



# FIRST TOWERS AND FIBER

INVESTOR PRESENTATION  
Q1 2023

# INVESTMENT HIGHLIGHTS

First Towers and Fiber is focused on tower development and operating its 700+km dark fiber network in the attractive wireless market of Mexico.

First Towers and Fiber will also begin to expand to other Latin American countries



## 20 YEAR LOCKED IN LEASE

20-year master lease agreements in place for both tower development and fiber network



## PREFERRED PARTNER

Through our positive relationships, we are the preferred partner in providing coverage to the rural regions of Mexico.



## ACCOMPLISHED TEAM

Veteran Tower Development Team with a strong competitive advantage and 20+ years of experience in telecommunications infrastructure development



## SUBSTANTIAL SCALABILITY

The Company has deployed towers and dark fiber throughout Mexico. In addition to its tower Master Lease Agreement, the Company also has access to over 500+ existing towers through a key joint venture with the first MVNO in Mexico.



# COMPANY OVERVIEW

First Towers & Fiber Corp. (FT&F) is a company based in Canada that develops, constructs and owns Telecommunications Infrastructure throughout Mexico



## LARGEST 5G NETWORK

FT&F owns the largest 5G dark fiber optic network in Central Mexico



## PREFERRED TOWER CONTRACTOR

Regional tower development expertise in Mexico's largest telecommunications infrastructure public private project



## FIRST TO MARKET

FT&F is the first company to have dark fiber and a 20 year fiber contract in Mexico. First Company to install a fiber network and provide free WiFi in a historical town .

# **MEXICO** OPPORTUNITY

The Telecommunication industry in Latin America is worth **USD \$81 billion**, with Mexico being the second largest market

Mexico has **93 mobile cellular subscriptions per 100 habitants** compared to just 18 fixed phone subscriptions per 100 habitants

Mexico is an *OECD nation* with an investment-grade sovereign credit rating, controlled public debt, stable inflation and currency offering an attractive market for investment

Mexico ranks **15th globally in nominal GDP terms**. On a GDP per capita basis, Mexico ranks 90th globally and 11th across the LatAm region.

<https://www.statista.com/topics/7290/telecommunications-in-latin-america/#topicOverview>



# OPPORTUNITY

An estimated **244 million people** in Latin America, which is close to one third of the population, do not have access to the internet.

**15M**

According to the OECD study, countries in Latin America could generate **15 million jobs** and boost their GDP by **7.7 percent** if they promote digital connectivity

**\$21B**

Deployment of 5G networks represents a significant opportunity as it is projected that the digitalization of industries could develop into a market of more than USD **\$21 billion annually**

**\$28.4B**

The 5G market in Latin America is projected to generate over USD **\$28.4 billion** annually by 2030.

Source: <https://www.ericsson.com/en/reports-and-papers/mobility-report/closer-look/latin-america-2021>

# OPPORTUNITY

Through our extensive relationships in Latin America, First Towers and Fiber will look to expand into other Latin American countries.

Coverage in the Latin American region is also still limited to certain neighborhoods of major cities

**70%**

4G penetration is still below 70 percent in Latin America

**43%**

By 2026, 5G is expected to represent less than 43 percent of mobile subscriptions in Latin America and the average traffic per smartphone is forecast to be approximately 35GB per month

Source: <https://www.ericsson.com/en/reports-and-papers/mobility-report/closer-look/latin-america>



# TOWERMARKET

**50,000 new wireless towers** need to be built in Mexico to give at least 4G LTE coverage to 92% of Mexico's population



Altan Redes is the First Public-Private Partnership (P3) initiative that seeks to **expand communications coverage** in semi-rural areas of Mexico.

Deploying and operating a **new wireless tower network** across Mexico.

Targeting 4G LTE coverage for **92% of Mexico's population by 2024.**

Attractive risk profile & yield given low construction costs and attractive tenants



# TOWERECONOMICS

Attractive risk profile and yield on invested capital given low construction costs and attractive anchor tenant rent relative to US market (single-tenant TCF yield of ~10%)

Altán Redes Economics <sup>(1)</sup>	Anchor Tenant (month – USD\$)	Anchor Tenant (annual – USD\$)	Two Tenants (annual – USD\$)	Three Tenants (annual – USD\$)
Cost to Built Tower		\$90,000	\$90,000	\$90,000
Anchor Tenant (month – USD\$)	\$650	\$7,800	\$16,200	\$24,600
Anchor Tenant (annual – USD\$)	\$350	\$4,200	\$4,200	\$4,200
Two Tenants (annual – USD\$)	(\$350)	(\$4,200)	(\$4,200)	(\$4,200)
Three Tenants (annual – USD\$)	(\$10)	(\$120)	(\$120)	(\$120)
Tower Cash Flow (TCF)	\$640	\$7,680	\$16,080	\$24,480
TCF Margin %		98.5%	99.3%	99.5%
TCF Yield		8.5%	17.9%	27.2%

Indicative US Economics	Anchor Tenant (month)	Anchor Tenant (annual)	Two Tenants (annual)	Three Tenants (annual)
Cost to Built Tower		\$300,000	\$300,000	\$300,000
Total Tower Rent	\$1,700	\$20,000	\$45,000	\$70,000
Ground Lease	(\$1,000)	(\$12,000)	(\$12,000)	(\$12,000)
Direct Tower Costs	(\$220)	(\$2,640)	(\$2,640)	(\$2,640)
Tower Cash Flow (TCF)	\$480	\$5,360	\$30,360	\$55,360
TCF Margin <sup>(2)</sup> %		67.0%	92.0%	95.4%
TCF Yield		1.8%	10.1%	18.5%

(1) \$1 USD = \$20 MXN

(2) Calculated based on Total Tower Rent less Ground Lease

## Altán Redes Tower Opportunity Features

// **Low development and construction costs**

Typically 75% lower than US market

// **Superior single-tenant TCF yield**

Altán Redes anchor lease affords attractive immediate TCF yield (8.5%)

// **Strong downside protection**

Attractive TCF yield on invested capital is not reliant on co-location lease up

// **Attractive cash-on-cash yield**

7.8% fully-deployed single-tenant cash-on-cash yield



# TOWER OPPORTUNITY



**20** year master  
distribution  
agreement

**24** towers  
built to  
date

## STRONG CELL TOWER CUSTOMER ANCHOR

Agreement signed in 2018, allowing FT&F to build and own the towers, while Altan Redes leases space on the towers as the anchor tenant.

Tower assets provide secure, escalating revenues from **long-term leases** with a quality anchor tenant and **growth through new tenant co-location**.

**Attractive risk profile and yield on invested capital** given low construction costs and attractive tenants relative to the US market. Single tenant tower **cash flow yield of an average of 10%**.

# TOWERTENANT DETAILS

**Altan Redes** a private consortium and wholesale wireless operator responsible for the *design, deployment and operation* of the Red Compartida (Shared Network) network

// Backed by lead investors **Morgan Stanley Infrastructure Partners**, Canadian pension plan Caisse de depot et placement du Quebec (CDPQ), International Finance Corporation and the **Federal Government of Mexico**



CFE TI works in coordination with Altan Redes to **provide internet access** throughout Mexico



Altán Redes has currently signed **83 MVNO's** clients that are using its network and will benefit from the continued growth expected in the MVNO market in Mexico

## Selected Altan Redes MVNO clients



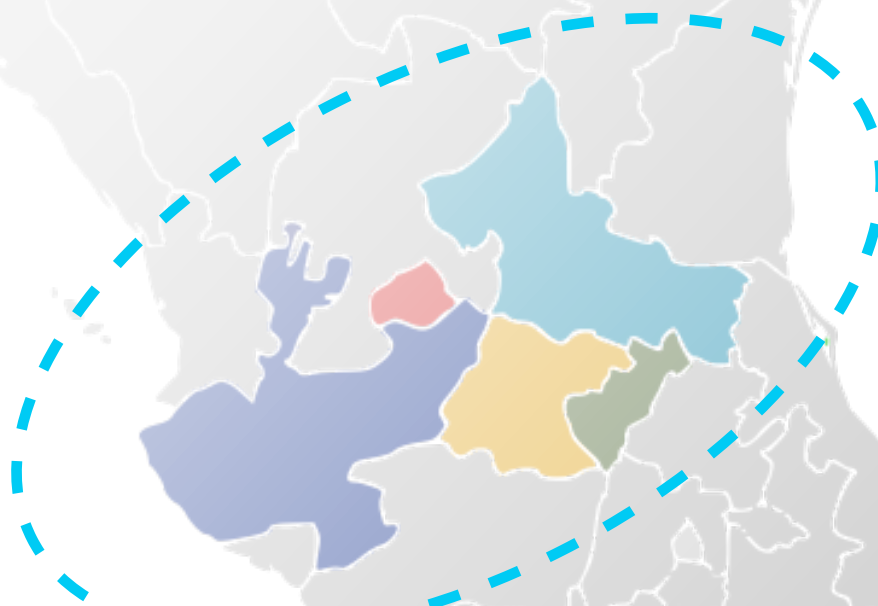


# TOWER NETWORK DEVELOPMENT



FT&F is looking to develop its tower network under the agreement with **Altan Redes** and **CFE** (Federal Electricity Commission).

Initial **15 tower** deployment to complete its current tower network in the state of San Luis Potosi (Central Mexico)



## Tower construction and development reaches all across Mexico.

Development strategy focuses on five states in Central Mexico that feature strong economic and demographic drivers. Proximity to owned 700+ km fiber network for potential additional revenue stream.

# TOWER PIPELINE

- > Tower opportunities are diversified in five key states in central Mexico
- > The company has the opportunity to build several hundred towers under its Master Lease Agreements with Altan and CFE
- > The Company looks to further develop its Tower network in central Mexico proximal to its 700+ kms fiber network
- > New Joint Venture allows access to an additional 500+ towers

**FT&F Tower Build Pipeline**  
**Q1 2022 - Q4 2024**

In close proximity  
to fiber network-  
Additional revenue  
streams

Aguascalientes

San Luis Potosi

Jalisco

Guanajuato

Queretaro



# GLOBAL 5G FIBER MARKET

**\$8.75B**

The global fiber optics market size was valued at **USD \$8.75 billion** in 2022

**6.9%**

The market is expected to expand with a **CAGR of 6.9%** from 2023 to 2030

**2yrs**

Latin America's fiber optic network is **two years behind** compared to further developed countries

<https://www.grandviewresearch.com/industry-analysis/fiber-optics-market>

# 5G FIBER OPPORTUNITY

FT&F owns and operates 700+kms 5G dark fiber network in central Mexico with multinational telecommunications giant Telefonica as anchor tenant under 20-year leasing contract working together with AT&T, among other telecommunication companies employing the network.



AT&T

marcotel.

Telefonica



## HIGHLY SCALABLE

5G fiber network is **very scalable** with 24 pairs of fiber available for lease. Major telecommunication players coming on board for lease of fiber.



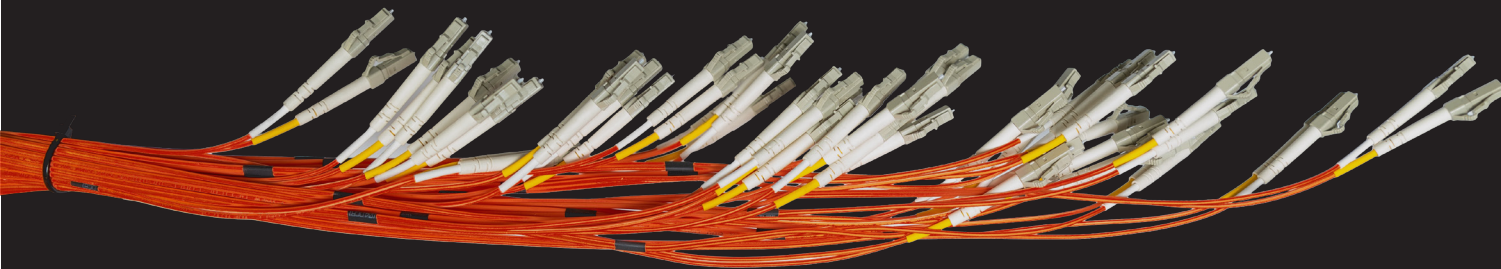
## REVENUE ESCALATORS

Fiber network lease agreements provide 20-year lease with **revenue escalators** linked to inflation



## AWARDING 5G FREQUENCIES

Mexican telecom regulator IFT has committed to **5G deployment** for the entire country





# 5G FIBER OPPORTUNITY

FT&F's 5G dark fiber network is located in central Mexico where some of the strongest industrial and fastest growing state economies in Mexico are located

Mexico's Bajio region boasts a strong and thriving economy and is the pre-eminent manufacturing region in LatAm

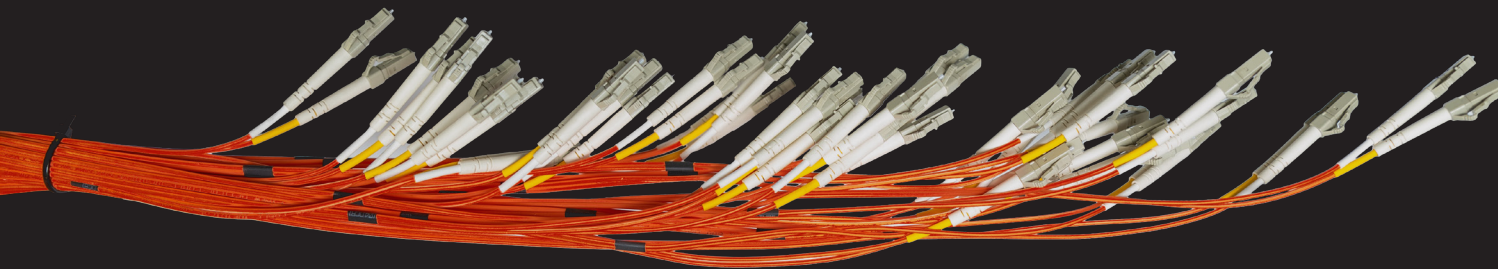
*Bajio Area - Central Mexico*

CONTRIBUTES  
10%+ TO MEXICO'S  
TOTAL GDP, AND  
SUBSTANTIAL  
PERCENTAGE OF  
MANUFACTURING  
GDP (30%)

ECONOMIC  
GROWTH OVER  
2X THE NATIONAL  
AVERAGE FOR  
THE PAST 20  
YEARS

HOME TO  
MULTIPLE  
WORLD-CLASS  
AUTOMOTIVE AND  
AERONAUTICAL  
COMPANIES  
AND NUMEROUS  
SUPPLIERS

FAST-GROWING  
HUB FOR  
INFORMATION  
TECHNOLOGY,  
BIOTECH AND  
DATA CENTERS



# 5G FIBER OPPORTUNITY

FT&F's development strategy is focused across five states in Central Mexico which feature strong economic and demographic drivers, and where the Company has regional expertise and relationships, and an established 5G dark fiber network that can be leveraged for backhaul



## Jalisco

One of the most economically and culturally important states in Mexico



## Guanajuato

Robust economy given central location, transit and proximity to major cities and ports



## Aguascalientes

One of the fastest growing states in Mexico over the last decade



## San Luis Potosí

Strong and diverse economy and the hub of Mexico's auto sector



## Querétaro

One of Mexico's fastest growing economies and populations. Aeronautics industry hub



# HISTORY AND MILESTONES

ACCESS TO  
500+ TOWERS  
WITH NEWLY  
EXECUTED  
JOINT VENTURE  
PARTNERSHIP

## Q3 2018

- > FT&F completed 700km+ fiber network and signs agreement to lease fiber to leading communications provider Telefonica
- > FT&F signs Master Lease Agreement with Altán Redes to construct and own towers
- > Altán Redes begins service operations after surpassing initial coverage commitments of 30% of population

2018

## Q1 2019

- > FT&F completes development of its 700km+ fiber network in Central Mexico

2019

## Q2 2019

- > FT&F completes first 6 towers for Altán Redes

## Q3 2020

- > FT&F completes construction of 2 new towers

2020

## Q4 2020

- > FT&F completes construction of 4 new towers

2021

## Q1/Q2 2021

- > FT&F completes construction of 9 new towers

## Q2 2021

- > Altán Redes investors increase capital commitment for ongoing network deployment
- > Altán's coverage of 63% of population (70mm people) achieved

CURRENT

## CURRENT

- > FT&F has 24 towers operating for Altán Redes and plans to build an initial 15 new towers to complete its tower network in San Luis Potosi.
- > New 20 year Master lease agreement with Mexico's Federal Electricity Commission (CFE) as part of Altán P3 project

Telefonica, AT&T, Marcatel, and other major US telecom providers are new clients to 5G dark fiber network



# MANAGEMENT TEAM

## **Christopher Cooper**

*CEO, Co-Founder, Director*

- 25+ years of experience in strategic and financial executive management having held CEO/CFO and Board positions with several companies across several industries
- Experienced company builder having founded and grown numerous businesses in North America - expertise in nurturing the growth of new ventures and business start-ups
- MBA (Dowling College, NY); BBA (Hofstra University, NY)

## **Francisco Juarez**

*COO, Co-Founder, Director*

- 17+ years experience in telecom infrastructure development in LatAm with Telmex, Telefonica, Nokia, Siemens and Huawei, and former founder/CEO of Canadian communications development and service business
- Extensive experience building towers for Mexican tower owner Telesites and deploying fiber for Alestra, Telmex, and CCTV systems, and has completed significant IT projects across North America and LatAm
- Close relationship with Canadian Federal Government via LatAm Embassies, Consulates and Govt offices
- Bachelors degree in International Relations and Diploma in International business (UDLA- Puebla and University of Wisconsin). Has completed studies across the US, Canada, and Mexico

## **Edgar Contreras**

*National Manager, Director*

- 20 years experience in telecommunications executing BTS programs with tower companies across Mexico (experience in construction and management of 4,500 sites)
- Former Site Acquisition Manager with Nextel and Nokia Siemens, and former Operational Director for AP Wireless in LatAm - experienced in site acquisition, zoning and permitting, and construction procurement
- Corporate attorney experienced in communications leasing, construction and regulatory frameworks in Mexico
- Bachelors degree in Law (Universidad del Valle de México - UVM - Mexico City)

## **Juan Escobedo**

*CFO, Director*

- 25+ years experience in accounting, auditing, financial reporting, and corporate governance
- Founder and Managing Partner of Intelli Accounting
- BA, CA (University of British Columbia Faculty of Management, Tecnológico de Estudios Superiores de Monterrey)

## **Scott Kirschke**

*Director*

- Scott Kirschke is the President, and CEO of the Frost Group, a business in Heavy Civil Construction, Oil & Gas, Mining, and Forestry sectors.
- Scott founded Frost Lake Forest Services, a very successfully logging company before the logging operations were bought out in 2017.
- The Frost Group continues to work in all major resource industries, and have been major contributors to several high profile projects such as BC Hydro Site C, TC Energy CGL pipeline, and numerous mine sites.
- Scott received his Renewable Resources degree from BCIT.

# CAPITALIZATION

FT&F's senior management are founding shareholders and have supported the growth of the Company to date along with investment from external investors

	Shares	Capital Invested	Average cost
Previously Issued	13,400,000	\$670,000.00	\$0.05
Previously Issued	20,131,746	\$1,805,919.97	\$0.09
Previously Issued	450,000	\$90,000.00	\$0.20
Total	33,981,746	\$2,565,919.97	
Stock Options	3,700,000		\$0.10
Fully Diluted	37,681,746		



# USE OF PROCEEDS

Towers	Cost/Tower	# of Towers	Cost
New Towers	\$130,000	15	\$1,950,000
Tower Equipment (Shared Infrastructure)	\$70,000	15	\$1,050,000
	\$200,000		\$3,000,000
	Cost / Km	New Kms	
Fiber - IRU Project Vivaro (Marcatel)	\$6,500	158	\$1,027,000
<b>Total Capital Costs</b>			<b>\$4,027,000</b>
<b>Direct Operating Costs</b>			<b>ANNUAL</b>
Satellite Services (data Retrieve/Transmit)			\$375,000
Fiber Maintenance (Annual)			\$510,000
Tower Monitoring (Existing & New Builds)			\$20,000
Office Lease			\$25,000
Office Expenses - Travel			\$40,000
			<b>\$970,000</b>
<b>Total Capital Costs</b>			<b>\$4,027,000</b>
<b>Total Operating Costs</b>			<b>\$970,000</b>
			<b>\$4,997,000</b>

All figures in Canadian Dollars





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