

## Financial and operating report First quarter 2019

Date of publication: April 29th, 2019

### Portfolio growth:

**5.60%**  
1Q18 vs. 1Q19

**29.86%**  
1Q15 vs. 1Q19

Global portfolio of sites in revenues: 16,248 sites

**Mexico**  
15,953 (98.2%)

**Costa Rica**  
295 (1.8%)

### EBITDA growth 1Q18 vs. 1Q19:

**12.4%**

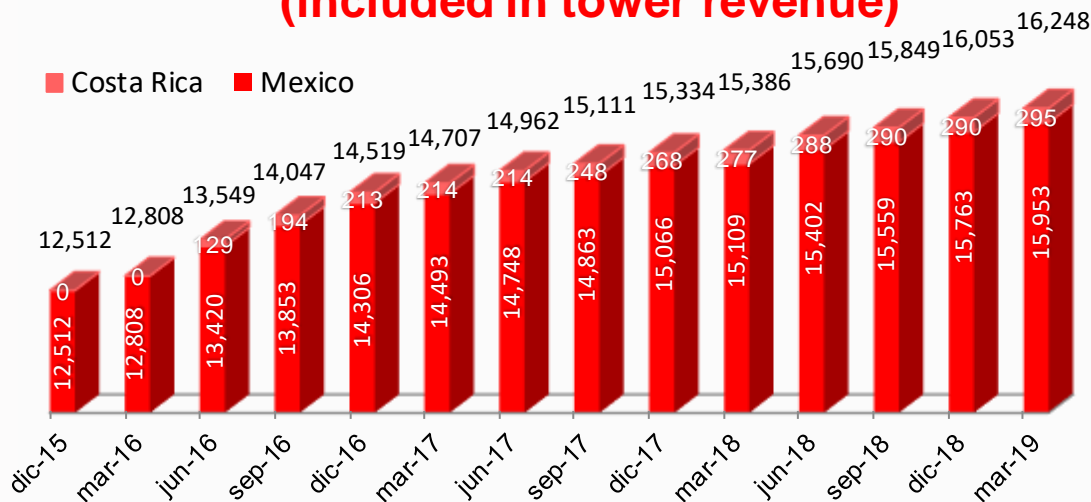
### Total accumulated signed co-locations (Ex-AMX) and equivalents:

**1,520**

Telesites, S. A. B. de C. V. ("Telesites" or "the Company") reports its financial and operating results as of first quarter of 2019.

As of the first quarter of 2019, Telesites reports a global portfolio of 16,248 sites included in revenue, meaning an increase of 195 sites *vis a vis* previous quarter. Observed increase for the last twelve months was of 862 sites, equivalent to 5.60% growth. Currently, 328 sites are on some stage into building process. Talking about co-locations ex-AMX, Telesites has signed 1,520 individual site agreements and equivalents as of the end of the 1Q19.

### Total Towers (included in tower revenue)



### Results

Accumulated revenues during the first quarter were 1,770.3 million pesos, of which 1,226.8 million pesos came from tower income (69.3%). From January to March of 2019, revenues were 11.5% higher than the same quarter of the previous year.

Accumulated EBITDA from January to March of 2019 was 1,671.3 million pesos, resulting 94.4% margin. EBITDA growth was 12.4% higher than proforma of the same quarter of the previous year, during this three months represented an increase of 3.2% versus the previous quarter.

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#### Revenues 1Q19:

**1,770.3**  
million pesos

#### EBITDA 1Q19:

**1,671.3**  
million pesos

#### Average rent per tower 1Q19:

**22,151**  
pesos per month

#### Tenancy Ratio:

**1.144**

tenants per tower

#### Leverage ratio: 5.03x

Net Debt\* \$ 32,219.08  
EBITDA 12m Proforma \$ 6,408.45

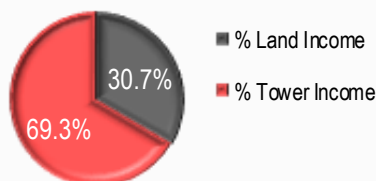
Leverage ratio 5.03

Net debt includes \$10,098.17 million pesos of leases liabilities.

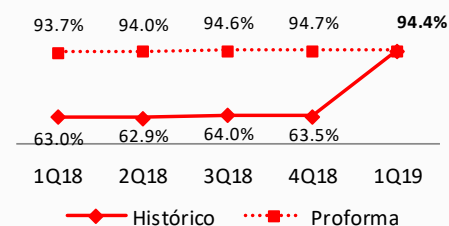
#### Telesites QoQ revenue breakdown

(MM\$MX)	1Q18	2Q18	3Q18	4Q18	1Q19
<b>Revenues</b>	<b>1,587.8</b>	<b>1,624.8</b>	<b>1,681.7</b>	<b>1,709.6</b>	<b>1,770.3</b>
Land rent	487.5	504.3	516.3	561.9	543.6
Site revenues	1,100.2	1,120.5	1,165.5	1,147.7	1,226.8
<b>Total Costs and Expenses</b>	<b>588.0</b>	<b>602.9</b>	<b>606.1</b>	<b>624.7</b>	<b>99.0</b>
Land rent	487.2	505.1	515.8	533.9	-
Administrative and operating expenses	100.8	97.7	90.4	90.8	99.0
Administrative expenses	70.3	73.4	67.3	69.0	73.9
Operating expenses	30.5	24.3	23.1	21.8	25.2
<b>EBITDA</b>	<b>999.8</b>	<b>1,021.9</b>	<b>1,075.6</b>	<b>1,084.8</b>	<b>1,671.3</b>
<b>EBITDA Proforma - IFRS 16</b>	<b>1,487.0</b>	<b>1,527.1</b>	<b>1,591.3</b>	<b>1,618.8</b>	<b>1,671.3</b>

#### Revenues 1Q19



#### EBITDA Margin (QoQ)



#### Quarterly breakdown of Telesites tower leases

		1T19
Mexico	Sites included in revenues EOP	15,953
	Total quantity of rents included in revenues EOP	18,288
Costa Rica	Sites included in revenues EOP	295
	Total quantity of rents included in revenues EOP	302
Consolidated	Sites included in revenues EOP	16,248
	Rents included in revenues EOP: AMX	16,248
	Rents included in revenues EOP: AMX adds (equivalents)	928
	Rents included in revenues EOP: Others	1,414
	Total rents included in revenues EOP	18,590
	Tenancy ratio EOP	1.144

#### IFRS 16

IFRS 16 was issued on January 2016, it was effective as of January 1<sup>st</sup>, 2019. The company adopted this rule by applying the “modified retrospective” method. IFRS 16 adoption had the following initial impact on the Balance Sheet: \$10,410.6 million pesos as Rights of Use in assets and \$10,311.0 million pesos as Leases in liabilities.

As a result of IFRS 16 application 1Q19 Income Statement changed as follows: land rent expense is no longer included, instead additional Depreciation of \$474.4 million pesos and additional Financial Expenses of \$250.2 million pesos were recorded.

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### Telesites, S. A. B. de C. V.

#### Consolidated statements of Financial Position

(In thousands of Mexican pesos)

<b>Assets</b>	<b>As of March 31st 2019</b>		<b>As of March 31st 2018</b>		<b>1Q19 vs. 1Q18</b>
<b>Current Assets</b>					
Cash and equivalents	847,720	1.5%	560,330	1.3%	51.3 %
Accounts Receivable	223,794	0.4%	240,344	0.54%	(6.9)%
Recoverable taxes	108,066	0.2%	12,020	0.0%	799.1 %
<b>Total current assets</b>	<b>1,179,580</b>	<b>2.1%</b>	<b>812,694</b>	<b>1.8%</b>	<b>45.1 %</b>
<b>Non-current assets</b>					
Towers, construction and others	53,508,007	96.6%	50,790,311	114.3%	5.4 %
Property and equipment, net	65,988	0.1%	57,221	0.1%	15.3 %
Depreciation	(9,496,754)	(17.1)%	(7,380,446)	(16.6)%	28.7 %
Rights of use	10,438,774	18.8%	-	0.0%	N/A
Rights of use depreciation	(474,431)	(0.9)%	-	0.0 %	N/A
<b>Total non-current assets</b>	<b>54,041,584</b>	<b>97.6%</b>	<b>43,467,086</b>	<b>97.9%</b>	<b>24.3 %</b>
Deferred tax assets	38,713	0.1%	8,022	0.0%	382.6 %
Other assets	121,185	0.2%	132,957	0.3%	(8.9)%
<b>Total assets</b>	<b>55,381,062</b>	<b>100%</b>	<b>44,420,759</b>	<b>100%</b>	<b>24.7 %</b>
<b>Liabilities and equity</b>					
Short term debt	-	0.0%	-	0.0%	N/A
Accounts payable	497,410	0.9%	592,686	1.3%	(16.1)%
Taxes payable	132,993	0.2%	285,155	0.6%	(53.4)%
Interests payable	217,004	0.4%	208,584	0.5%	4.0 %
<b>Total short term liabilities</b>	<b>847,406</b>	<b>1.5%</b>	<b>1,086,425</b>	<b>2.4%</b>	<b>(22.0)%</b>
Long term debt	22,967,718	41.5%	22,574,488	50.8%	1.7 %
Leases liabilities	10,098,175	18.2%	-	0.0%	N/A
Deferred income taxes	10,089,896	18.2%	10,119,304	22.8%	(0.3)%
Asset retirement obligation	900,407	1.6%	864,861	1.9%	4.1 %
Other liabilities	5,923	0.0%	4,672	0.0%	26.8 %
<b>Total long term liabilities</b>	<b>44,062,119</b>	<b>79.6%</b>	<b>33,563,325</b>	<b>75.6%</b>	<b>31.3 %</b>
<b>Total liabilities</b>	<b>44,909,525</b>	<b>81.1%</b>	<b>34,649,750</b>	<b>78.0%</b>	<b>29.6 %</b>
<b>Equity</b>					
Share capital	35,000	0.1%	35,000	0.1%	0.0 %
Surplus	22,921,707	41.4%	23,228,907	52.3%	(1.3)%
Other components of equity	(12,373,356)	(22.3)%	(13,467,288)	(30.3)%	(8.1)%
Conversion effect	1,393	0.0 %	(105)	(0.0)%	N/A
Net income for the year	(113,206)	(0.2)%	(25,506)	(0.1)%	343.8 %
<b>Total Equity</b>	<b>10,471,538</b>	<b>18.9%</b>	<b>9,771,009</b>	<b>22.0%</b>	<b>7.2 %</b>
<b>Total liabilities and equity</b>	<b>55,381,062</b>	<b>100%</b>	<b>44,420,759</b>	<b>100%</b>	<b>24.7 %</b>

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### Telesites, S. A. B. de C. V.

#### Consolidated statements of Comprehensive Income (In thousands of Mexican pesos)

	From Jan 1st to March 31st 2019	From Jan 1st to March 31st 2018	1Q19 vs. 1Q18
<b>Revenues</b>	<b>1,770,325</b>	<b>1,587,769</b>	<b>11.5%</b>
Land	543,557	487,523	11.5 %
Tower	1,226,768	1,100,246	11.5 %
<b>Expenses</b>	<b>(1,117,950)</b>	<b>(1,113,506)</b>	<b>0.4 %</b>
Land Rent	0	(487,179)	(100.0)%
Administration and Operating Expenses	(99,040)	(100,792)	(1.7)%
Depreciation and Amortization	(544,494)	(525,535)	3.6 %
Depreciation - IFRS 16	(474,415)		N/A
<b>Operating Result</b>	<b>652,375</b>	<b>474,262</b>	<b>37.6 %</b>
Financial Expenses	(445,423)	(508,526)	(12.4)%
Other Income	18,731	36,482	(48.7)%
Interests - IFRS 16	(250,224)		N/A
	(676,917)	(472,044)	43.4 %
<b>Loss Before Income Taxes</b>	<b>(24,542)</b>	<b>2,218</b>	<b>N/A</b>
Current Income Taxes	(192,729)	(180,302)	6.9 %
Deferred Taxes	104,064	152,578	(31.8)%
	(88,665)	(27,724)	219.8 %
<b>Net Income</b>	<b>(113,206)</b>	<b>(25,506)</b>	<b>343.8 %</b>
<b>EBITDA</b>	<b>1,671,285</b>	<b>999,797</b>	<b>67.2 %</b>
<b>EBITDA Proforma</b>	<b>1,671,285</b>	<b>1,486,977</b>	<b>12.4 %</b>

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### Telesites, S. A. B. de C. V.

#### Consolidated statements of Cash Flows

(In thousands of Mexican pesos)

	From January 1st to December 31st 2018	From January 1st to December 31st 2017	1Q19 vs. 1Q18
<b>Operating activities</b>			
Net income	(113,206)	(25,506)	343.8 %
Taxes	88,665	27,724	219.8 %
Interest gained and paid, net	675,860	499,509	35.3 %
Depreciation and Amortization	1,018,910	525,535	93.9%
Account receivables	(97,469)	(14,874)	555.3 %
Other accounts receivables	74,832	27,235	174.8 %
Account payable	91,793	164,659	(44.3)%
Other adjustments		(935)	N/A
Income taxes paid	(209,991)	(292,413)	(28.2)%
	<b>1,529,394</b>	<b>910,934</b>	<b>67.9 %</b>
<b>Investment activities</b>			
Property, equipment and site construction	(388,521)	(253,029)	53.5 %
Intangible asset aquisitions	1,145	(875)	N/A
Interest gain	19,788	9,017	119.5%
	<b>(367,588)</b>	<b>(244,887)</b>	<b>50.1 %</b>
<b>Financing activities</b>			
Interes paid	(690,231)	(667,194)	3.5%
Leases liabilities payments	(590,808)		N/A
	<b>(1,281,039)</b>	<b>(667,194)</b>	<b>92.0%</b>
<b>Net increase in cash and cash equivalent</b> s	<b>(119,233)</b>	<b>(1,147)</b>	<b>10295%</b>
Cash at the beginning of the period	966,953	561,477	72.2%
<b>Cash at the end of the period</b>	<b>847,720</b>	<b>560,330</b>	<b>51.3%</b>

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