PAY TELEVISION NETWORK & ONLINE PIRACY 2Q-2025

1) PAY TELEVISION NETWORKS PIRACY IN LATIN AMERICA AND CARIBBEAN

Piracy of pay television networks is a multi-billion-dollar problem in Latin America and the Caribbean. It poses significant challenges for pay television operators, programmers, governments, and consumers alike. In fact, the Anti-Piracy Audiovisual Alliance, also known as ALIANZA, estimates that when considering all forms of traditional piracy (excluding online piracy), the number of users accessing pay TV signals illegally (piracy) + underreporting exceeds the number of subscribers to any legitimate pay TV service in the region. Approximately **22,3%** of the more than **69.5** million residential users with pay TV in Latin America and the Caribbean [1] access it through illegal means.

a. TYPES OF PAY TV SIGNAL PIRACY

Nowadays, piracy of Pay TV signals stands out as the number one competitor to Pay TV operators and programmers in Latin America and the Caribbean. ALIANZA has identified five (5) main types of Pay TV signal piracy that currently impact the Latin American and Caribbean market. These differ in (1) methodology; (2) driver of illegal behavior (e.g., consumer, provider); and (3) equipment or tools required to provide or access stolen signals.

FIGURE 1 - TYPES OF PAY TV SIGNAL PIRACY

TYPES OF PAY TV SIGNAL PIRACY				
CATEGORIES	**SUBCATEGORIES**	**METHODOLOGY**	**IMPULSE**	**EQUIPMENT / TOOL**
SIGNAL PIRACY	illegal connections	Illegal Connection (hook - up) to cable networks and/or legal decoders by users to share the signals without permission	Consumer	Cable and Satellite
	Retransmission	Use of Decoders furnished by legal suppliers to redistribute the networks to other users in an illegal manner	Pirate Supplier	Decoders and network legal suppliers
	FTA Piracy	Use of fee-to-air satellite receptors with capacity to decrypt pay television networks to get illegal access	Pirate Supplier	Decoders Equipment's FTA with satellite or internet connectivity
UNDER REPORTING		illegal practice from television operators consistent in reporting to programmers and authorities of less subscribers	Legal Supplier	Accounting templates, reports send to the suppliers
ON-LINE PIRACY				
Web Pages and/or illegal applications that retransmit unauthorized contents from programmers that are disseminated primarily by streaming, IPTV, APP and social media			Pirate Supplier	Internet and Mobile Devices Connections

Source: ALIANZA

As shown in Figure 1, illegal connections, retransmission, and FTA represent the main traditional methods

[1] Includes 22 countries: Argentina, Bolivia, Brazil, Caribe (Aruba, Barbados, Curacao, Trinidad y Tobago), Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, México, Nicaragua, Panamá, Perú, Puerto Rico, República Dominicana, Uruguay y Venezuela.

through which a consumer gains illegal or unauthorized access to Pay TV signals.

Underreporting occurs when Pay TV operators report fewer subscribers than they actually have, resulting in them paying fewer royalties for intellectual property, lower taxes, and fees than they should. In cases of underreporting, unlike signal theft, end-users do not take any action toward piracy and may not even be aware of the improper use of the Pay TV signals they receive.

b. PENETRATION OF PAY TV SIGNAL PIRACY

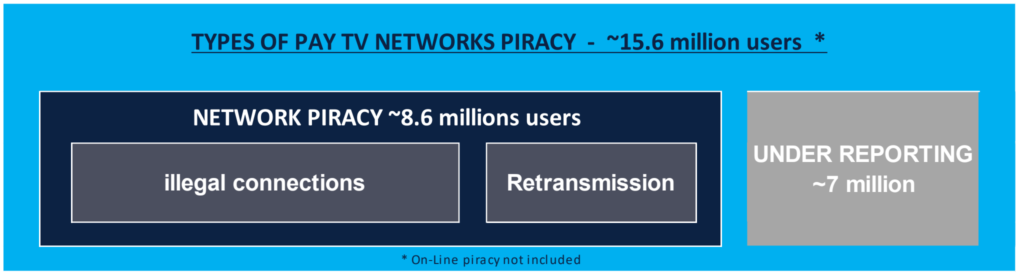
Due to its nature, calculating the extent of piracy and illegality is a complex task. However, ALIANZA has developed models to accomplish this, which are considered accurate by the industry.

- **Piracy through illegal connections, retransmission, and underreporting:** These are the most traditional forms of Pay TV signal piracy in Latin America, the Caribbean, and other areas. To calculate the penetration of these forms of piracy, ALIANZA relies on market research conducted by BB Media. With over 30 years of experience in the industry, BB Media conducts telephone surveys throughout the region. Overlaying this data against demographic and market information, BB Media has developed estimated calculations of the number of residential users using Pay TV services. By comparing these numbers with the officially declared number of subscribers to national regulatory authorities by Pay TV operators, as well as those privately declared to programmers, BB Media can estimate how many Pay TV service receivers benefit from piracy through illegal connections, retransmission, or underreporting. Please refer to Annex 1 for a more detailed explanation of BB Media methodology for analyzing Pay TV signal piracy.

- **FTA Piracy:** BB Media experience shows that users of FTA services are much more aware of the illegality of these services and are therefore much less likely to respond positively to telephone surveys regarding receiving Pay TV services. This is why BB Media does not provide estimated calculations for FTA services. However, ALIANZA believes that piracy through FTA devices should be estimated differently, using other methodologies such as monitoring imports of devices classified by ALIANZA as illegal in each country. For example, in 2020, an estimated 2.2 million illegal FTA devices were identified in the region.

For clarity, Figure 2 below shows the interrelation between the two main types of Pay TV signal piracy and their magnitude, namely signal theft (excluding online piracy) and underreporting.

FIGURE 2 - TYPES OF PAY TV SIGNAL PIRACY - INTERRELATION AND MAGNITUDE (excluding online piracy)



Source: Estimations prepared by BB Media y ALIANZA (2Q 2025). On-Line piracy not included
Note: The figures provided by BB Media, which refer to illegal connections and retransmission, do not fully capture the penetration of piracy of pay TV signals due to the complexities related to auditing illegal conduct. Therefore, all these figures are approximate

According to BB Media calculations as of 2Q 2025, the total Pay TV market in Latin America and the Caribbean, focusing on 22 countries (Argentina, Bolivia, Brazil, the Caribbean (Aruba, Barbados, Curacao, Trinidad y Tobago) , Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Puerto Rico, the Dominican Republic, Uruguay, and Venezuela), consisted of more than **69.5 million** users. Of these, approximately **22,3%** (**~15.6** million users) are users of Pay TV signal piracy (excluding online piracy).

In total, **~15.6** million households have Pay TV signal piracy as follows:

Piracy through illegal connections and retransmission, both calculated by BB Media at approximately **~8,6** million residential pirate users, and the underreporting is estimated at approximately **~7** million users.

The following Table 1 provides a breakdown of these calculations.

TABLE 1 - PENETRATION OF PAY TV SIGNAL PIRACY IN LATIN AMERICA AND THE CARIBBEAN (excluding online piracy)

COUNTRY	PAT TV TOTAL MARKET	NETWORK PIRACY	% NETWORK PIRACY	UNDEREPORTING	% UNDEREPORTING	PAY TV TOTAL NETWORK PIRACY (1)	
						Total	%
Argentina	10.608.178	1.246.160	11,7%	1.048.809	9,9%	2.294.969	22%
Bolivia	1.060.159	188.813	17,8%	209.988	19,8%	398.801	38%
Brazil	10.251.584	1.830.101	17,9%	625.989	6,1%	2.456.090	24%
Caribe	292.985	14.733	5,0%	23.861	8,1%	38.595	13%
Chile	3.383.437	281.495	8,3%	194.104	5,7%	475.600	14%
Colombia	8.717.643	1.101.078	12,6%	1.122.859	12,9%	2.223.937	26%
Costa Rica	1.138.564	95.373	8,4%	132.992	11,7%	228.365	20%
Ecuador	642.885	99.445	15,5%	96.953	15,1%	196.398	31%
El Salvador	543.628	63.739	11,7%	72.339	13,3%	136.079	25%
Guatemala	1.090.794	182.076	16,7%	172.696	15,8%	354.771	33%
Honduras	746.120	154.571	20,7%	163.693	21,9%	318.265	43%
México	20.696.256	1.863.226	9,0%	1.763.749	8,5%	3.626.975	18%
Nicaragua	388.748	77.167	19,9%	89.656	23,1%	166.824	43%
Panamá	685.722	122.464	17,9%	70.124	10,2%	192.588	28%
Perú	2.536.516	341.956	13,5%	405.477	16,0%	747.433	29%
Puerto Rico	743.810	47.052	6,3%	43.088	5,8%	90.139	12%
República Dominicana	1.238.524	262.658	21,2%	206.939	16,7%	469.597	38%
Uruguay	659.436	44.741	6,8%	59.902	9,1%	104.643	16%
Venezuela	4.088.779	540.169	13,2%	472.615	11,6%	1.012.784	25%
TOTAL	**69.513.768**	**8.557.019**	**12,3%**	**6.975.834**	**10,0%**	**15.532.853**	**22,3%**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025)

(1) Calculated as a percentage of total Pay TV market (excluding online piracy)

c. LOSSES INCURRED BY THE PAY TV INDUSTRY (excluding online piracy)

Table 2 below shows BB Media calculations of the total annual losses suffered by Pay TV providers due to signal theft, excluding online piracy. According to these estimates, illegal providers operate an illegal market of approximately **~$2.533 billion** - an industry that does not generate formal employment, does not pay taxes, fees, or royalties, does not provide quality services, and does not reinvest in innovation and better content. Moreover, it discourages investments.

TABLE 2 – PAY TELEVISION OPERATOR LOSSES (excluding online piracy)

COUNTRY	NETWORK PIRACY	ANNUAL LOSSES CALCULATION (1)	
		Average annual user fee (USD) (2)	Annual losses pay television operators (USD)
Argentina	1.246.160	USD 295	USD 367.906.192
Bolivia	188.813	USD 334	USD 62.969.584
Brazil	1.830.101	USD 287	USD 525.226.290
Caribe	14.733	USD 498	USD 7.336.427
Chile	281.495	USD 403	USD 113.455.559
Colombia	1.101.078	USD 242	USD 266.966.675
Costa Rica	95.373	USD 513	USD 48.912.640
Ecuador	99.445	USD 382	USD 37.985.156
El Salvador	63.739	USD 228	USD 14.505.592
Guatemala	182.076	USD 219	USD 39.908.936
Honduras	154.571	USD 238	USD 36.818.210
México	1.863.226	USD 344	USD 640.066.827
Nicaragua	77.167	USD 222	USD 17.129.552
Panamá	122.464	USD 383	USD 46.921.510
Perú	341.956	USD 392	USD 134.200.675
Puerto Rico	47.052	USD 978	USD 46.016.807
República Dominicana	262.658	USD 217	USD 56.891.308
Uruguay	44.741	USD 529	USD 23.659.185
Venezuela	540.169	USD 86	USD 46.652.887
TOTAL	**8.557.019**	**USD 357**	**USD 2.533.530.014**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025). On-Line piracy not included

(1) Includes estimations by BB Media y ALIANZA, for piracy of the illegal connection and retransmission type. Underreporting is not taken because unregistered subscribers receive service from legal providers

(2) Suscription Price multiplied by the total numer of piracy

d. LOSSES INCURRED BY PROGRAMMERS (excluding online piracy)

BB Media estimates that the losses for programmers assume that programming costs represent 40% of the subscriptions obtained by Pay TV providers. The following Table 3 summarizes BB Media results and shows that programmers lose **~1.850 billion** annually due to Pay TV signal piracy, excluding online piracy.

TABLE 3 – LOSSES INCURRED BY PROGRAMMERS AS A CONSEQUENCE OF NETWORK PIRACY (excludes online piracy)

COUNTRY	NETWORK PIRACY	UNDEREPORTING	TOTAL PAY TV PIRACY	ANNUAL LOSSES ESTIMATION (1)	
				Annual average price of users 40% (USD)	Annual Loses pay television Operators (USD)
Argentina	1.246.160	1.048.809	2.294.969	USD 118	USD 271.019.173
Bolivia	188.813	209.988	398.801	USD 133	USD 53.200.365
Brazil	1.830.101	625.989	2.456.090	USD 115	USD 281.952.373
Caribe	14.733	23.861	38.595	USD 199	USD 7.687.190
Chile	281.495	194.104	475.600	USD 161	USD 76.675.417
Colombia	1.101.078	1.122.859	2.223.937	USD 97	USD 215.685.801
Costa Rica	95.373	132.992	228.365	USD 205	USD 46.847.249
Ecuador	99.445	96.953	196.398	USD 153	USD 30.007.454
El Salvador	63.739	72.339	136.079	USD 91	USD 12.387.343
Guatemala	182.076	172.696	354.771	USD 88	USD 31.104.761
Honduras	154.571	163.693	318.265	USD 95	USD 30.323.708
México	1.863.226	1.763.749	3.626.975	USD 137	USD 498.384.299
Nicaragua	77.167	89.656	166.824	USD 89	USD 14.812.529
Panamá	122.464	70.124	192.588	USD 153	USD 29.515.685
Perú	341.956	405.477	747.433	USD 157	USD 117.331.971
Puerto Rico	47.052	43.088	90.139	USD 391	USD 35.262.707
República Dominicana	262.658	206.939	469.597	USD 87	USD 40.685.618
Uruguay	44.741	59.902	104.643	USD 212	USD 22.134.108
Venezuela	540.169	472.615	1.012.784	USD 35	USD 34.988.520
TOTAL	**8.557.019**	**6.975.834**	**15.532.853**	**USD 143**	**USD 1.850.006.269**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025). On-Line piracy not included
(1) implies a programming cost for pay television operators of approx. 40% of the income for user

e. LOSSES INCURRED BY LATIN AMERICAN AND CARIBBEAN GOVERNMENTS (excluding online piracy)

Uncollected Taxes:

ALIANZA does not have knowledge of third-party estimates regarding the amount of revenue that Latin American and Caribbean governments lose due to Pay TV signal piracy. However, based on the tax regimes of each country and estimated calculations of informal users, it is possible to evaluate the amount of funds that Latin American and Caribbean governments fail to collect from illegal Pay TV providers who evade their tax obligations.

Table 4 below shows the amount of tax revenue that Latin American and Caribbean governments could collect if piracy users were serviced by legal Pay TV providers that do not engage in underreporting.
Considering only the value-added tax (IVA), the total annual amount evaded by the illegal Pay TV piracy industry, excluding online piracy, approaches **~$787 million**. This amount would increase significantly if all federal/municipal taxes, income taxes, regulatory fees, and licensing costs were included (e.g., licensing fees, spectrum fees, signal landing rights, etc.).

TABLE 4 - GOVERNMENT TAX REVENUE LOSS (excluding online piracy)

COUNTRY	NETWORK PIRACY	UNDEREPORTING	TOTAL PAY TV PIRACY	Annual Average Price per user (USD)	VALUE ADDED TAXES (1)	
					IVA	Governmental Annual Losses Pay TV (USD)
Argentina	1.246.160	1.048.809	2.294.969	USD 295	21%	USD 142.285.066
Bolivia	188.813	209.988	398.801	USD 334	13%	USD 17.290.119
Brazil	1.830.101	625.989	2.456.090	USD 287	17%	USD 119.829.758
Caribe	14.733	23.861	38.595	USD 498	12%	USD 2.330.179
Chile	281.495	194.104	475.600	USD 403	19%	USD 36.420.823
Colombia	1.101.078	1.122.859	2.223.937	USD 242	19%	USD 102.450.756
Costa Rica	95.373	132.992	228.365	USD 513	13%	USD 15.225.356
Ecuador	99.445	96.953	196.398	USD 382	12%	USD 9.002.236
El Salvador	63.739	72.339	136.079	USD 228	13%	USD 4.025.886
Guatemala	182.076	172.696	354.771	USD 219	12%	USD 9.331.428
Honduras	154.571	163.693	318.265	USD 238	15%	USD 11.371.391
México	1.863.226	1.763.749	3.626.975	USD 344	16%	USD 199.353.719
Nicaragua	77.167	89.656	166.824	USD 222	15%	USD 5.554.699
Panamá	122.464	70.124	192.588	USD 383	7%	USD 5.165.245
Perú	341.956	405.477	747.433	USD 392	18%	USD 52.799.387
Puerto Rico	47.052	43.088	90.139	USD 978	12%	USD 10.138.028
República Dominicana	262.658	206.939	469.597	USD 217	18%	USD 18.308.528
Uruguay	44.741	59.902	104.643	USD 529	22%	USD 12.173.759
Venezuela	540.169	472.615	1.012.784	USD 86	16%	USD 13.995.408
TOTAL	**8.557.019**	**6.975.834**	**15.532.853**	**USD 357**		**USD 787.051.771**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025). On-Line piracy not included

(1) IVA losses are estimated by calculating the Price per subscriber in each country

f. LOST FORMAL EMPLOYMENT JOBS (excluding online piracy)

ALIANZA estimates that a legal Pay TV provider creates approximately 200 jobs, both direct and indirect, for every 100,000 users. This means that approximately **31.066** new jobs would be created in Latin America and the Caribbean if illegal Pay TV signal users were served by legal Pay TV providers who reported all of their operations.

Table 5 below shows the number of jobs lost in each country due to Pay TV signal piracy, excluding online piracy.

TABLE 5 - LOST JOBS BY COUNTRY (excluding online piracy)

COUNTRY	NETWORK PIRACY	UNDEREPORTING	TOTAL PAY TV PIRACY	JOBS LOST PER COUNTRY (1)
Argentina	1.246.160	1.048.809	2.294.969	4.590
Bolivia	188.813	209.988	398.801	798
Brazil	1.830.101	625.989	2.456.090	4.912
Caribe	14.733	23.861	38.595	77
Chile	281.495	194.104	475.600	951
Colombia	1.101.078	1.122.859	2.223.937	4.448
Costa Rica	95.373	132.992	228.365	457
Ecuador	99.445	96.953	196.398	393
El Salvador	63.739	72.339	136.079	272
Guatemala	182.076	172.696	354.771	710
Honduras	154.571	163.693	318.265	637
México	1.863.226	1.763.749	3.626.975	7.254
Nicaragua	77.167	89.656	166.824	334
Panamá	122.464	70.124	192.588	385
Perú	341.956	405.477	747.433	1.495
Puerto Rico	47.052	43.088	90.139	180
República Dominicana	262.658	206.939	469.597	939
Uruguay	44.741	59.902	104.643	209
Venezuela	540.169	472.615	1.012.784	2.026
TOTAL	**8.557.019**	**6.975.834**	**15.532.853**	**31.066**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025). On-Line piracy not included

(1) The estimations are prepared assuming that a pay television programmer employs 200 people per 100.000 subscribers.

2) ONLINE PIRACY - LATIN AMERICA (2Q-2025)

a. THE IMPACT OF ONLINE PIRACY

Currently, audiovisual piracy is the main threat to content creators, Pay TV operators, and programmers in Latin America [2]. Unauthorized signal transmission over the Internet has been a long-standing problem for the entertainment industry, and it continues to grow at an alarming rate. The losses recorded due to piracy are valued in billions of US dollars, affecting the quality of future content, the industry's ability to create more content, and the overall market's growth. The prevalence and impact of piracy have been shown to affect governments through tax evasion, local economies through job reduction, and consumers through cybersecurity threats as it compromises their personal information, as this type of piracy opens doors to hackers.

b. RISK TO CONSUMERS

Pirated websites and services can contain viruses, malware, and other malicious software to steal consumer information and harm not only users but also all contacts within their network. Criminals can spy on consumers, stealing data such as passwords, credit card numbers, and other personal information. Intruders can also potentially gain control of the user's devices and threaten to delete their information, demanding a ransom payment in return. Additionally, they generate unwanted advertising, such as pornography and gambling, among others, which can also serve as a channel for virus, malware, or other malicious software infection.

c. METHODS AND FORMS OF ONLINE PIRACY:

- **Streaming**: These domains allow the consumption of illicit material through online streaming directly from the user's web browser. They typically offer a large volume of sports, movie, television, and music content accessible from search engines within the website itself. Many of these websites allow content downloads but are classified as "streaming" rather than "download websites" because they primarily focus on offering content streaming.

- **Web Download:** Web download domains allow the consumption of illicit content through direct downloading via the user's web browser. These types of websites typically offer a wide variety of content that can be searched and downloaded directly from the website itself. Control over these websites is usually centralized with the owner, structuring the content. However, this category also includes web forums where any user can post and share download links for content.

- **Stream Ripper:** Stream ripper domains facilitate the illegal downloading of content from user-generated video content platforms (User Generated Content or UGC), such as YouTube. They create mp4 video or mp3 audio files that can be downloaded by users. This process takes place directly within the user's web browser, and typically only requires providing the video URL, after which the file download begins instantly.

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[2] LATAM Includes 8 countries: Argentina, Brazil, Chile, Colombia, Ecuador, México, Perú y Uruguay.

- **Public Torrents:** Websites of this type are open torrent download portals found on the internet. They allow visitors to search for any content and download a small file that initiates the complete content download process. Users of torrent websites must also have specific software called "torrent clients" installed on their devices. This is a peer-to-peer (P2P) download process, meaning that the content is not received directly from the website but comes from other torrent users who are sharing the same content.

- **Private Torrents:** Domains in this category are very similar to public torrents, with the exception that only members of the website can access its content using credentials. Most private torrent websites allow joining through invitation only. As with public torrents, traffic is measured based on the number of visits to the website domain, not through direct calculation of P2P activity.

- **Social Sources:** Social sources refer to web traffic that accesses pirate websites from social media platforms. This can be both paid and organic traffic (visitors accessing from search engine results), depending on whether it is part of social media marketing campaigns. Social sources can include various types of social networks, such as those dedicated to sharing individual content, videos, photos, or pirate-themed IPTV or piracy-related group content.

d. PENETRATION OF ONLINE PIRACY - LATIN AMERICA

Table 6 below shows BB Media calculations of the online piracy market in Latin America as of the second half of 2025, focusing on eight countries (Argentina, Brazil, Chile, Colombia, Ecuador, México, Perú, and Uruguay). It is estimated that out of 105 million broadband internet households in Latin America, **40.3 million** consume online piracy, representing **38.2%**. In other words, ~1.2 out of every 3 broadband households consume online piracy, highlighting the impact of this type of piracy, which increased during and after the COVID-19 pandemic.

See Annex 2, where you can access a more detailed explanation of BB Media methodology for analyzing Online Auditas Consumption for online piracy.

ONLINE MARKET COMPOSITION		
Broadband Households	Piracy Households	% Online piracy
105,3M	40,3M	38,2%

For the calculations of losses caused by online piracy for the industry, governments, and jobs, households consuming online piracy are classified into (i) households without Pay TV services, and (ii) households with Pay TV services. For households without Pay TV services, they are multiplied by the Digital TV Research ARPU for the year 2025, and an additional 38% of potential revenue for the Premium Pay TV industry is added. For households with Pay TV services, only 38% of potential revenue for the Premium Pay TV industry is added.

TABLE 6 - HOUSEHOLDS CONSUMING ONLINE PIRACY IN LATIN AMERICA

COUNTRY	Households with broadband	Household consuming online piracy	% online piracy
Argentina	11.652.898	5.503.020	47,2%
Brazil	46.282.924	14.252.895	30,8%
Chile	4.485.345	2.032.839	45,3%
Colombia	8.564.574	4.985.653	58,2%
Ecuador	3.044.833	1.969.217	64,7%
México	26.201.311	8.955.602	34,2%
Perú	4.035.227	1.992.905	49,4%
Uruguay	1.049.151	558.475	53,2%
TOTAL	**105.316.263**	**40.250.605**	**38,2%**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025)

e. LOSSES INCURRED BY THE INDUSTRY DUE TO ONLINE PIRACY

Table 7 below shows BB Media estimates of the total annual losses suffered by the industry caused by online piracy. According to top estimates, online piracy providers operate an illegal market of approximately **~$8.081 billion** - an industry that generates no formal employment, pays no taxes, fees or royalties, provides no quality services, and does not reinvest in innovation and better content, also discouraging investment.

TABLE 7 - LOSSES INCURRED BY THE INDUSTRY DUE TO ONLINE PIRACY

COUNTRY	Households consuming online piracy	ARPU Digital TV Research 2025	ARPU TV Premium (% premium packages)	Potential revenue for the Pay TV industry with Premium (annualized calculation)
Argentina	5.503.020	USD 25	USD 8	USD 635.808.937
Brazil	14.252.895	USD 24	USD 8	USD 2.974.618.674
Chile	2.032.839	USD 34	USD 8	USD 336.299.653
Colombia	4.985.653	USD 20	USD 8	USD 493.860.979
Ecuador	1.969.217	USD 32	USD 8	USD 588.235.214
México	8.955.602	USD 29	USD 8	USD 1.698.827.982
Perú	1.992.905	USD 33	USD 8	USD 409.391.352
Uruguay	558.475	USD 44	USD 8	USD 154.299.481
TOTAL	**40.250.605**	**USD 30**	**USD 8**	**USD 8.081.581.539**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025)

f. LOSSES INCURRED BY LATIN AMERICAN GOVERNMENTS DUE TO ONLINE PIRACY

Table 8 below, based on BB Media calculations, shows the losses in the case where all states collect Taxes (IVA). The total annual amount evaded by the illegal online piracy industry is approximately **~$1.454 billion**. This amount would increase significantly if all federal/municipal taxes, income taxes, regulatory fees, and licensing costs were included (e.g., licensing fees, spectrum fees, signal landing rights, etc.).

TABLE 8 - LOSSES INCURRED BY GOVERNMENTS DUE TO ONLINE PIRACY

'RY	Households consuming online piracy	ARPU Digital TV Research 2025	ARPU TV Premium (% premium	Taxes *	Potential Income Losses for the Countries (for taxes only)
Argentina	5.503.020	USD 25	USD 8	21%	USD 133.519.877
Brazil	14.252.895	USD 24	USD 8	17%	USD 505.685.175
Chile	2.032.839	USD 34	USD 8	19%	USD 63.896.934
Colombia	4.985.653	USD 20	USD 8	19%	USD 93.833.586
Ecuador	1.969.217	USD 32	USD 8	12%	USD 70.588.226
México	8.955.602	USD 29	USD 8	16%	USD 271.812.477
Perú	1.992.905	USD 33	USD 8	18%	USD 73.690.443
Uruguay	558.475	USD 44	USD 8	22%	USD 33.945.886
TOTAL	**40.250.605**	**USD 30**	**USD 8**		**USD 1.454.684.677**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025)

* Taxes: IVA LATAM Country average

g. JOBS LOST DUE TO ONLINE PIRACY

ALIANZA estimates that a legal online provider (OTT platforms) creates approximately 100 jobs, both direct and indirect, for every 100.000 users. This means that approximately **40.251** new jobs would be created in LATAM if illegal Pay TV signal users were serviced by legal Pay TV providers and reported all their operations. Table 9 below shows the number of jobs lost in each country due to online piracy.

TABLE 9 - JOBS LOST PER COUNTRY DUE TO ONLINE PIRACY

COUNTRY	Households consuming online piracy	Jobs
Argentina	5.503.020	5.503
Brazil	14.252.895	14.253
Chile	2.032.839	2.033
Colombia	4.985.653	4.986
Ecuador	1.969.217	1.969
México	8.955.602	8.956
Perú	1.992.905	1.993
Uruguay	558.475	558
TOTAL	**40.250.605**	**40.251**

Source: Estimations prepared by BB Media y ALIANZA (2Q 2025)

ANNEX 1 - BB MEDIA METHODOLOGY

Methodology for Analyzing Pay TV Signal Piracy

Business Bureau Media (BB Media) has a database of over 25.000 Pay TV operations (legal and illegal) in Latin America and the Caribbean. BB Media team and its data center, which includes 50 interviewers, contact residential users by phone in more than 10.000 locations in the region to conduct periodic individualized surveys (e.g., quarterly). The surveys use CATI (Computer-Assisted Telephone Interview) and IVR (Interactive Voice Response) methodologies.

CATI stands for Computer-Assisted Telephone Interview, which is self-explanatory.
IVR stands for Interactive Voice Response, which uses a pre-recorded automated voice system and allows the respondent to input their answers via the keyboard.
The samples, selected to represent the different socioeconomic compositions of each surveyed country, have a 95.5% confidence interval and a sample margin of error of less than 4%.

The telephone surveys are designed to collect data on the following variables:

Presence of a Pay TV service in the household.
Technology used by the Pay TV service provider (e.g., cable, satellite).
Name of the Pay TV service provider.
The data collected from the interviews are processed to evaluate how many residential users receive Pay TV signals in each locality. The number represents legal Pay TV subscribers as well as illegal users who likely believe that their illegal service is legal or provided by a legal Pay TV operator.

This result is used to identify in each locality and country:

Underreported subscribers.

Users who steal signals (excluding FTA and online modes).

Underreported subscribers are identified by comparing the number of subscribers by Pay TV provider detected by BB Media surveys to the publicly reported number to the government authority and the number privately reported to programmers. This latter number is obtained by BB Media directly from programmers through individual agreements.

Finally, according to BB Media methodology, Pay TV users who cannot be justified as underreported subscribers are considered illegal connections (hook-ups) or retransmission users.

<u>ANNEX 2 - BB MEDIA METHODOLOGY</u>

Methodology for Analyzing Online Audits - Online Piracy

This research is based on primary data. All data processing is done internally by BB Media -Business Bureau Media, supplemented with data from Online Audit and BB-Telcos. All results are subsequently presented for visualization in an online tool with the option to download the databases in Excel-CSV format.

- **Data Collection:** Conducted through surveys on online panels.
- **Unit of Analysis:** Households with access to fixed broadband internet (a filter used to study the behavior of households with a real possibility of consuming illegal online content).
- **Unit of Information:** Individuals between 16 and 65 years old, with access to fixed internet at home, residing in the regions detailed below, as of the date of each survey.

COVERED REGIONS:

Argentina (1.200 cases): Buenos Aires (City and GBA), Rosario, and the city of Córdoba, among other cities.
Brazil (1.500 cases): São Paulo, Rio de Janeiro, Porto Alegre, Belo Horizonte, among other cities.
Chile (1.000 cases): Santiago, Valparaíso, Del Biobío, La Araucanía, among other cities.
Colombia (1.200 cases): Bogotá, Cali, Medellín, Barranquilla, among other cities.
Ecuador (600 cases): Guayas, Pichincha, Quito, among other cities.
Mexico (1.500 cases): Mexico City, Monterrey, Guadalajara, among other cities.
Peru (800 cases): Lima and other cities.
Uruguay (400): Montevideo, Paysandú, Salto, Punta del Este, among other cities.

DELIVERABLE:

Report Delivery Format: An interactive online platform based on Business Intelligence software specifically adapted to analyze the consumption of online content. It allows users to compare the evolution of different variables between each study update, even filtering among various targets. It also supports the download of databases in Excel files.
Projections and Estimates:

The survey results are representative of respondents/households with fixed broadband internet at home.
To estimate users/subscribers at the national level, the data on the percentage of households with internet from BB-Telcos was used.
To make estimates at the pan-regional level, it was weighted by the number of households with internet in each country and its weight in the total number of households (with internet) in the region.