

Financial and Operative Report Fourth Quarter, 2021

Publication date: February 17th, 2022

Global Portfolio:

20,049
sites in revenues

Opsimex
8,059 (40.2%)

Fibra
11,683 (58.3%)

Costa Rica
307 (1.5%)

Δ Portfolio:

4Q21 vs. 4Q20
10.2%

Tenancy Ratio

1.248

Additional Rents

3,616

Telesites, S. A. B. de C. V. (“Telesites” or the “Company”) reports its financial and operating results as of fourth quarter of 2021.

Period Highlights

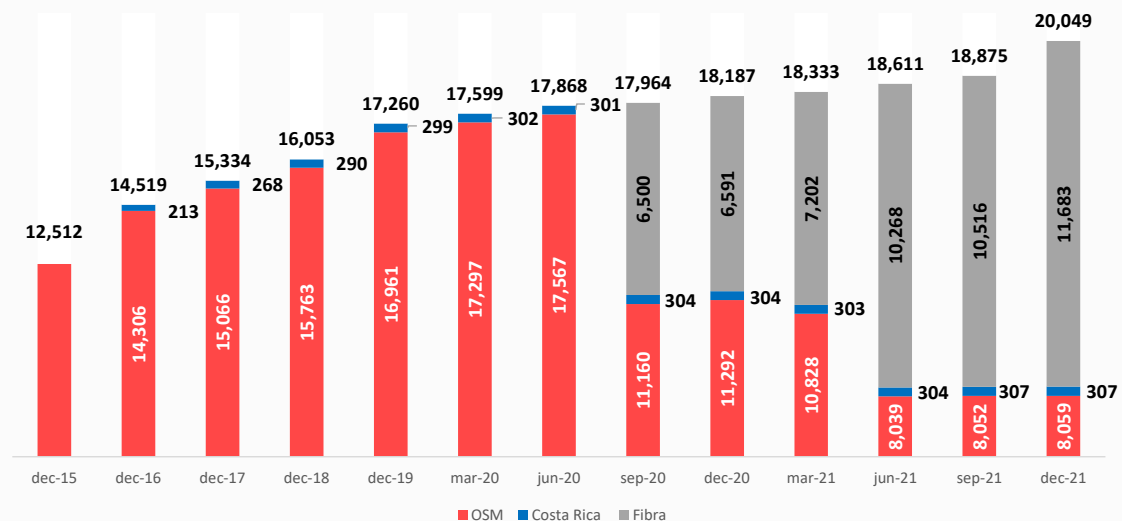
- On December 1st. 2021, Telesites announced the acquisition of 958 towers through Fsites.
- During January, Fsites Technical Commite approved a capital reduction of 3 billion pesos paid on January 24th.
- On January 20th, Telesites Shareholders Meeting approved the merger of Telesites, S.A.B. de C.V., into its subsidiary Operadora de Sites Mexicanos, S.A. de C.V. (Opsimex). When the merger is completed, Operadora de Sites Mexicanos will be traded in the stock market and Telesites shareholders will receive one share of Opsimex in exchange of each Telesites share owned by them.

Results

As of the fourth quarter of 2021, Telesites reports a global portfolio of 20,049 sites included in revenues, meaning an increase of 1,174 sites versus previous quarter, including 958 towers acquired on December. Observed increase for the last twelve months was of 1,862 sites, equivalent to 10.2% growth. Currently, 199 sites are on some stage into building process.

The site distribution structure included in the company's revenues is made up of 8,059 sites in Opsimex (40.2%), 11,683 sites in FSITES (58.3%), and 307 sites in Costa Rica (1.5%).

Total Towers
(included in revenues)



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Revenues 4Q21:

2,270.9

million pesos

Δ Revenues

4Q21 vs. 4Q20:

11.2%

EBITDA 4Q21

2,149.6

million pesos

EBITDA Margin

4Q21

94.7%

Δ EBITDA

4Q21 vs. 4Q20:

11.2%

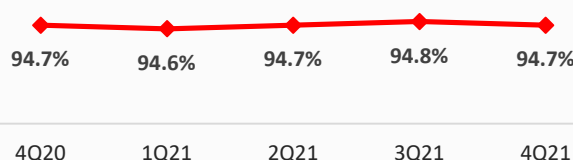
(MMSMX)	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	4Q21 VS 4Q20
Revenues	2,041.8	8,069.6	2,111.3	2,134.8	2,163.6	2,270.9	8,680.6	11.2%
Land rent	618.5	2,466.7	616.9	620.0	630.4	657.2	2,524.4	6.3%
Site revenues	1,423.4	5,602.9	1,494.4	1,514.8	1,533.3	1,613.7	6,156.2	13.4%
Total Costs and Expenses	109.1	402.7	114.5	112.5	112.7	121.3	461.0	11.2%
Land rent	-	-	-	-	-	-	-	-
Administrative and operating expenses	109.1	402.7	114.5	112.5	112.7	121.3	461.0	11.2%
Administrative expenses	82.9	308.2	82.3	80.3	86.6	96.2	345.5	16.1%
Operating expenses	26.3	94.5	32.2	32.2	26.0	25.2	115.5	-4.3%
EBITDA	1,932.7	7,666.9	1,996.7	2,022.3	2,051.0	2,149.6	8,219.6	11.2%

Revenues reported during the fourth quarter were 2,270.9 million pesos, of which 1,613.7 million pesos came from tower income (71.1%). Revenues were 11.2% higher compared the same quarter of the previous year. During 2021 revenues reached 8,680 million pesos.

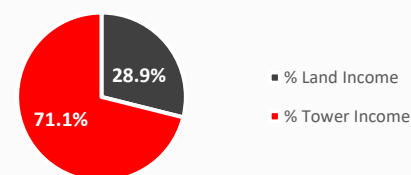
EBITDA for the quarterly period was 2,149.6 million pesos, resulting in a 94.7% margin, and a year over year growth of 11.2%. Accumulated EBITDA for the last twelve month period was 8,219.6 million pesos.

Revenues reported by FSITES in 4Q21 were 1,261.9 million pesos, of which 917 million pesos came from Site Revenues (73%). The corresponding EBITDA to the fourth quarter of 2021 was 1,175.8 million pesos, resulting in a 93.2% margin.

EBITDA Margin (QoQ)



Revenues 4Q21



Quarterly Breakdown of Telesites's Tower Leases

		4Q21
Mexico	Sites included in revenues EOP	19,742
	Total quantity of rents included in revenues EOP	24,703
Costa Rica	Sites included in revenues EOP	307
	Total quantity of rents included in revenues EOP	319
Consolidated	Sites included in revenues EOP	20,049
	Rents included in revenues EOP: Telcel	20,049
	Rents included in revenues EOP: Telcel adds (equivalents)	1,357
	Rents included in revenues EOP: Others	3,616
	Total rents included in revenues EOP	25,022
	Tenancy ratio EOP	1.248

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

	As of Dec 31st 2021		As of Dec 31st 2020		4Q21 vs. 4Q20
Assets					
Current Assets					
	615,334	0.6%	1,409,825	1.6%	(56.4)%
Cash and equivalents	5,305,334	5.3%	7,941,020	9.0%	(33.2)%
Accounts Receivable	540,759	0.5%	162,933	0.18%	231.9 %
Recoverable taxes	3,218,206	3.2%	5,476,102	6.2%	(41.2)%
Total current assets	9,679,634	9.7%	14,989,880	16.9%	(35.4)%
Non-current assets					
Towers, construction and others	82,533,245	82.7%	70,451,976	79.6%	17.1 %
Property and equipment, net	170,958	0.2%	92,831	0.1%	84.2 %
Depreciation	(9,951,758)	(10.0)%	(9,356,141)	(10.6)%	6.4 %
Rights of use	20,662,005	20.7%	14,817,487	16.7%	39.4 %
Rights of use depreciation	(3,534,257)	(3.5)%	(2,639,738)	(3.0)%	33.9 %
Total non-current assets	89,880,192	90.1%	73,366,415	82.9%	22.5 %
Deferred tax assets	49,049	0.0%	33,457	0.0%	46.6 %
Other assets	174,068	0.2%	115,345	0.1%	50.9 %
Total assets	99,782,944	100%	88,505,097	100%	12.7 %
Liabilities and equity					
Short term debt	450,000	0.5%	2,995,501	3.4%	(85.0)%
Accounts payable	316,593	0.3%	358,272	0.4%	(11.6)%
Taxes payable	386,950	0.4%	673,219	0.8%	(42.5)%
Interests payable	532,106	0.5%	520,102	0.6%	2.3 %
Total short term liabilities	1,685,649	1.7%	4,547,093	5.1%	(62.9)%
Long term debt	19,586,566	19.6%	18,900,787	21.4%	3.6 %
Leases liabilities	18,249,351	18.3%	12,787,989	14.4%	42.7 %
Deferred income taxes	15,943,757	16.0%	14,910,435	16.8%	6.9 %
Asset retirement obligation	1,056,581	1.1%	1,012,080	1.1%	4.4 %
Other liabilities	13,380	0.0%	10,638	0.0%	25.8 %
Total long term liabilities	54,849,636	55.0%	47,621,929	53.8%	15.2 %
Total liabilities	56,535,284	56.7%	52,169,022	58.9%	8.4 %
Equity					
Share capital	24,191	0.0%	35,000	0.0%	(30.9)%
Surplus	11,480,589	11.5%	14,054,041	15.9%	(18.3)%
Other components of equity	15,315,419	15.3 %	9,448,287	10.7 %	62.1 %
Conversion effect	(183)	(0.0)%	177	0.0 %	(203.4)%
Noncontrolling interest	16,387,248	16.4 %	12,724,744	14.4 %	28.8 %
Net income for the year	40,396	0.0 %	73,827	0.1 %	(45.3)%
Total Equity	43,247,660	43.3%	36,336,075	41.1%	19.0 %
Total liabilities and equity	99,782,944	100%	88,505,097	100%	12.7 %

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

	From Oct 1st to Dec 31st 2021	From Oct 1st to Dec 31st 2020	4Q21 vs. 4Q20
Revenues	2,270,906	2,041,811	11.2%
Land	657,180	618,458	6.3 %
Tower	1,613,726	1,423,354	13.4 %
Expenses	(1,463,751)	(1,342,519)	9.0%
Administration and Operating Expenses	(121,329)	(109,144)	11.2 %
Depreciation and Amortization	(907,303)	(785,580)	15.5 %
Depreciation - IFRS 16	(435,119)	(447,796)	(2.8)%
Operating Result	807,155	699,292	15.4 %
Financial Expenses	(574,030)	(429,111)	33.8 %
Other Income	145,521	(111,466)	(230.6)%
Interests - IFRS 16	(356,351)	(289,640)	23.0 %
	(784,860)	(830,218)	(5.5)%
Loss Before Income Taxes	22,295	(130,925)	(117.0)%
Current Income Taxes	(223,374)	(275,222)	(18.8)%
Deferred Taxes	100,743	(56,396)	(278.6)%
	(122,631)	(331,618)	(63.0)%
Net Income	(100,336)	(462,543)	(78.3)%
EBITDA	2,149,577	1,932,668	11.2 %
Non-controlling interest	(57,227)	(18,027)	217.5 %
Net Majority Result	(157,564)	(480,570)	(67.2)%

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Consolidated statements of Cash Flows (in thousands of mexican pesos)

	From January 1st to Dec 31st 2021	From January 1st to Dec 31st 2020	4Q21 vs. 4Q20
Operating activities			
Net income	265,496	98,935	168.4 %
Taxes	175,685	427,690	(58.9)%
Interest gained and paid, net	2,761,572	2,696,520	2.4 %
Depreciation and Amortization	5,089,145	4,489,661	13.4%
Account receivables	(280,205)	(99,643)	181.2 %
Other accounts receivables	(54,190)	40,299	(234.5)%
Account payable	54,907	(40,092)	(237.0)%
Dividends paid	(1,583,271)	(29,007)	5,358.2 %
Income taxes paid	1,282,867	(5,553,824)	(123.1)%
	7,712,006	2,030,539	279.8 %
Investment activities			
Property, equipment and site construction	(8,021,077)	(1,076,703)	645.0 %
Intangible asset aquisitions	(7,877)	(3,566)	120.9 %
Interest gain	683,699	220,189	210.5%
	(7,345,255)	(860,080)	754.0 %
Financing activities			
Share capital	2,964,796	12,728,643	(76.7)%
Loans	1,250,000	3,026,569	(58.7)%
Loans paid	(3,800,000)	(4,500,000)	(15.6)%
Interest paid	(1,334,898)	(1,497,146)	(10.8)%
Leases liabilities payments	(2,876,826)	(2,811,630)	2.3 %
	(3,796,928)	6,946,436	(154.7)%
Net increase in cash and cash equivalents	(3,430,177)	8,116,895	(142.3)%
Cash at the beginning of the period	9,350,846	1,233,951	657.8%
Cash at the end of the period	5,920,669	9,350,846	(36.7)%

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