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# **Betterware de México Acquires 60% of GurúComm, a Mobile Virtual Network Operator and Communications Software Developer**

**Adds compelling technology-based home solutions to Betterware portfolio**

**Expands products offered by its distributors and associates**

**GurúComm will operate as Betterware Connect within Betterware with a focus on disrupting the Mobile Virtual Network market in Mexico**

GUADALAJARA, Mexico, March 22, 2021 /PRNewswire/ -- Betterware de México S.A.B. de C.V. ("Betterware") (NASDAQ: BWMX), the leading direct-to-consumer company in Mexico that focuses on the home organization and solutions segment with a two-tier distribution model, today announced that it acquired 60% of GurúComm, a Mobile Virtual Network Operator ("MVNO") and Communications Software developer, with an Enterprise Value of \$75M pesos (approximately \$3.5 million USD). The purchase price is \$45 million pesos and the investment was paid out of existing cash on the Company's balance sheet. The Company does not expect the acquisition to be material to fiscal year 2021 results and is maintaining its guidance provided when it reported fourth quarter and fiscal year 2020 results on February 18, 2021.



GurúComm will operate within Betterware, as Betterware Connect, led by the existing GurúComm management team. The addition of GurúComm to the Betterware portfolio positions the Company to disrupt the home technology solutions market in Mexico by combining Betterware's highly efficient distribution network of 1.3 million distributors and associates and its vast and loyal customer base with the innovation and technology product and software expertise of GurúComm.

Luis Campos, Betterware Chairman stated: "We are delighted to announce that we have

acquired 60% of GurúComm which will operate as Betterware Connect with our Company. With this acquisition, we believe we are positioned to disrupt the MVNO market in Mexico as we leverage our capabilities and service offering to include the large and growing home technology solutions product category. We look forward to partnering with Victor Treviño, CEO, and Roger Alarcon, Commercial and Innovation Director, who have had tremendous success in creating innovative technology and telecommunications solutions, to bring our 1.3 million distributors and associates high quality, value priced home technology offerings. This acquisition marks a very important milestone for Betterware as it evolves our home product offering to include technology-based solutions, which we expect to add to our long term growth and profit potential."

Betterware Connect intends to launch technology-based home solutions through three different product segments:

- MVNO including mobile voice and data, personal hotspot, and fixed wireless broadband offerings
- Smart Home including a range of Smart Home and Smart Device solutions
- Home Apps including Home Software-based solutions for a variety of household needs and tasks

According to market studies, Betterware Connect possesses the eight qualities integral to being successful in the MVNO market. These qualities include: (i) a loyal customer base; (ii) strong brand, (iii) high customer value proposition; (iv) simplified distribution system; (v) easy to understand offering; (vi) excellent MVNO relationships and network; (vii) a seamless experience and efficient execution; and (viii) outstanding content and applications.

GuruComm's management team is highly experienced in the communication technology industry and this combined with Betterware management's expertise and its commercial platform, provide for substantial growth potential in the future.

The business will be launched in four stages, described below:

1. Distributors and associates will have the opportunity to purchase Betterware Connect products (internet and mobile plans).
2. Distributors and associates will sell Betterware Connect products to consumers.
3. Betterware Connect plans to launch new products that are connected to its network.
4. Betterware Connect expects to introduce smart home products.

### **The MVNO Opportunity:**

Currently, MVNOs in Mexico have an approximate 2% market share, which leaves ample room for Betterware Connect through its acquisition of 60% of GurúComm to disrupt this fast-growing industry, provide another source of income for its 1.3 million distributors and associates and add to its long-term revenue and EBITDA growth rates.

The Company notes that industry trends for MVNOs are highly favorable in Mexico, driven by government changes in the mobile network that began in March 2018. Specifically, the Mexican government assisted to form Altán, a mobile network operator entirely focused on offering wholesale access to MVNOs. Given Altán cannot participate in the retail market, MVNOs such as GurúComm, and now Betterware Connect are positioned to disrupt the market previously dominated by Telcel.

GuruComm's is headed by Victor Trevino, a 30-year veteran in the telecommunications and IT industry. Prior to joining GurúComm, Mr. Trevino was the founder of Ekonom, the first company authorized to provide value-added telecommunications services in Mexico. He was also the founder of Ekomercio Electrónico, one of the top electronic invoice providers in Latin America, which was acquired by Grupo Sanford in 2016. After founding Ekomercio, Mr. Trevino Founded Cierta Telecom, one the of the top mobile prepayment networks in North American and MVNO integrator.

Roger Alarcón is the Founder of GurúComm, the first MVNO established over Altán's network in Mexico. Mr. Alarcon has an extensive background in technology and is an innovation entrepreneur with more than 20-years of experience. Prior to GurúComm, he was an investment manager at Telmex, where he launched Prodigy Mobile, Latin America's first public Wi-Fi network. Mr. Alarcon was also the founder of BNN, one of the top digital agencies in Mexico, which was acquired by Grupo CIE in 2017.

### **About Betterware de Mexico S.A.B. de C.V.**

Founded in 1995, Betterware de Mexico is a leading direct-to-consumer selling company in Mexico, whose CAGR 2003-2020 was above 20%. Focused on the home organization and solutions segment, Betterware's wide product portfolio includes home organization, kitchen preparation, food containers, smart furniture, technology and mobility, as well as other minor categories.

Supported by its top-class business intelligence and data analytics units, which provides daily monitoring of key metrics and product intelligence, Betterware has been able to achieve sustainable double-digit growth rates by successfully expanding its market penetration driven by its more than 59,000 distributors and 1.2 million associates network.

Its state-of-the-art infrastructure allows it to safely and timely deliver its products to every part of the country, backed by the strategic location of its distribution center.

### **About GurúComm**

GurúComm is an MVNO (Mobile Virtual Network Operator) and Telecommunications Software Creator. The Company's services include mobile voice and data plans, personal hotspots, and fixed wireless broadband. These services are bound together by proprietary web and mobile apps. The Company is actively developing IoT integrations for the home, based in its connectivity services. GurúComm is the first MVNO established over Altán's network in Mexico.

### **Forward-Looking Statements**

This press release includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will", "estimate", "continue", "anticipate", "intend", "expect", "should", "would", "plan", "predict", "potential", "seem", "seek," "future," "outlook", and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The reader should understand that the results obtained may differ from the projections contained in this document, as past results in no way offer any guarantee of future performance. For this reason, the Company assumes no responsibility for any indirect factors or elements beyond its control that might occur inside Mexico or abroad and which might affect the

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