-6%	(6,259)	----
	4,016	14%	(2,565)	-8%	(6,581)	----
Participation in the net income of CASA and other associated companies	57	0%	63	0%	7	12%
Income (loss) before income tax	6,270	21%	(2,389)	-8%	(8,659)	----
Income tax	(2,010)	-7%	763	3%	2,773	----
Income (loss) before discontinued operations	4,261	14%	(1,626)	-5%	(5,886)	----
Result from discontinued operations	(2)	0%	(11)	0%	(8)	-100%
Impairment of intangible assets	-	0%	-	0%	-	----
Consolidated net income (loss)	4,258	14%	(1,636)	-5%	(5,894)	----

GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
MILLIONS OF MEXICAN PESOS

	9M19		9M20		Change	
Financial income	54,514	64%	53,344	60%	(1,169)	-2%
Commercial income	31,019	36%	35,677	40%	4,657	15%
Income	85,533	100%	89,021	100%	3,488	4%
Financial cost	14,174	17%	21,165	24%	6,991	49%
Commercial cost	20,641	24%	23,761	27%	3,120	15%
Costs	34,815	41%	44,926	50%	10,110	29%
Gross income	50,717	59%	44,095	50%	(6,622)	-13%
Sales, administration and promotion expenses	37,065	43%	38,722	43%	1,657	4%
EBITDA	13,653	16%	5,374	6%	(8,279)	-61%
Depreciation and amortization	3,106	4%	3,887	4%	781	25%
Depreciation right of use asset	2,158	3%	2,329	3%	171	8%
Other expense (income), net	29	0%	(126)	0%	(155)	---
Operating Income (loss)	8,360	10%	(716)	-1%	(9,076)	---
Comprehensive financial result:						
Interest income	988	1%	806	1%	(182)	-18%
Interest expense	(2,683)	-3%	(2,757)	-3%	(74)	-3%
Foreign exchange (loss) gain, net	(10)	0%	2,384	3%	2,394	---
Other financial results, net	13,802	16%	(6,104)	-7%	(19,906)	---
	12,097	14%	(5,671)	-6%	(17,768)	---
Participation in the net income of CASA and other associated companies	(2)	0%	(696)	-1%	(695)	-100%
Income (loss) before income tax	20,456	24%	(7,083)	-8%	(27,539)	---
Income tax	(6,000)	-7%	2,099	2%	8,099	---
Income (loss) before discontinued operations	14,456	17%	(4,984)	-6%	(19,440)	---
Result from discontinued operations	162	0%	(6)	0%	(168)	---
Impairment of intangible assets	-	0%	(42)	0%	(42)	---
Consolidated net income (loss)	14,618	17%	(5,032)	-6%	(19,650)	---

GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
MILLIONS OF MEXICAN PESOS

	Commercial Business	Financial Business	Grupo Elektra	Commercial Business	Financial Business	Grupo Elektra	Change	
	<u>At September 30, 2019</u>			<u>At September 30, 2020</u>				
Cash and cash equivalents	5,427	21,861	27,288	5,358	30,343	35,701	8,413	31%
Marketable financial instruments	12,693	78,476	91,169	9,689	85,492	95,182	4,013	4%
Performing loan portfolio	-	71,589	71,589	-	67,154	67,154	(4,436)	-6%
Total past-due loans	-	4,192	4,192	-	5,061	5,061	868	21%
Gross loan portfolio	-	75,782	75,782	-	72,214	72,214	(3,568)	-5%
Allowance for credit risks	-	8,503	8,503	-	8,885	8,885	382	4%
Loan portfolio, net	-	67,279	67,279	-	63,329	63,329	(3,950)	-6%
Inventories	12,017	-	12,017	14,200	-	14,200	2,183	18%
Other current assets	12,606	12,584	25,190	16,763	13,152	29,914	4,724	19%
Total current assets	42,743	180,200	222,942	46,009	192,316	238,326	15,383	7%
Financial instruments	26,681	282	26,964	29,085	159	29,244	2,280	8%
Performing loan portfolio	-	34,056	34,056	-	44,857	44,857	10,801	32%
Total past-due loans	-	555	555	-	955	955	400	72%
Gross loan portfolio	-	34,611	34,611	-	45,812	45,812	11,201	32%
Allowance for credit risks	-	1,319	1,319	-	1,559	1,559	240	18%
Loan portfolio	-	33,292	33,292	-	44,253	44,253	10,962	33%
Other non-current assets	27,525	189	27,714	19,921	189	20,110	(7,604)	-27%
Investment in shares	1,779	-	1,779	1,300	-	1,300	(479)	-27%
Property, furniture, equipment and investment in stores, net	7,760	6,166	13,926	7,695	8,141	15,836	1,910	14%
Intangible assets	695	6,871	7,566	508	7,753	8,261	695	9%
Right of use asset	8,748	1,950	10,698	8,556	1,763	10,318	(380)	-4%
Other assets	1,355	580	1,935	1,034	8,979	10,013	8,078	417%
TOTAL ASSETS	117,286	229,530	346,816	114,109	263,553	377,662	30,846	9%
Demand and term deposits	-	150,781	150,781	-	176,535	176,535	25,754	17%
Creditors from repurchase agreements	-	18,179	18,179	-	21,424	21,424	3,246	18%
Short-term debt	3,630	162	3,792	11,127	617	11,744	7,952	210%
Leasing	632	884	1,516	2,087	977	3,065	1,549	102%
Short-term liabilities with cost	4,262	170,006	174,268	13,214	199,554	212,768	38,500	22%
Suppliers and other short-term liabilities	17,348	11,018	28,366	20,194	13,600	33,794	5,428	19%
Short-term liabilities without cost	17,348	11,018	28,366	20,194	13,600	33,794	5,428	19%
Total short-term liabilities	21,610	181,024	202,634	33,408	213,154	246,562	43,928	22%
Long-term debt	18,844	2,276	21,120	14,337	20	14,357	(6,763)	-32%
Leasing	8,482	1,063	9,545	7,469	928	8,398	(1,147)	-12%
Long-term liabilities with cost	27,327	3,338	30,665	21,807	949	22,755	(7,910)	-26%
Long-term liabilities without cost	13,644	2,669	16,313	12,218	2,026	14,244	(2,070)	-13%
Total long-term liabilities	40,971	6,008	46,978	34,024	2,975	36,999	(9,979)	-21%
TOTAL LIABILITIES	62,581	187,032	249,612	67,432	216,129	283,561	33,949	14%
TOTAL STOCKHOLDERS' EQUITY	54,705	42,498	97,203	46,677	47,424	94,100	(3,103)	-3%
LIABILITIES + EQUITY	117,286	229,530	346,816	114,109	263,553	377,662	30,846	9%

INFRASTRUCTURE

	<u>3Q19</u>		<u>3Q20</u>		<u>Change</u>	
<u>Points of sale in Mexico</u>						
Elektra	1,124	16%	1,141	16%	17	2%
Salinas y Rocha	38	1%	37	1%	(1)	-3%
Banco Azteca	1,819	25%	1,846	27%	27	1%
Freestanding branches	1,708	24%	1,754	25%	46	3%
Total	4,689	65%	4,778	69%	89	2%
<u>Points of sale in Central and South America</u>						
Elektra	170	2%	192	3%	22	13%
Banco Azteca	381	5%	379	5%	(2)	-1%
Freestanding branches	94	1%	75	1%	(19)	-20%
Total	645	9%	646	9%	1	0%
<u>Points of sale in North America</u>						
Purpose Financial	1,898	26%	1,521	22%	(377)	-20%
Total	1,898	26%	1,521	22%	(377)	-20%
TOTAL	7,232	100%	6,945	100%	(287)	-4%
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<u>Floor space (m²)</u>	1,740	100%	1,528	100%	(211)	-12%
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<u>Employees</u>						
Mexico	74,102	83%	64,058	86%	(10,044)	-14%
Central and South America	9,398	11%	7,157	10%	(2,241)	-24%
North America	5,278	6%	3,428	5%	(1,850)	-35%
Total employees	88,778	100%	74,643	100%	(14,135)	-16%