

## Financial and Operative Report

### First Quarter, 2020

Publication date: April 22<sup>nd</sup> 2020

#### Portfolio Growth

**8.31%**

1Q19 vs. 1Q20

#### Global Portfolio:

**17,599**

included in revenues

Mexico

**17,297 (98.3%)**

Costa Rica

**302 (1.7%)**

#### EBITDA Growth

1T19 vs. 1T20:

**12.9%**

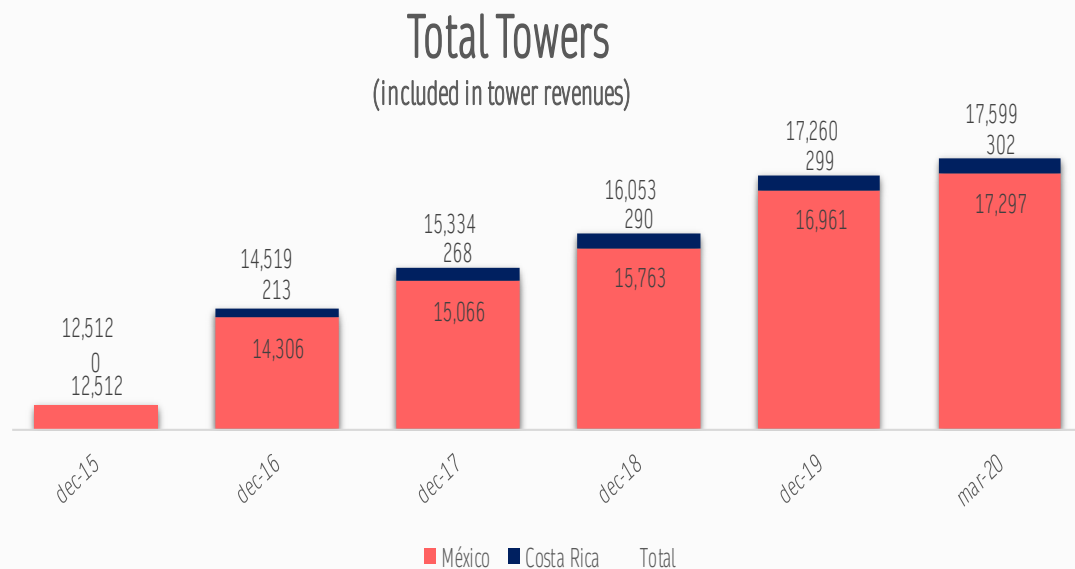
#### Total Co-locations

Ex-AMX to date:

**1,734**

**Telesites, S. A. B. de C. V. ("Telesites" or the "Company") reports its financial and operating results as of first quarter of 2020.**

As of the first quarter of 2020, Telesites reports a global portfolio of 17,599 sites included in revenues, meaning an increase of 339 sites *vis a vis* previous quarter. Observed increase for the last twelve months was of 1,351 sites, equivalent to 8.31% growth. Currently, 251 sites are on some stage into building process, and 302 are substantially completed, awaiting electric connection. Talking about co-locations ex-AMX, Telesites has signed 1,734 individual site agreements and equivalents.



### Results

Accumulated revenues during the first quarter were 1,990.1 million pesos, of which 1,366.6 million pesos came from tower income (68.7%). Revenues were 12.4% higher than the same quarter of the previous year.

Accumulated EBITDA for the quarter was 1,887.1 million pesos, resulting in a 94.8% margin, and a compared growth of 12.9% to the same quarter the previous year.

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1Q20 Revenues:

**1,990.1**

million pesos

1Q20 EBITDA

**1,887.1**

million pesos

Average Rent

**22,653**

pesos per tower

Tenancy Ratio

**1.157**

Leverage Ratio

**4.58x**

Net Debt\* \$ 32,640.69

EBITDA 12m \$ 7,127.41

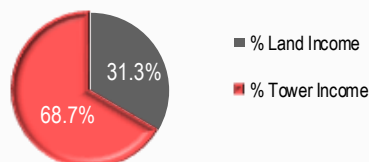
**Leverage ratio 4.58**

\*Net debt includes 10,565.39 million pesos of lease liabilities.

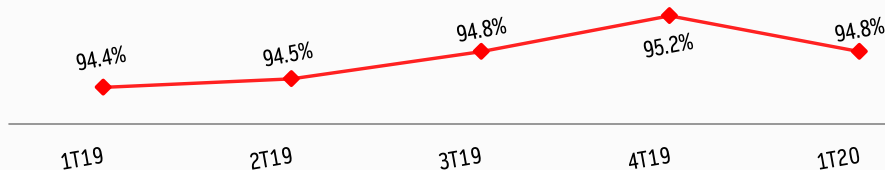
Telesites QoQ Revenue Breakdown

| (MM\$MX)                              | 1Q19           | 2Q19           | 3Q19           | 4Q19           | 1Q20           | 1Q20 VS. 1Q19 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| <b>Revenues</b>                       | <b>1,770.3</b> | <b>1,802.8</b> | <b>1,849.9</b> | <b>1,873.7</b> | <b>1,990.1</b> | <b>12.4%</b>  |
| Land rent                             | 543.6          | 551.3          | 564.4          | 575.2          | 623.5          | 14.7%         |
| Site revenues                         | 1,226.8        | 1,251.5        | 1,285.5        | 1,298.6        | 1,366.6        | 11.4%         |
| <b>Total Costs and Expenses</b>       | <b>99.0</b>    | <b>99.2</b>    | <b>96.7</b>    | <b>90.2</b>    | <b>103.0</b>   | <b>4.0%</b>   |
| Land rent                             | -              | -              | -              | -              | -              | -             |
| Administrative and operating expenses | 99.0           | 99.2           | 96.7           | 90.2           | 103.0          | 4.0%          |
| Administrative expenses               | 73.9           | 73.3           | 71.2           | 64.5           | 74.9           | 1.4%          |
| Operating expenses                    | 25.2           | 25.9           | 25.5           | 25.8           | 28.0           | 11.4%         |
| <b>EBITDA</b>                         | <b>1,671.3</b> | <b>1,703.6</b> | <b>1,753.2</b> | <b>1,783.5</b> | <b>1,887.1</b> | <b>12.9%</b>  |

1Q20 Revenues



EBITDA Margin



Quarterly Breakdown of Telesites's Tower leases

|              |  | 1Q20   |
|--------------|--|--------|
| Mexico       | Sites included in revenues EOP                         | 17,297 |
|              | Total quantity of rents included in revenues EOP       | 20,121 |
| Costa Rica   | Sites included in revenues EOP                         | 302    |
|              | Total quantity of rents included in revenues EOP       | 313    |
| Consolidated | Sites included in revenues EOP                         | 17,599 |
|              | Rents included in revenues EOP: AMX                    | 17,658 |
|              | Rents included in revenues EOP: AMX adds (equivalents) | 1,221  |
|              | Rents included in revenues EOP: Others                 | 1,555  |
|              | Total rents included in revenues EOP                   | 20,434 |
|              | Tenancy ratio EOP                                      | 1.157  |

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

#### Consolidated statements of Financial Position (in thousands of mexican pesos)

|                                     | As of Mar 31st 2020 |              | As of Mar 31st 2019 |              | 1Q20 vs. 1Q19  |
|-------------------------------------|---------------------|--------------|---------------------|--------------|----------------|
| <b>Assets</b>                       |                     |              |                     |              |                |
| <b>Current Assets</b>               |                     |              |                     |              |                |
| Cash and equivalents                | 1,290,198           | 2.2%         | 847,720             | 1.5%         | 52.2 %         |
| Accounts Receivable                 | 155,332             | 0.3%         | 223,794             | 0.40%        | (30.6)%        |
| Recoverable taxes                   | 138,459             | 0.2%         | 108,066             | 0.2%         | 28.1 %         |
| <b>Total current assets</b>         | <b>1,583,988</b>    | <b>2.7%</b>  | <b>1,179,580</b>    | <b>2.1%</b>  | <b>34.3 %</b>  |
| <b>Non-current assets</b>           |                     |              |                     |              |                |
| Towers, construction and others     | 58,127,227          | 100.0%       | 53,508,007          | 96.6%        | 8.6 %          |
| Property and equipment, net         | 70,960              | 0.1%         | 65,988              | 0.1%         | 7.5 %          |
| Depreciation                        | (11,739,520)        | (20.2)%      | (9,496,754)         | (17.1)%      | 23.6 %         |
| Rights of use                       | 12,207,863          | 21.0%        | 10,438,774          | 18.8%        | 16.9 %         |
| Rights of use depreciation          | (2,256,380)         | (3.9)%       | (474,431)           | (0.9)%       | N/A            |
| <b>Total non-current assets</b>     | <b>56,410,151</b>   | <b>97.0%</b> | <b>54,041,584</b>   | <b>97.6%</b> | <b>4.4 %</b>   |
| Deferred tax assets                 | 39,848              | 0.1%         | 38,713              | 0.1%         | 2.9 %          |
| Other assets                        | 110,069             | 0.2%         | 121,185             | 0.2%         | (9.2)%         |
| <b>Total assets</b>                 | <b>58,144,056</b>   | <b>100%</b>  | <b>55,381,062</b>   | <b>100%</b>  | <b>5.0 %</b>   |
| <b>Liabilities and equity</b>       |                     |              |                     |              |                |
| Short term debt                     | 4,498,604           | 7.7%         | -                   | 0.0%         | N/A            |
| Accounts payable                    | 522,525             | 0.9%         | 497,409             | 0.9%         | 5.0 %          |
| Taxes payable                       | 181,139             | 0.3%         | 132,993             | 0.2%         | 36.2 %         |
| Interests payable                   | 225,717             | 0.4%         | 217,004             | 0.4%         | 4.0 %          |
| <b>Total short term liabilities</b> | <b>5,427,985</b>    | <b>9.3%</b>  | <b>847,405</b>      | <b>1.5%</b>  | <b>540.5 %</b> |
| Long term debt                      | 18,866,893          | 32.4%        | 22,967,718          | 41.5%        | (17.9)%        |
| Leases liabilities                  | 10,565,387          | 18.2%        | 10,098,175          | 18.2%        | 4.6 %          |
| Deferred income taxes               | 10,295,092          | 17.7%        | 10,089,896          | 18.2%        | 2.0 %          |
| Asset retirement obligation         | 959,185             | 1.6%         | 900,407             | 1.6%         | 6.5 %          |
| Other liabilities                   | 9,599               | 0.0%         | 5,923               | 0.0%         | 62.1 %         |
| <b>Total long term liabilities</b>  | <b>40,696,156</b>   | <b>70.0%</b> | <b>44,062,119</b>   | <b>79.6%</b> | <b>(7.6)%</b>  |
| <b>Total liabilities</b>            | <b>46,124,141</b>   | <b>79.3%</b> | <b>44,909,524</b>   | <b>81.1%</b> | <b>2.7 %</b>   |
| <b>Equity</b>                       |                     |              |                     |              |                |
| Share capital                       | 35,000              | 0.1%         | 35,000              | 0.1%         | 0.0 %          |
| Surplus                             | 23,378,476          | 40.2%        | 22,921,707          | 41.4%        | 2.0 %          |
| Other components of equity          | (11,382,660)        | (19.6)%      | (12,373,356)        | (22.3)%      | (8.0)%         |
| Conversion effect                   | 5,745               | 0.0 %        | 1,393               | 0.0 %        | N/A            |
| Net income for the year             | (16,647)            | (0.0)%       | (113,206)           | (0.2)%       | (85.3)%        |
| <b>Total Equity</b>                 | <b>12,019,915</b>   | <b>20.7%</b> | <b>10,471,538</b>   | <b>18.9%</b> | <b>14.8 %</b>  |
| <b>Total liabilities and equity</b> | <b>58,144,056</b>   | <b>100%</b>  | <b>55,381,062</b>   | <b>100%</b>  | <b>5.0 %</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 Mar<br>31st 2020 | From Jan 1st to Mar<br>31st 2019 | 1Q20 vs. 1Q19  |
|---------------------------------------|----------------------------------|----------------------------------|----------------|
| <b>Revenues</b>                       | 1,990,113                        | 1,770,325                        | 12.4%          |
| Land                                  | 623,490                          | 543,557                          | 14.7 %         |
| Tower                                 | 1,366,623                        | 1,226,768                        | 11.4 %         |
| <b>Expenses</b>                       | (1,134,982)                      | (1,117,950)                      | 1.5 %          |
| Administration and Operating Expenses | (102,963)                        | (99,040)                         | 4.0 %          |
| Depreciation and Amortization         | (580,361)                        | (544,494)                        | 6.6 %          |
| Depreciation - IFRS 16                | (451,657)                        | (474,415)                        | (4.8)%         |
| <b>Operating Result</b>               | <b>855,131</b>                   | <b>652,375</b>                   | <b>31.1 %</b>  |
| Financial Expenses                    | (529,840)                        | (445,423)                        | 19.0 %         |
| Other Income                          | 16,710                           | 18,731                           | (10.8)%        |
| Interests - IFRS 16                   | (275,104)                        | (250,224)                        | 9.9 %          |
|                                       | (788,234)                        | (676,917)                        | 16.4 %         |
| <b>Loss Before Income Taxes</b>       | <b>66,897</b>                    | <b>(24,542)</b>                  | <b>N/A</b>     |
| Current Income Taxes                  | (225,441)                        | (192,729)                        | 17.0 %         |
| Deferred Taxes                        | 141,897                          | 104,064                          | 36.4 %         |
|                                       | (83,544)                         | (88,665)                         | (5.8)%         |
| <b>Net Income</b>                     | <b>(16,647)</b>                  | <b>(113,206)</b>                 | <b>(85.3)%</b> |
| <b>EBITDA</b>                         | <b>1,887,150</b>                 | <b>1,671,285</b>                 | <b>12.9 %</b>  |

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

#### Consolidated statements of Cash Flows (in thousands of Mexican pesos)

|  | Del 1 de Enero al 31 Marzo<br>de 2020 | Del 1 de Enero al 31 de<br>Marzo de 2019 | 1T20 vs. 1T19 |
|--|---------------------------------------|--|---------------|
| <b>Operating activities</b>                      |                                       |  |               |
| Net income                                       | (16,647)                              | (113,206)                                | N/A           |
| Taxes  | 83,544                                | 88,665                                   | (5.8)%        |
| Interest gained and paid, net                    | 787,940                               | 675,860                                  | 16.6 %        |
| Depreciation and Amortization                    | 1,032,018                             | 1,018,910                                | 1.3%          |
| Account receivables                              | (92,434)                              | (97,469)                                 | (5.2)%        |
| Other accounts receivables                       | 134                                   | 74,832                                   | (99.8)%       |
| Account payable                                  | 103,093                               | 91,793                                   | 12.3 %        |
| Income taxes paid                                | (142,987)                             | (209,991)                                | (31.9)%       |
|  | <b>1,754,661</b>                      | <b>1,529,394</b>                         | <b>14.7 %</b> |
| <b>Investment activities</b>                     |                                       |  |               |
| Property, equipment and site construction        | (410,381)                             | (388,521)                                | 5.6 %         |
| Intangible asset acquisitions                    | (2,284)                               | 1,145                                    | N/A           |
| Interest gain                                    | 17,004                                | 19,788                                   | -14.1%        |
|  | <b>(395,661)</b>                      | <b>(367,588)</b>                         | <b>7.6 %</b>  |
| <b>Financing activities</b>                      |                                       |  |               |
| Loans  | -                                     | -  | N/A           |
| Loans paid                                       | -                                     | -  | N/A           |
| Interest paid                                    | (686,842)                             | (690,231)                                | -0.5%         |
| Leases liabilities payments                      | (615,911)                             | (590,808)                                | N/A           |
|  | <b>(1,302,753)</b>                    | <b>(1,281,039)</b>                       | <b>1.7%</b>   |
| <b>Net increase in cash and cash equivalents</b> | 56,247                                | (119,233)                                | -147%         |
| Cash at the beginning of the period              | 1,233,951                             | 966,953                                  | 27.6%         |
| <b>Cash at the end of the period</b>             | <b>1,290,198</b>                      | <b>847,720</b>                           | <b>52.2%</b>  |

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