

## Financial and Operative Report Third Quarter, 2020

Publication date: October 26<sup>th</sup> 2020

### Portfolio Growth

**6.09%**

3Q19 vs. 3Q20

### Global Portfolio:

**17,964**

included in revenues

Opsimex

**11,160 (62.1%)**

Fibra

**6,500 (36.2%)**

Costa Rica

**304 (1.7%)**

### EBITDA Growth

3Q19 vs. 3Q20:

**10.8%**

### Total Co-locations

Ex-AMX to date:

**2,107**

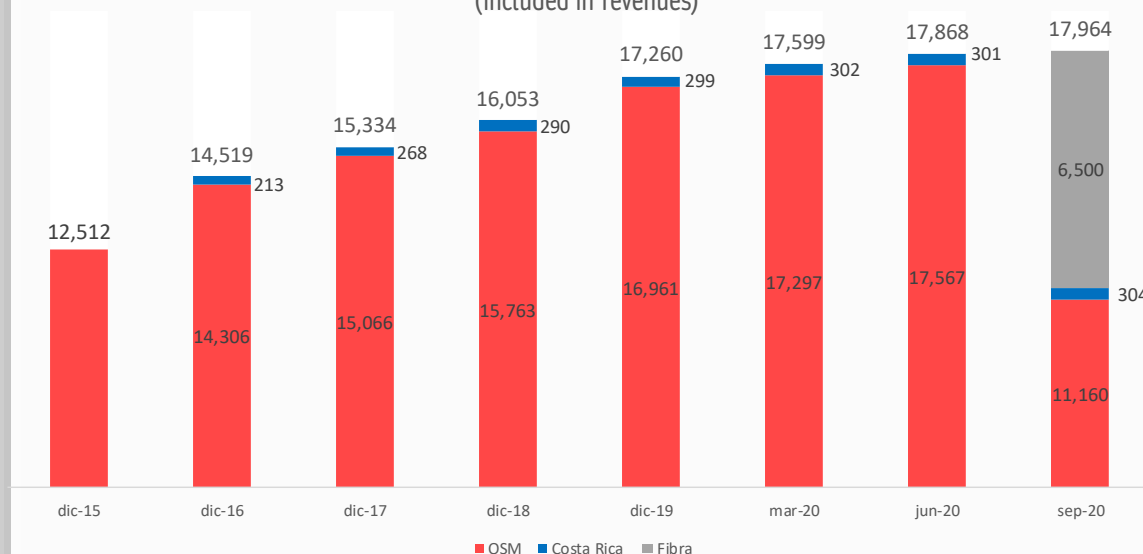
**Telesites, S. A. B. de C. V. ("Telesites" or the "Company") reports its financial and operating results as of third quarter of 2020.**

### Highlights

- On July 22, Telesites, through its subsidiary Operadora de Sites Mexicanos contributed 6,500 towers, located throughout the 32 states of Mexico, to a FIBRA (real estate investment trust equivalent under Mexican Law) that trades under the ticker symbol FSITES. In exchange for its contribution, it received the 72.5% stake in FSITES, while 27.5% of the Trust was placed among investors. As a result of the IPO, FSITES obtained \$ 12,036 million pesos.
- FSITES assumed capex related to new towers construction in Mexico; this being the main use of the proceeds from the IPO.
- FSITES, in compliance with the regulations applicable to FIBRAS, will distribute quarterly dividends to its shareholders equivalent to at least 95% of its tax profit. During October, the payment of its first dividend was approved.

### Total Towers

(included in revenues)



### Results

As of the third quarter of 2020, Telesites reports a global portfolio of 17,964 sites included in revenues, meaning an increase of 96 sites vis a vis previous quarter. Observed increase for the last twelve months was of 1,031 sites, equivalent to 6.09% growth. Currently, 99 sites are on some stage into building process. Talking about co-locations ex-AMX, Telesites has signed 2,107 individual site agreements and equivalents.

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## Financial and Operative Report Third Quarter, 2020

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3Q20 Revenues:

**2,036.7**  
million pesos

3Q20 EBITDA

**1,942.3**  
million pesos

Average Rent

**22,539**  
pesos per tower

Tenancy Ratio

**1.179**

Leverage Ratio

**3.57x**

### Quarterly Revenues and Costs and Expenses Breakdown

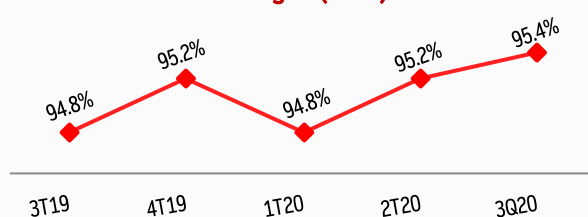
(MM\$MX)	3Q19	1Q20	2Q20	3Q20	3Q20 vs. 3Q19
<b>Revenues</b>	<b>1,849.9</b>	<b>1,990.1</b>	<b>2,001.0</b>	<b>2,036.7</b>	<b>10.1%</b>
Land rent	564.4	623.5	607.7	617.1	9.3%
Site revenues	1,285.5	1,366.6	1,393.2	1,419.7	10.4%
<b>Total Costs and Expenses</b>	<b>96.7</b>	<b>103.0</b>	<b>96.2</b>	<b>94.4</b>	<b>-2.4%</b>
Administrative and operating expenses	96.7	103.0	96.2	94.4	-2.4%
Administrative expenses	71.2	74.9	75.1	75.3	5.8%
Operating expenses	25.5	28.0	21.1	19.1	-25.2%
<b>EBITDA</b>	<b>1,753.2</b>	<b>1,887.1</b>	<b>1,904.8</b>	<b>1,942.3</b>	<b>10.8%</b>

Accumulated revenues during the third quarter were 2,036.7 million pesos, of which 1,419.7 million pesos came from tower income (69.7%). Revenues were 10.1 % higher than the same quarter of the previous year.

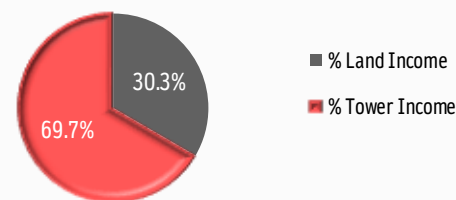
EBITDA for the quarter was 1,942.3. million pesos, resulting in a 95.4 % margin, and a compared growth of 10.8% to the same quarter the previous year. Accumulated EBITDA for the year-to-date was 5,734.2 million pesos, 11.8% higher than the previous year's same period.

The revenues reported by FSITES in 3Q20 were 456.6 million pesos, of which 324.2 million pesos came from Site Revenues (71.0%). The EBITDA corresponding to the period from July to September 2020 was 425.0 million pesos, resulting in a margin of 93.1%.

EBITDA Margin (QoQ)



Revenues 3Q20



### Quarterly Breakdown of Telesites's Tower Leases

		3Q20
Mexico	Sites included in revenues EOP	17,660
	Total quantity of rents included in revenues EOP	20,865
Costa Rica	Sites included in revenues EOP	304
	Total quantity of rents included in revenues EOP	316
Consolidated	Sites included in revenues EOP	17,964
	Rents included in revenues EOP: AMX	17,964
	Rents included in revenues EOP: AMX adds (equivalents)	1,290
	Rents included in revenues EOP: Others	1,927
	Total rents included in revenues EOP	21,181
	Tenancy ratio EOP	1.179

Net Debt\* \$ 26,803.26  
EBITDA 12m \$ 7,517.72  
Leverage ratio **3.57**

\*Net debt includes 12,730.48 million pesos of lease liabilities.

## Financial and Operative Report

### Third Quarter, 2020

Publication date: October 26<sup>th</sup> 2020

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

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

	As of Sep 30th 2020		As of Sep 30th 2019		3Q20 vs. 3Q19
<b>Assets</b>					
<b>Current Assets</b>					
Cash and equivalents	7,806,381	9.0%	965,703	1.7%	708.4 %
Accounts Receivable	196,579	0.2%	134,756	0.24%	45.9 %
Recoverable taxes	5,260,262	6.1%	65,523	0.1%	7,928.1 %
<b>Total current assets</b>	<b>13,263,222</b>	<b>15.3%</b>	<b>1,165,982</b>	<b>2.1%</b>	<b>1,037.5 %</b>
<b>Non-current assets</b>					
Towers, construction and others	70,068,094	80.7%	55,553,009	99.5%	26.1 %
Property and equipment, net	77,136	0.1%	68,844	0.1%	12.0 %
Depreciation	(9,044,246)	(10.4)%	(10,589,121)	(19.0)%	(14.6)%
Rights of use	14,468,418	16.7%	10,873,268	19.5%	33.1 %
Rights of use depreciation	(2,295,996)	(2.6)%	(1,361,870)	(2.4)%	68.6 %
<b>Total non-current assets</b>	<b>73,273,407</b>	<b>84.4%</b>	<b>54,544,130</b>	<b>97.7%</b>	<b>34.3 %</b>
Deferred tax assets	135,671	0.2%	25,206	0.0%	438.2 %
Other assets	135,863	0.2%	117,720	0.2%	15.4 %
<b>Total assets</b>	<b>86,808,163</b>	<b>100%</b>	<b>55,853,039</b>	<b>100%</b>	<b>55.4 %</b>
<b>Liabilities and equity</b>					
Short term debt	2,992,971	3.4%	4,496,956	8.1%	(33.4)%
Accounts payable	542,396	0.6%	463,206	0.8%	17.1 %
Taxes payable	282,858	0.3%	113,650	0.2%	148.9 %
Interests payable	214,604	0.2%	207,706	0.4%	3.3 %
<b>Total short term liabilities</b>	<b>4,032,830</b>	<b>4.6%</b>	<b>5,281,518</b>	<b>9.5%</b>	<b>(23.6)%</b>
Long term debt	18,886,188	21.8%	18,483,464	33.1%	2.2 %
Leases liabilities	12,730,479	14.7%	9,922,452	17.8%	28.3 %
Deferred income taxes	14,802,119	17.1%	10,149,053	18.2%	45.8 %
Asset retirement obligation	1,008,855	1.2%	925,168	1.7%	9.0 %
Other liabilities	10,393	0.0%	6,473	0.0%	60.6 %
<b>Total long term liabilities</b>	<b>47,438,035</b>	<b>54.6%</b>	<b>39,486,610</b>	<b>70.7%</b>	<b>20.1 %</b>
<b>Total liabilities</b>	<b>51,470,865</b>	<b>59.3%</b>	<b>44,768,128</b>	<b>80.2%</b>	<b>15.0 %</b>
<b>Equity</b>					
Share capital	35,000	0.0%	35,000	0.1%	0.0 %
Surplus	14,866,255	17.1%	22,970,056	41.1%	(35.3)%
Other components of equity	7,834,181	9.0 %	(11,769,411)	(21.1)%	(166.6)%
Conversion effect	3,603	0.0 %	1,344	0.0 %	168.1 %
Noncontrolling interest	12,043,862	13.9 %	0	0.0%	0.0%
Net income for the year	554,397	0.6 %	(152,078)	(0.3)%	(464.5)%
<b>Total Equity</b>	<b>35,337,297</b>	<b>40.7%</b>	<b>11,084,910</b>	<b>19.8%</b>	<b>218.8 %</b>
<b>Total liabilities and equity</b>	<b>86,808,163</b>	<b>100%</b>	<b>55,853,039</b>	<b>100%</b>	<b>55.4 %</b>

## Financial and Operative Report

### Third Quarter, 2020

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

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

	From July 1st to Sep 30th 2020	From July 1st to Sep 30th 2019	3Q20 vs. 3Q19
<b>Revenues</b>	<b>2,036,727</b>	<b>1,849,874</b>	<b>10.1%</b>
Land	617,053	564,374	9.3 %
Tower	1,419,675	1,285,500	10.4 %
<b>Expenses</b>	<b>(1,276,366)</b>	<b>(1,100,158)</b>	<b>16.0 %</b>
Administration and Operating Expenses	(94,434)	(96,709)	(2.4)%
Depreciation and Amortization	(736,144)	(557,854)	32.0 %
Depreciation - IFRS 16	(445,787)	(445,595)	0.0 %
<b>Operating Result</b>	<b>760,362</b>	<b>749,715</b>	<b>1.4 %</b>
Financial Expenses	(506,864)	(450,909)	12.4 %
Other Income	319,376	16,008	1,895.1 %
Interests - IFRS 16	(286,494)	(280,229)	2.2 %
	(473,982)	(715,131)	(33.7)%
<b>Loss Before Income Taxes</b>	<b>286,379</b>	<b>34,585</b>	<b>N/A</b>
Current Income Taxes	(193,441)	(175,727)	10.1 %
Deferred Taxes	276,761	112,005	147.1 %
	83,320	(63,723)	(230.8)%
<b>Net Income</b>	<b>369,700</b>	<b>(29,138)</b>	<b>-1369%</b>
Non-controlling interest	(7,081)	0	N/A
<b>Net Majority Result</b>	<b>362,619</b>	<b>(29,138)</b>	<b>N/A</b>
<b>EBITDA</b>	<b>1,942,293</b>	<b>1,753,164</b>	<b>10.8 %</b>

## Financial and Operative Report

### Third Quarter, 2020

Publication date: October 26<sup>th</sup> 2020

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

#### Consolidated statements of Cash Flows

(in thousands of mexican pesos)

	From January 1st to Sept 30th 2020	From January 1st to Sept 30th 2019	3Q20 vs. 3Q19
<b>Operating activities</b>			
Net income	561,478	(152,078)	N/A
Taxes	96,072	263,160	(63.5)%
Interest gained and paid (net)	2,052,858	1,990,808	3.1 %
Depreciation and Amortization	3,257,813	3,017,995	7.9%
Account receivables	(160,931)	(25,517)	530.7 %
Other accounts receivables	(5,197,684)	87,432	(6,044.8)%
Account payable	160,931	56,898	182.8 %
Income taxes paid	(512,194)	(539,662)	(5.1)%
	<b>258,343</b>	<b>4,699,036</b>	<b>(94.5)%</b>
<b>Investment activities</b>			
Proceeds from sales of property, plant and equipment	31,734,370		
Purchase of property, plant and equipment	(32,724,187)	(1,534,530)	2,032.5 %
Purchase of intangible assets	(2,706)		N/A
Interest gain	130,866	67,917	92.7%
	<b>(861,657)</b>	<b>(1,466,613)</b>	<b>(41.2)%</b>
<b>Financing activities</b>			
Proceeds of issuing of other equity instruments	12,036,781		N/A
Proceeds from borrowings	3,000,000		N/A
Repayments of borrowings	(4,500,000)		N/A
Interest paid	(1,446,118)	(1,512,767)	-4.4%
Payments of lease liabilities	(1,914,919)	(1,720,906)	N/A
	<b>7,175,744</b>	<b>(3,233,673)</b>	<b>-321.9%</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,572,430</b>	<b>(1,250)</b>	<b>-525894%</b>
Cash and cash equivalents at the beginning of the period	1,233,951	966,953	27.6%
<b>Cash and cash equivalents at the end of the period</b>	<b>7,806,381</b>	<b>965,703</b>	<b>708.4%</b>

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