

PAY TELEVISION NETWORK & ONLINE PIRACY 4Q-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 **22,1%** of the more than **65.4** 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

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.

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

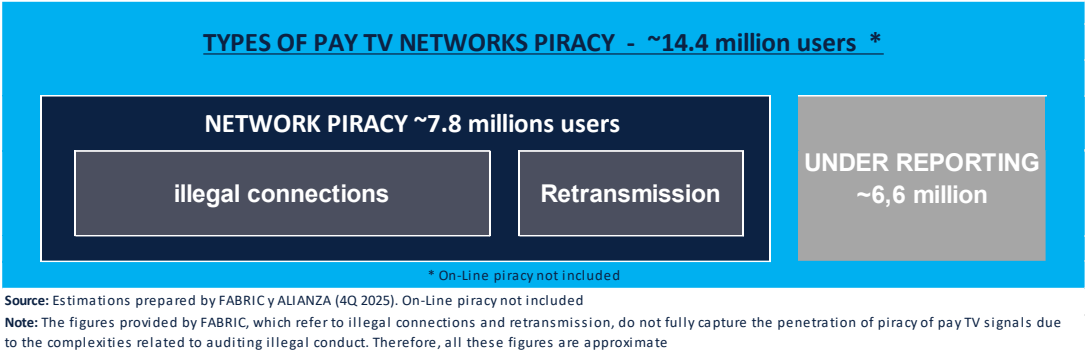
b. PENETRATION OF PAY TV SIGNAL PIRACY

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.

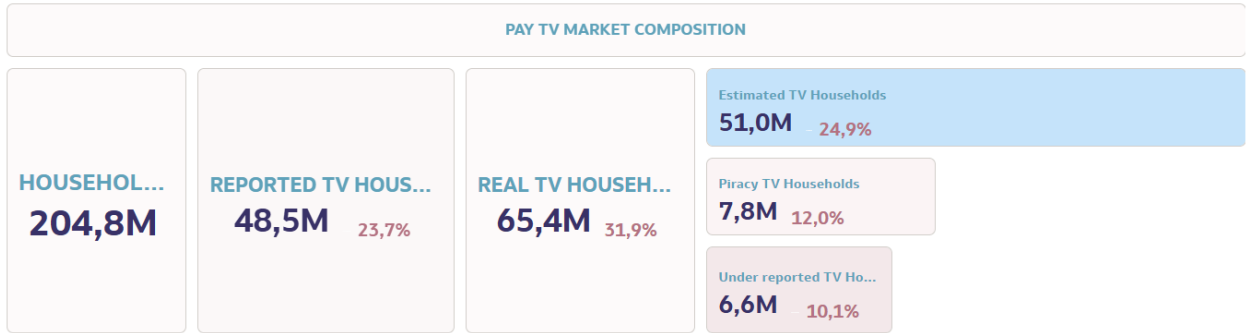
- **Piracy through illegal connections, retransmission, and underreporting:** These are the most traditional forms of Pay TV signal piracy in Latin America, the Caribbean, and other areas. To calculate the penetration of these forms of piracy, ALIANZA relies on market research conducted by Fabric (before BB Media). With over 30 years of experience in the industry, Fabric conducts telephone surveys throughout the region. Overlaying this data against demographic and market information, Fabric 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, Fabric 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 Fabric methodology for analyzing Pay TV signal piracy.
- **FTA Piracy:** Fabric 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 Fabric 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)



According to Fabric calculations as of 4Q 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 **65.4 million** users. Of these, approximately **22,1%** (~14.4 million users) are users of Pay TV signal piracy (excluding online piracy).



In total, ~14.4 million households have Pay TV signal piracy as follows:

Piracy through illegal connections and retransmission, both calculated by Fabric at approximately ~7,8 million residential pirate users, and the underreporting is estimated at approximately ~6,6 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	% NETW ORK PIRACY	UNDERREPORTING	% UNDERREP ORTING	PAY TV TOTAL NETWORK PIRACY (1)	
						Total	%
Argentina	10.235.097	1.116.857	10,9%	990.030	11,2%	2.106.887	21%
Bolivia	1.038.542	184.240	17,7%	209.880	24,1%	394.120	38%
Brazil	9.044.198	1.522.940	16,8%	558.903	7,4%	2.081.843	23%
Caribe	277.992	13.396	4,8%	22.809	8,6%	36.205	13%
Chile	3.177.093	266.349	8,4%	179.667	6,3%	446.016	14%
Colombia	8.536.866	1.081.359	12,7%	1.102.907	14,7%	2.184.266	26%
Costa Rica	1.039.257	86.005	8,3%	116.535	12,7%	202.541	19%
Ecuador	548.180	80.946	14,8%	79.508	17,8%	160.454	29%
El Salvador	573.643	66.002	11,5%	72.852	15,1%	138.854	24%
Guatemala	1.079.064	181.750	16,8%	169.550	19,0%	351.300	33%
Honduras	740.567	150.084	20,3%	163.771	27,7%	313.855	42%
México	19.541.528	1.756.839	9,0%	1.675.473	9,4%	3.432.312	18%
Nicaragua	380.572	73.650	19,4%	87.555	28,8%	161.205	42%
Panamá	660.662	117.337	17,8%	67.261	12,4%	184.598	28%
Perú	2.256.681	312.051	13,8%	371.452	18,5%	683.504	30%
Puerto Rico	721.599	45.740	6,3%	42.126	6,2%	87.866	12%
República Dominicana	1.180.485	248.287	21,0%	192.519	21,2%	440.806	37%
Uruguay	627.670	42.458	6,8%	51.811	9,7%	94.268	15%
Venezuela	3.711.651	485.048	13,1%	429.384	13,3%	914.432	25%
TOTAL	65.371.349	7.831.339	12,0%	6.583.993	10,1%	14.415.332	22,1%

Source: Estimations prepared by FABRIC y ALIANZA (4Q 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 Fabric 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 **~\$2.390 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	1.116.857	USD 292	USD 326.661.542
Bolivia	184.240	USD 338	USD 62.201.611
Brazil	1.522.940	USD 324	USD 493.313.666
Caribe	13.396	USD 508	USD 6.801.290
Chile	266.349	USD 456	USD 121.502.052
Colombia	1.081.359	USD 284	USD 306.679.802
Costa Rica	86.005	USD 550	USD 47.283.220
Ecuador	80.946	USD 386	USD 31.244.739
El Salvador	66.002	USD 228	USD 15.020.226
Guatemala	181.750	USD 222	USD 40.272.524
Honduras	150.084	USD 242	USD 36.392.553
México	1.756.839	USD 319	USD 560.912.971
Nicaragua	73.650	USD 210	USD 15.480.464
Panamá	117.337	USD 397	USD 46.532.660
Perú	312.051	USD 417	USD 130.053.981
Puerto Rico	45.740	USD 950	USD 43.452.669
República Dominicana	248.287	USD 179	USD 44.441.278
Uruguay	42.458	USD 599	USD 25.452.663
Venezuela	485.048	USD 75	USD 36.618.335
TOTAL	7.831.339	USD 367	USD 2.390.318.245

Source: Estimations prepared by FABRIC y ALIANZA (4Q 2025). On-Line piracy not included

(1) Includes estimations by FABRIC 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)

Fabric 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 Fabric results and shows that programmers lose ~**1.759 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	UNDERREPORTING	TOTAL PAY TV PIRACY	ANNUAL LOSSES ESTIMATION (1)	
				Annual average price of users 40% (USD)	Annual Loses pay television Operators (USD)
Argentina	1.116.857	990.030	2.106.887	USD 117	USD 246.491.348
Bolivia	184.240	209.880	394.120	USD 135	USD 53.223.796
Brazil	1.522.940	558.903	2.081.843	USD 130	USD 269.741.876
Caribe	13.396	22.809	36.205	USD 203	USD 7.352.535
Chile	266.349	179.667	446.016	USD 182	USD 81.384.693
Colombia	1.081.359	1.102.907	2.184.266	USD 113	USD 247.788.300
Costa Rica	86.005	116.535	202.541	USD 220	USD 44.540.322
Ecuador	80.946	79.508	160.454	USD 154	USD 24.773.747
El Salvador	66.002	72.852	138.854	USD 91	USD 12.639.760
Guatemala	181.750	169.550	351.300	USD 89	USD 31.136.657
Honduras	150.084	163.771	313.855	USD 97	USD 30.441.557
México	1.756.839	1.675.473	3.432.312	USD 128	USD 438.339.129
Nicaragua	73.650	87.555	161.205	USD 84	USD 13.553.417
Panamá	117.337	67.261	184.598	USD 159	USD 29.282.587
Perú	312.051	371.452	683.504	USD 167	USD 113.945.846
Puerto Rico	45.740	42.126	87.866	USD 380	USD 33.388.612
República Dominicana	248.287	192.519	440.806	USD 72	USD 31.560.225
Uruguay	42.458	51.811	94.268	USD 240	USD 22.604.945
Venezuela	485.048	429.384	914.432	USD 30	USD 27.613.768
TOTAL	7.831.339	6.583.993	14.415.332	USD 147	USD 1.759.803.121

Source: Estimations prepared by FABRIC y ALIANZA (4Q 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 **~\$750 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	UNDERREPORTING	TOTAL PAY TV PIRACY	Annual Average Price per user (USD)	VALUE ADDED TAXES ⁽¹⁾	
					IVA	Governmental Annual Losses Pay TV (USD)
Argentina	1.116.857	990.030	2.106.887	USD 292	21%	USD 129.407.958
Bolivia	184.240	209.880	394.120	USD 338	13%	USD 17.297.734
Brazil	1.522.940	558.903	2.081.843	USD 324	17%	USD 114.640.297
Caribe	13.396	22.809	36.205	USD 508	12%	USD 2.228.737
Chile	266.349	179.667	446.016	USD 456	19%	USD 38.657.729
Colombia	1.081.359	1.102.907	2.184.266	USD 284	19%	USD 117.699.442
Costa Rica	86.005	116.535	202.541	USD 550	13%	USD 14.475.605
Ecuador	80.946	79.508	160.454	USD 386	12%	USD 7.432.124
El Salvador	66.002	72.852	138.854	USD 228	13%	USD 4.107.922
Guatemala	181.750	169.550	351.300	USD 222	12%	USD 9.340.997
Honduras	150.084	163.771	313.855	USD 242	15%	USD 11.415.584
México	1.756.839	1.675.473	3.432.312	USD 319	16%	USD 175.335.652
Nicaragua	73.650	87.555	161.205	USD 210	15%	USD 5.082.531
Panamá	117.337	67.261	184.598	USD 397	7%	USD 5.124.453
Perú	312.051	371.452	683.504	USD 417	18%	USD 51.275.631
Puerto Rico	45.740	42.126	87.866	USD 950	12%	USD 9.599.226
República Dominicana	248.287	192.519	440.806	USD 179	18%	USD 14.202.101
Uruguay	42.458	51.811	94.268	USD 599	22%	USD 12.432.720
Venezuela	485.048	429.384	914.432	USD 75	16%	USD 11.045.507
TOTAL	7.831.339	6.583.993	14.415.332	USD 367		USD 750.801.950

Source: Estimations prepared by FABRIC y ALIANZA (4Q 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 **28.831** 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	UNDERREPORTING	TOTAL PAY TV PIRACY	JOBS LOST PER COUNTRY (1)
Argentina	1.116.857	990.030	2.106.887	4.214
Bolivia	184.240	209.880	394.120	788
Brazil	1.522.940	558.903	2.081.843	4.164
Caribe	13.396	22.809	36.205	72
Chile	266.349	179.667	446.016	892
Colombia	1.081.359	1.102.907	2.184.266	4.369
Costa Rica	86.005	116.535	202.541	405
Ecuador	80.946	79.508	160.454	321
El Salvador	66.002	72.852	138.854	278
Guatemala	181.750	169.550	351.300	703
Honduras	150.084	163.771	313.855	628
México	1.756.839	1.675.473	3.432.312	6.865
Nicaragua	73.650	87.555	161.205	322
Panamá	117.337	67.261	184.598	369
Perú	312.051	371.452	683.504	1.367
Puerto Rico	45.740	42.126	87.866	176
República Dominicana	248.287	192.519	440.806	882
Uruguay	42.458	51.811	94.268	189
Venezuela	485.048	429.384	914.432	1.829
TOTAL	7.831.339	6.583.993	14.415.332	28.831

Source: Estimations prepared by FABRIC y ALIANZA (4Q 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 (4Q-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.

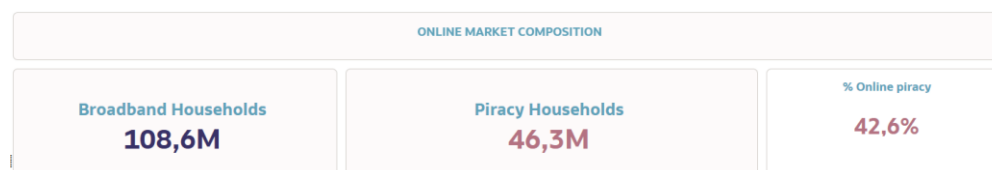
² LATAM Includes 8 countries: Argentina, Brazil, Chile, Colombia, Ecuador, México, Perú y Uruguay.

- **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 Fabric 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 108.6 million broadband internet households in Latin America, **46.3 million** consume online piracy, representing **42.6%**. In other words, ~1.3 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 Fabric methodology for analyzing Online Audits Consumption for online piracy.



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	12.245.337	6.665.642	54,4%
Brazil	46.476.981	16.085.474	34,6%
Chile	4.544.120	2.297.561	50,6%
Colombia	9.602.935	5.582.731	58,1%
Ecuador	3.119.302	2.021.305	64,8%
México	27.330.011	10.875.250	39,8%
Perú	4.157.193	2.160.353	52,0%
Uruguay	1.083.534	584.127	53,9%
TOTAL	108.559.413	46.272.444	42,6%

Source: Estimations prepared by FABRIC y ALIANZA (4Q 2025)

e. LOSSES INCURRED BY THE INDUSTRY DUE TO ONLINE PIRACY

Table 7 below shows Fabric 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 **~\$9.970 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	ARPU Digital TV Research 2025	ARPU TV Premium (% premium packages)	ARPU TV Premium (% premium packages)	Potential revenue for the Pay TV industry with Premium (annualized calculation)
Argentina	USD 6.665.642	USD 24	USD 8	USD 762.207.980
Brazil	USD 16.085.474	USD 27	USD 8	USD 3.828.205.418
Chile	USD 2.297.561	USD 38	USD 8	USD 418.586.267
Colombia	USD 5.582.731	USD 24	USD 8	USD 740.116.421
Ecuador	USD 2.021.305	USD 32	USD 8	USD 622.042.758
México	USD 10.875.250	USD 27	USD 8	USD 1.849.976.566
Perú	USD 2.160.353	USD 35	USD 8	USD 466.352.406
Uruguay	USD 584.127	USD 50	USD 8	USD 163.894.800
TOTAL	USD 46.272.444	USD 32	USD 8	USD 9.970.292.496

Source: Estimations prepared by FABRIC y ALIANZA (4Q 2025)

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

Table 8 below, based on Fabric 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 **~\$1.795 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

COUNTRY	Households consuming online piracy	ARPU Digital TV Research 2025	ARPU TV Premium (% premium)	Taxes *	Potential Income Losses for the Countries (for taxes only)
Argentina	6.665.642	USD 24	USD 8	21%	USD 160.063.676
Brazil	16.085.474	USD 27	USD 8	17%	USD 650.794.921
Chile	2.297.561	USD 38	USD 8	19%	USD 79.531.391
Colombia	5.582.731	USD 24	USD 8	19%	USD 140.622.120
Ecuador	2.021.305	USD 32	USD 8	12%	USD 74.645.131
México	10.875.250	USD 27	USD 8	16%	USD 295.996.251
Perú	2.160.353	USD 35	USD 8	18%	USD 83.943.433
Uruguay	584.127	USD 50	USD 8	22%	USD 36.056.856
TOTAL	46.272.444	USD 32	USD 8		USD 1.794.652.649

Source: Estimations prepared by FABRIC y ALIANZA (4Q 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 **46.272** 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	6.665.642	6.666
Brazil	16.085.474	16.085
Chile	2.297.561	2.298
Colombia	5.582.731	5.583
Ecuador	2.021.305	2.021
México	10.875.250	10.875
Perú	2.160.353	2.160
Uruguay	584.127	584
TOTAL	46.272.444	46.272

Source: Estimations prepared by FABRIC y ALIANZA (4Q 2025)

ANNEX 1 - FABRIC METHODOLOGY

Methodology for Analyzing Pay TV Signal Piracy

Business Bureau Media (Fabric) has a database of over 25.000 Pay TV operations (legal and illegal) in Latin America and the Caribbean. Fabric 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 Fabric surveys to the publicly reported number to the government authority and the number privately reported to programmers. This latter number is obtained by Fabric directly from programmers through individual agreements.

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

ANNEX 2 - FABRIC METHODOLOGY

Methodology for Analyzing Online Audits - Online Piracy

This research is based on primary data. All data processing is done internally by Fabric - before BB 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.