

Financial and Operative Report Second Quarter, 2020

Publication date: July 28th 2020

Portfolio Growth

7.60%

2Q19 vs. 2Q20

Global Portfolio:

17,868

included in revenues

Mexico

17,567 (98.3%)

Costa Rica

301 (1.7%)

EBITDA Growth

2Q19 vs. 2Q20:

11.8%

Total Co-locations

Ex-AMX to date:

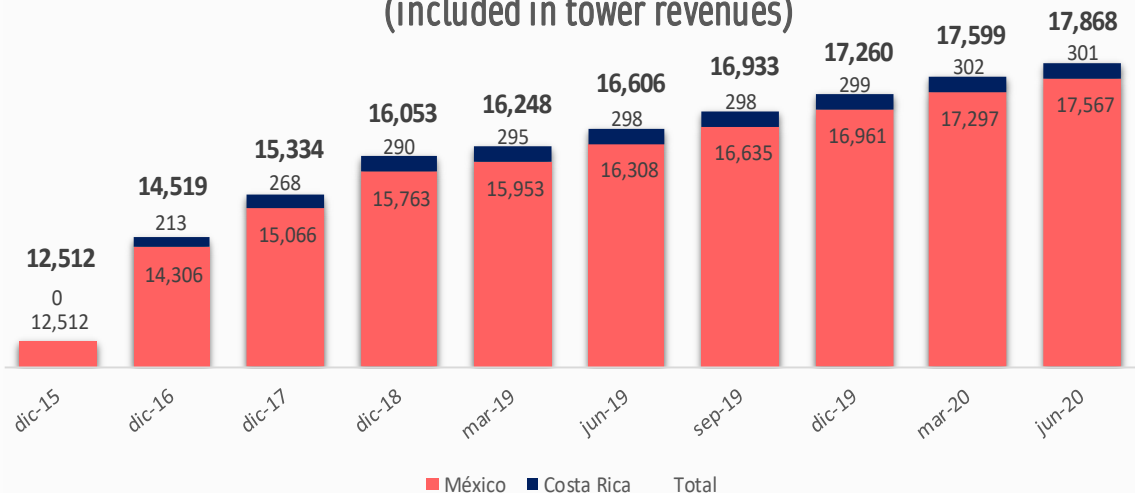
1,955

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

As of the second quarter of 2020, Telesites reports a global portfolio of 17,868 sites included in revenues, meaning an increase of 269 sites *vis a vis* previous quarter. Observed increase for the last twelve months was of 1,262 sites, equivalent to 7.60% growth. Currently, 63 sites are on some stage into building process, and 235 are substantially completed. Talking about co-locations ex-AMX, Telesites has signed 1,955 individual site agreements and equivalents.

Total Towers

(included in tower revenues)



Results

Accumulated revenues during the second quarter were 2,001.0 million pesos, of which 1,393.2 million pesos came from tower income (69.6%). Revenues were 11.0% higher than the same quarter of the previous year.

EBITDA for the quarter was 1,904.8 million pesos, resulting in a 95.2% margin, and a compared growth of 11.8% to the same quarter the previous year. Accumulated EBITDA for this year's first semester was 3,791.9 million pesos, 12.4% higher than the previous year's same period.

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2Q20 Revenues:

2,001.0
million pesos

2Q20 EBITDA

1,904.8
million pesos

Average Rent

22,540
pesos per tower

Tenancy Ratio

1.165

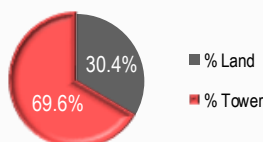
Leverage Ratio

4.31x

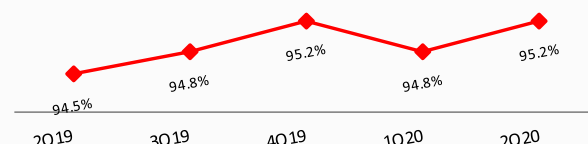
Telesites QoQ Revenue Breakdown

(MM\$MX)	2Q19	3Q19	4Q19	2019	1Q20	2Q20	%
Revenues	1,802.8	1,849.9	1,873.7	7,296.7	1,990.1	2,001.0	11.0%
Land rent	551.3	564.4	575.2	2,234.4	623.5	607.7	10.2%
Site revenues	1,251.5	1,285.5	1,298.6	5,062.4	1,366.6	1,393.2	11.3%
Total Costs and Expenses	99.2	96.7	90.2	385.2	103.0	96.2	-3.1%
Land rent	-	-	-	-	-	-	-
Administrative and operating expenses	99.2	96.7	90.2	385.2	103.0	96.2	-3.1%
Administrative expenses	73.3	71.2	64.5	282.8	74.9	75.1	2.4%
Operating expenses	25.9	25.5	25.8	102.4	28.0	21.1	-18.7%
EBITDA	1,703.6	1,753.2	1,783.5	6,911.6	1,887.1	1,904.8	11.8%

2Q20 Income



EBITDA Margin (QoQ)



Quarterly Breakdown of Telesites's Tower leases

		2Q20
Mexico	Sites included in revenues EOP	17,567
	Total quantity of rents included in revenues EOP	20,496
Costa Rica	Sites included in revenues EOP	301
	Total quantity of rents included in revenues EOP	313
Consolidated	Sites included in revenues EOP	17,868
	Rents included in revenues EOP: AMX	17,868
	Rents included in revenues EOP: AMX adds (equivalents)	1,249
	Rents included in revenues EOP: Others	1,692
	Total rents included in revenues EOP	20,809
	Tenancy ratio EOP	1.165

Corporate Restructuring

On July 17, 2020, Telesites, S.A.B. de C.V. ("Telesites") held an ordinary general shareholders' meeting which approved to carry out a Corporate Restructuring consisting of the transfer of 6,500 telecommunications towers by its subsidiary Operadora de Sites Mexicanos, S.A. de C.V. to a trust agreement named "Fideicomiso Opsimex 4594" in terms substantially similar to those described in the Prospectus dated July 3, 2020 published on the BMV page. The operation was held on July 22, 2020, after all necessary government and corporate authorizations were obtained; and as a result of it, Operadora de Sites Mexicanos received a stake of approximately 72.5% in the Trust, while 27.5% of the Trust was placed among the market investors.

Net Debt*	\$	31,594.62
EBITDA 12m	\$	7,328.62
Leverage ratio		4.31

*Net debt includes 10,519.78 million pesos of lease liabilities.

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

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

	As of Jun 30th 2020		As of Jun 30th 2019		2Q20 vs. 2Q19
Assets					
Current Assets					
Cash and equivalents	2,153,446	3.6%	1,224,642	2.2%	75.8 %
Accounts Receivable	185,495	0.3%	198,045	0.36%	(6.3)%
Recoverable taxes	101,181	0.2%	50,423	0.1%	100.7 %
Total current assets	2,440,122	4.1%	1,473,110	2.6%	65.6 %
Non-current assets					
Towers, construction and others	59,493,304	99.8%	54,282,314	97.3%	9.6 %
Property and equipment, net	71,824	0.1%	66,506	0.1%	8.0 %
Depreciation	(12,321,146)	(20.7)%	(10,039,404)	(18.0)%	22.7 %
Rights of use	12,479,689	20.9%	10,771,375	19.3%	15.9 %
Rights of use depreciation	(2,706,601)	(4.5)%	(920,021)	(1.6)%	N/A
Total non-current assets	57,017,070	95.7%	54,160,770	97.1%	5.3 %
Deferred tax assets	50,752	0.1%	32,605	0.1%	55.7 %
Other assets	99,275	0.2%	99,850	0.2%	(0.6)%
Total assets	59,607,218	100%	55,766,336	100%	6.9 %
Liabilities and equity					
Short term debt	4,459,483	7.5%	-	0.0%	N/A
Accounts payable	686,592	1.2%	438,700	0.8%	56.5 %
Taxes payable	200,401	0.3%	147,714	0.3%	35.7 %
Interests payable	524,831	0.9%	521,899	0.9%	0.6 %
Total short term liabilities	5,871,307	9.8%	1,108,313	2.0%	429.8 %
Long term debt	18,768,801	31.5%	22,919,966	41.1%	(18.1)%
Leases liabilities	10,519,783	17.6%	10,094,310	18.1%	4.2 %
Deferred income taxes	10,502,547	17.6%	10,075,730	18.1%	4.2 %
Asset retirement obligation	979,229	1.6%	908,512	1.6%	7.8 %
Other liabilities	9,996	0.0%	6,198	0.0%	61.3 %
Total long term liabilities	40,780,357	68.4%	44,004,716	78.9%	(7.3)%
Total liabilities	46,651,664	78.3%	45,113,029	80.9%	3.4 %
Equity					
Share capital	35,000	0.1%	35,000	0.1%	0.0 %
Surplus	23,792,513	39.9%	22,814,948	40.9%	4.3 %
Other components of equity	(11,068,588)	(18.6)%	(12,075,021)	(21.7)%	(8.3)%
Conversion effect	4,851	0.0 %	1,321	0.0 %	N/A
Net income for the year	191,779	0.3 %	(122,940)	(0.2)%	(256.0)%
Total Equity	12,955,555	21.7%	10,653,308	19.1%	21.6 %
Total liabilities and equity	59,607,218	100%	55,766,336	100%	6.9 %

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Consolidated statements of Comprehensive Income
(in thousands of Mexican pesos)

	From Jan 1st to Jun 30th 2020	From Jan 1st to Jun 30th 2019	2Q20 vs. 2Q19
Revenues	2,000,955	1,802,787	11.0%
Land	607,715	551,258	10.2 %
Tower	1,393,239	1,251,529	11.3 %
Expenses	(1,140,035)	(1,094,854)	4.1 %
Land Rent	0	0	N/A
Administration and Operating Expenses	(96,172)	(99,217)	(3.1)%
Depreciation and Amortization	(592,306)	(549,991)	7.7 %
Depreciation - IFRS 16	(451,558)	(445,645)	1.3 %
Operating Result	860,919	707,933	21.6 %
Financial Expenses	(308,472)	(402,972)	(23.5)%
Other Income	28,777	25,046	14.9 %
Interests - IFRS 16	(276,950)	(228,968)	21.0 %
	(556,646)	(606,894)	(8.3)%
Loss Before Income Taxes	304,274	101,040	N/A
Current Income Taxes	(211,343)	(200,953)	5.2 %
Deferred Taxes	115,495	90,180	28.1 %
	(95,848)	(110,773)	(13.5)%
Net Income	208,425	(9,734)	(2,241.3)%
EBITDA	1,904,783	1,703,570	11.8 %

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Consolidated statements of Cash Flows

(in thousands of Mexican pesos)

	From January 1st to June 30th 2020	From January 1st to June 30th 2019	2Q20 vs. 2Q19
Operating activities			
Net income	191,779	(122,940)	N/A
Taxes	179,392	199,438	(10.1)%
Interest gained and paid, net	1,346,234	1,282,928	4.9 %
Depreciation and Amortization	2,075,881	2,014,546	3.0%
Account receivables	(134,565)	(58,320)	130.7 %
Other accounts receivables	(149)	87,045	(100.2)%
Account payable	328,684	34,983	839.6 %
Income taxes paid	(335,126)	(336,221)	(0.3)%
	3,652,130	3,101,459	17.8 %
Investment activities			
Property, equipment and site construction	(776,095)	(896,277)	(13.4)%
Intangible asset acquisitions	(2,560)		N/A
Interest gain	44,133	44,659	-1.2%
	(734,522)	(851,618)	(13.7)%
Financing activities			
Loans			N/A
Loans paid			N/A
Interest paid	(769,404)	(790,612)	-2.7%
Leases liabilities payments	(1,228,709)	(1,201,540)	N/A
	(1,998,113)	(1,992,152)	0.3%
Net increase in cash and cash equivalents	919,495	257,689	257%
Cash at the beginning of the period	1,233,951	966,953	27.6%
Cash at the end of the period	2,153,446	1,224,642	75.8%

Telesites, S.A.B. de C.V. ("Telesites") quarterly reports and all other written materials may from time to time contain forward-looking statements that reflect the current views and/or expectations of Telesites and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance, or achievements, and may contain words like "believe", "anticipate", "expect", "envisages", "will likely result", or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this report. In no event, neither Telesites nor any of its subsidiaries, affiliates, directors, officers, agents or employees shall be liable before any third party (including investors) for any investment or business decision made or action taken in reliance on the information and statements contained in this document or for any consequential, special or similar damages.