

## Financial and operating report Fourth quarter 2019

Publication date: February 19<sup>th</sup>, 2020

### Portfolio growth:

**7.52%**  
**4Q18 vs. 4Q19**

**Global portfolio of sites in revenues:**  
17,260 sites

**Mexico**  
16,961 (98.3%)

**Costa Rica**  
299 (1.7%)

**EBITDA growth 4Q18 vs. 4Q19:**  
**10.2%**

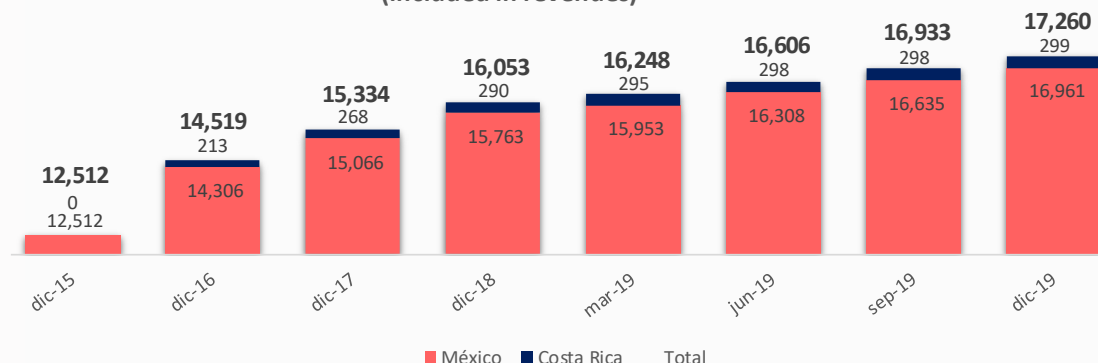
**Total accumulated signed co-locations (Ex-AMX) and equivalents to date:**

**1,621**

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

As of the fourth quarter of 2019, Telesites reports a global portfolio of 17,260 sites included in revenue, meaning an increase of 327 sites *vis a vis* previous quarter. Observed increase for the last twelve months was of 1,207 sites, equivalent to 7.52% growth. Currently, 300 sites are on some stage into building process, and 611 are substantially completed, awaiting electric connection. Talking about co-locations ex-AMX, Telesites has signed 1,621 individual site agreements and equivalents.

### Total Towers (included in revenues)



### Results

Accumulated revenues during the fourth quarter were 1,873.7 million pesos, of which 1,298.6 million pesos came from tower income (69.3%). From October to December 2019, revenues were 9.60% higher than the same quarter of the previous year. Taking the period from January to December, revenues reach 7,296.7 million pesos, from which, 5,062.4 millions come from Tower revenues. Comparing this period to the previous year's, revenues grew 10.5%.

Accumulated EBITDA from October to December 2019 was 1,783.5 million pesos, resulting 95.2% margin. EBITDA growth was 10.2% higher than the same quarter Proforma of the previous year. Considering the period from January to December, accumulated EBITDA is 6,911.6 million pesos, having a 11.04% increase versus the Proforma of the previous year.

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#### Revenues 4Q19:

**1,873.7**  
million pesos

#### EBITDA 4Q19:

**1,783.5**  
million pesos

#### Average rent per tower 4Q19:

**22,038**  
pesos per month

#### Tenancy Ratio:

**1.150**  
tenants per tower

#### Leverage ratio: 4.65x

Net Debt\* \$ 32,165.70  
EBITDA 12m \$ 6,911.54

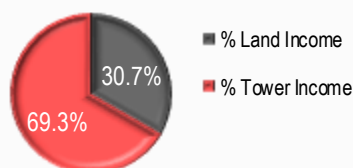
Leverage ratio **4.65**

\*Net debt includes \$10,298.62 million pesos of leases liabilities.

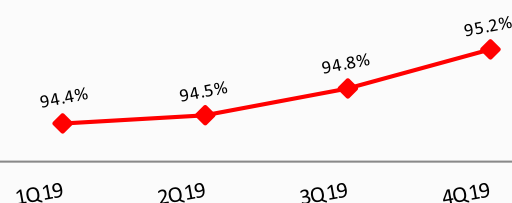
#### Telesites QoQ revenue breakdown

(MM\$MX)	2018	1Q19	2Q19	3Q19	4Q19	2019
<b>Revenues</b>	<b>6,603.8</b>	<b>1,770.3</b>	<b>1,802.8</b>	<b>1,849.9</b>	<b>1,873.7</b>	<b>7,296.7</b>
Land rent	2,069.9	543.6	551.3	564.4	575.2	2,234.4
Site revenues	4,533.9	1,226.8	1,251.5	1,285.5	1,298.6	5,062.4
<b>Total Costs and Expenses</b>	<b>2,421.7</b>	<b>99.0</b>	<b>99.2</b>	<b>96.7</b>	<b>90.2</b>	<b>385.2</b>
Land rent	2,042.0	-	-	-	-	-
Administrative and operating expenses	379.7	99.0	99.2	96.7	90.2	385.2
Administrative expenses	279.9	73.9	73.3	71.2	64.5	282.8
Operating expenses	99.7	25.2	25.9	25.5	25.8	102.4
<b>EBITDA</b>	<b>4,182.1</b>	<b>1,671.3</b>	<b>1,703.6</b>	<b>1,753.2</b>	<b>1,783.5</b>	<b>6,911.6</b>
<b>EBITDA Proforma - IFRS 16</b>	<b>6,224.1</b>					

#### Revenues 4Q19



#### EBITDA Margin (QoQ)



#### Quarterly breakdown of Telesites tower leases

		4Q19
Mexico	Sites included in revenues EOP	16,961
	Total quantity of rents included in revenues EOP	19,533
Costa Rica	Sites included in revenues EOP	299
	Total quantity of rents included in revenues EOP	310
Consolidated	Sites included in revenues EOP	17,260
	Rents included in revenues EOP: AMX	17,260
	Rents included in revenues EOP: AMX adds (equivalents)	1,087
	Rents included in revenues EOP: Others	1,496
	Total rents included in revenues EOP	19,843
	Tenancy ratio EOP	1.150

#### IFRS 16

As a consequence of IFRS 16 application, Income Statement changed as follows: Land Rent Expense is no longer included, replaced by Depreciation and additional Financial Expenses. As of 4Q19, Depreciation of \$436.5 million pesos and Interests of \$302.1 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)

	As of Dec 31st 2019		As of Dec 31st 2018		4Q19 vs. 4Q18
<b>Assets</b>					
<b>Current Assets</b>					
Cash and equivalents	1,233,951	2.2%	966,952	2.1%	27.6 %
Accounts Receivable	78,900	0.1%	209,730	0.46%	(62.4)%
Recoverable taxes	60,866	0.1%	42,012	0.1%	44.9 %
<b>Total current assets</b>	<b>1,373,716</b>	<b>2.4%</b>	<b>1,218,694</b>	<b>2.7%</b>	<b>12.7 %</b>
<b>Non-current assets</b>					
Towers, construction and others	57,088,229	99.6%	52,902,797	116.6%	7.9 %
Property and equipment, net	65,054	0.1%	65,294	0.1%	(0.4)%
Depreciation	(11,145,266)	(19.4)%	(8,960,555)	(19.7)%	24.4 %
Rights of use	11,592,417	20.2%	-	0.0%	N/A
Rights of use depreciation	(1,796,856)	(3.1)%	-	0.0 %	N/A
<b>Total non-current assets</b>	<b>55,803,580</b>	<b>97.4%</b>	<b>44,007,536</b>	<b>97.0%</b>	<b>26.8 %</b>
Deferred tax assets	22,469	0.0%	27,789	0.1%	(19.1)%
Other assets	111,488	0.2%	135,850	0.3%	(17.9)%
<b>Total assets</b>	<b>57,311,253</b>	<b>100%</b>	<b>45,389,869</b>	<b>100%</b>	<b>26.3 %</b>
<b>Liabilities and equity</b>					
Short term debt	4,497,776	7.8%	-	0.0%	N/A
Accounts payable	398,472	0.7%	406,307	0.9%	(1.9)%
Taxes payable	85,578	0.1%	102,467	0.2%	(16.5)%
Interests payable	515,464	0.9%	507,429	1.1%	1.6 %
<b>Total short term liabilities</b>	<b>5,497,290</b>	<b>9.6%</b>	<b>1,016,203</b>	<b>2.2%</b>	<b>441.0 %</b>
Long term debt	18,603,259	32.5%	22,932,738	50.5%	(18.9)%
Leases liabilities	10,298,616	18.0%	-	0.0%	N/A
Deferred income taxes	10,268,940	17.9%	10,114,950	22.3%	1.5 %
Asset retirement obligation	948,496	1.7%	894,094	2.0%	6.1 %
Other liabilities	9,201	0.0%	5,648	0.0%	62.9 %
<b>Total long term liabilities</b>	<b>40,128,512</b>	<b>70.0%</b>	<b>33,947,430</b>	<b>74.8%</b>	<b>18.2 %</b>
<b>Total liabilities</b>	<b>45,625,801</b>	<b>79.6%</b>	<b>34,963,633</b>	<b>77.0%</b>	<b>30.5 %</b>
<b>Equity</b>					
Share capital	35,000	0.1%	35,000	0.1%	0.0 %
Surplus	23,347,764	40.7%	23,059,404	50.8%	1.3 %
Other components of equity	(11,463,317)	(20.0)%	(12,571,956)	(27.7)%	(8.8)%
Conversion effect	865	0.0 %	998	0.0 %	(13.4)%
Net income for the year	(234,861)	(0.4)%	(97,211)	(0.2)%	N/A
<b>Total Equity</b>	<b>11,685,451</b>	<b>20.4%</b>	<b>10,426,236</b>	<b>23.0%</b>	<b>12.1 %</b>
<b>Total liabilities and equity</b>	<b>57,311,253</b>	<b>100%</b>	<b>45,389,869</b>	<b>100%</b>	<b>26.3 %</b>

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

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

	From Oct 1st to Dec 31st 2019	From Oct 1st to Dec 31st 2018	4Q19 vs. 4Q18
<b>Revenues</b>	<b>1,873,742</b>	<b>1,709,558</b>	<b>9.6%</b>
Land	575,180	561,876	2.4 %
Tower	1,298,562	1,147,682	13.1 %
<b>Expenses</b>	<b>(1,095,966)</b>	<b>(1,165,661)</b>	<b>(6.0)%</b>
Land Rent	0	(533,936)	N/A
Administration and Operating Expenses	(90,218)	(90,523)	(0.3)%
Depreciation and Amortization	(569,212)	(541,202)	5.2 %
Depreciation - IFRS 16	(436,536)		N/A
<b>Operating Result</b>	<b>777,776</b>	<b>543,897</b>	<b>43.0 %</b>
Financial Expenses	(545,291)	(564,929)	(3.5)%
Other Income	8,425	21,069	(60.0)%
Interests - IFRS 16	(302,143)		N/A
	(839,009)	(543,860)	54.3 %
<b>Loss Before Income Taxes</b>	<b>(61,232)</b>	<b>37</b>	<b>N/A</b>
Current Income Taxes	(189,401)	(271,747)	(30.3)%
Deferred Taxes	167,850	149,462	12.3 %
	(21,551)	(122,286)	(82.4)%
<b>Net Income</b>	<b>(82,783)</b>	<b>(122,248)</b>	<b>(32.3)%</b>
<b>EBITDA</b>	<b>1,783,524</b>	<b>1,085,099</b>	<b>64.4 %</b>
<b>EBITDA Proforma</b>	<b>1,783,524</b>	<b>1,619,035</b>	<b>10.2 %</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 Dec 31st 2019	From January 1st to Dec 31st 2018	4Q19 vs. 4Q18
<b>Operating activities</b>			
Net income	(234,861)	(97,211)	141.6 %
Taxes	284,711	260,905	9.1 %
Interest gained and paid, net	2,818,878	1,940,265	45.3 %
Depreciation and Amortization	4,023,743	2,124,184	89.4%
Account receivables	43,098	(18,498)	(333.0)%
Other accounts receivables	88,025	23,322	277.4 %
Account payable	(16,989)	(121,305)	(86.0)%
Other accounts payable			N/A
Other adjustments			N/A
Income taxes paid	(750,155)	(917,878)	(18.3)%
	<b>6,256,450</b>	<b>3,193,784</b>	<b>95.9 %</b>
<b>Investment activities</b>			
Property, equipment and site construction	(2,108,188)	(1,317,087)	60.1 %
Intangible asset acquisitions	(75)	(4,469)	N/A
Interest gain	87,282	47,391	84.2%
	<b>(2,020,981)</b>	<b>(1,274,165)</b>	<b>58.6 %</b>
<b>Financing activities</b>			
Loans		58,349	N/A
Loans paid			N/A
Interes paid	(1,607,771)	(1,572,492)	2.2%
Leases liabilities payments	(2,360,700)		N/A
	<b>(3,968,471)</b>	<b>(1,514,143)</b>	<b>162.1%</b>
<b>Net increase in cash and cash equivalents</b>	266,998	405,476	-34%
Cash at the beginning of the period	966,953	561,477	72.2%
<b>Cash at the end of the period</b>	<b>1,233,951</b>	<b>966,953</b>	<b>27.6%</b>

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