telesites

Operadora de Sites Mexicanos

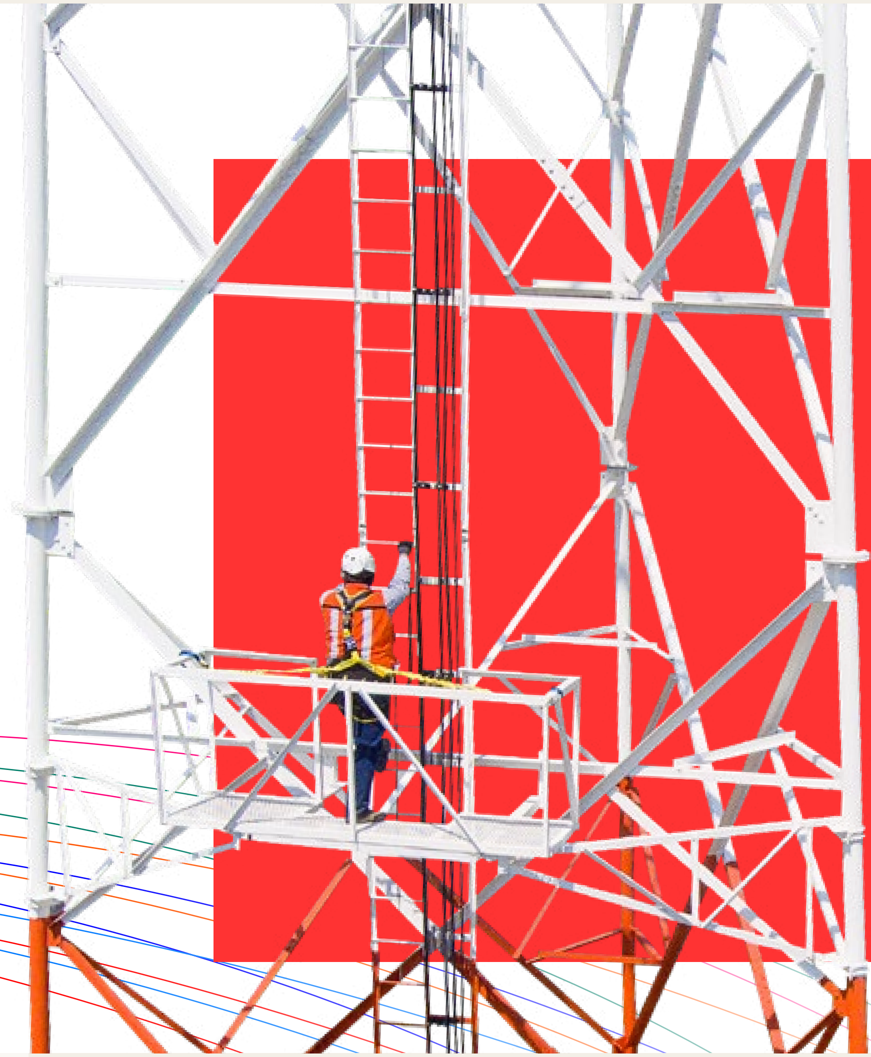
Strength and profitable growth

2022 ANNUAL REPORT

Opsimex added

1,653

sites to its portfolio and gained 630 additional rentals from colocations



The expansion of new towers was due to the purchase of 388 towers in December, as well as improved coverage of our clients' telecommunications network and increased capacity in some towers in rural and urban areas.

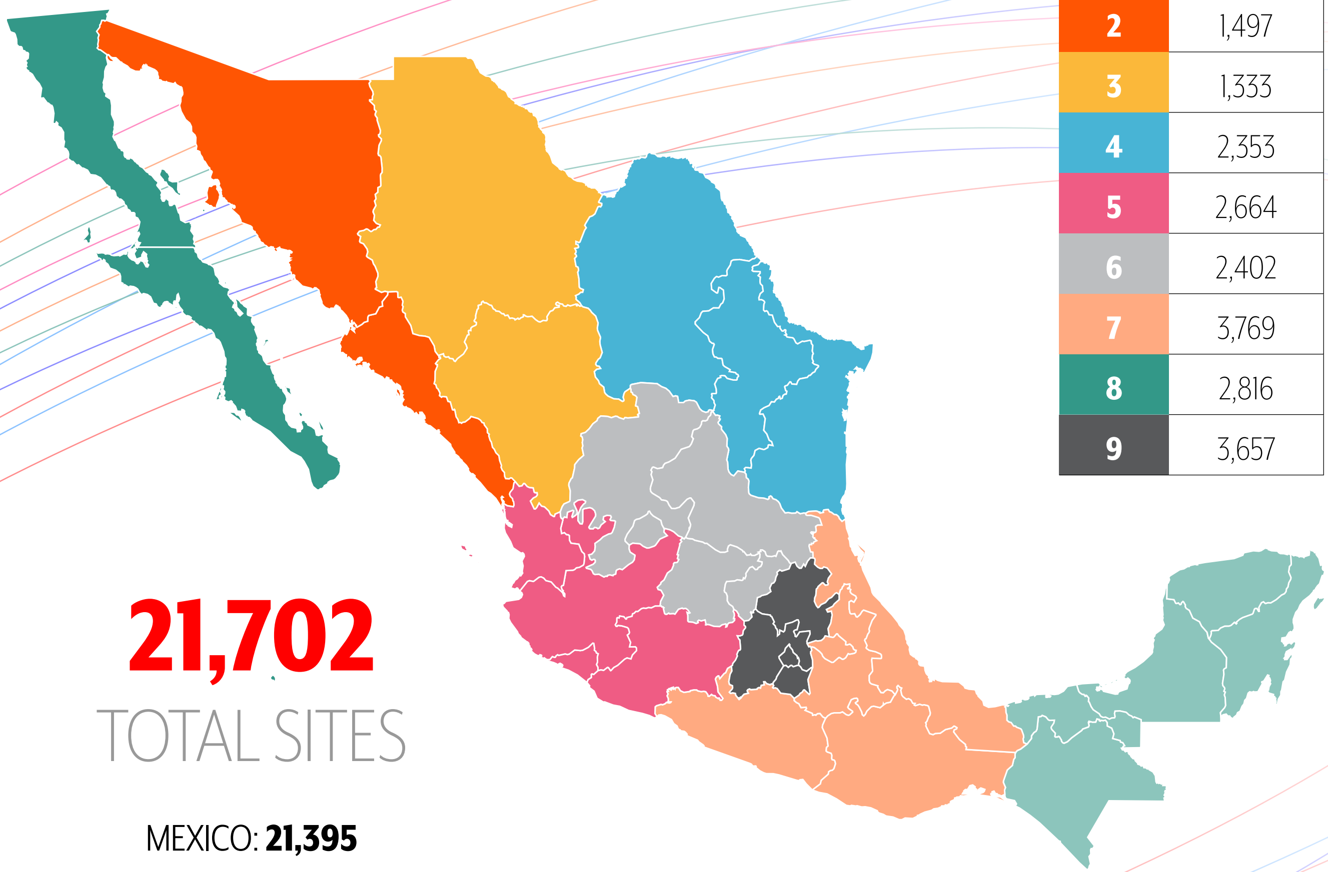
Contents

About the company

Operadora de Sites Mexicanos (Opsimex) is a Mexican company that builds, installs, maintains, operates and sells various types of passive telecommunications infrastructure—towers and support structures, physical spaces and other non-electronic elements. It is the largest tower operator in Mexico, and it has more than 21,000 towers spread across nine regions of the country as well as Costa Rica.

The steady pace of technological evolution has brought a constant growth in user demand for data services, which in turn means our clients have a growing need for passive telecommunications infrastructure. This promises significant growth potential for our company.

OPSIMEX AT A GLANCE



REGION	SITES
1	904
2	1,497
3	1,333
4	2,353
5	2,664
6	2,402
7	3,769
8	2,816
9	3,657

21,702
TOTAL SITES

MEXICO: **21,395**

Opsimex: **8,273**

FSites: **13,122**

COSTA RICA: **307**

CORPORATE STRUCTURE

Operadora de Sites Mexicanos, S.A.B. de C.V

Fideicomiso Opsimex 4594 (FSites) 72.5%

Telesites Costa Rica, S.A. 100%

	Towers in Mexico (OPSIMEX) included in revenues	Towers in Mexico (FIBRA) included in revenues	Towers in Costa Rica included in revenues
December 31, 2019	16,961	-	299
December 31, 2020	11,292	6,591	304
December 31, 2021	8,059	11,683	307
December 31, 2022	8,273	13,122	307

TO OUR **INVESTORS**

TO THE GENERAL SHAREHOLDERS' MEETING AND BOARD OF DIRECTORS OF OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V.

In accordance with article 44 section XI of the Mexican Securities Market Act, in correlation with article 172 of the General Business Corporations Law, and in my capacity as Chief Executive Officer of Operadora de Sites Mexicanos, S.A.B. de C.V. (the "Company" or "Opsimex"), I am pleased to present this report on the Company's operations during the fiscal year ended December 31, 2022.

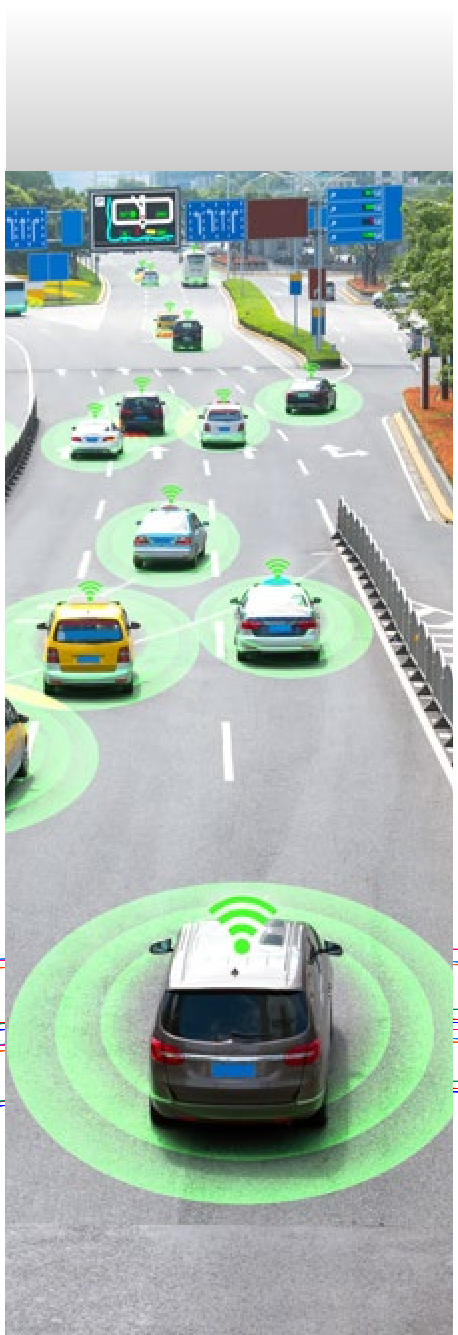
2022 Economic Overview

Around the world, economic growth in 2022 was marked by the dynamics of a second year of recovery from the COVID-19 pandemic in 2020. Global GDP grew 3.4%, according to the IMF.

The United States economy expanded by 2.1% in 2022, driven by consumer spending on services, which offset the drop in durable and non-durable goods (down -0.4% and -0.5%, respectively). Gross fixed investment rose 4.0% despite the 10.6% plunge in housing investment.

In Mexico, GDP advanced 3.1%, led by secondary activities with 3.3%, particularly manufacturing, up 5.2%. The service sector grew 2.8% and retail 5.5%.

The Mexican peso closed the year at 19.50 against the US dollar, an annual appreciation of 5.0%. The spread between Mexican and US interest rates broadened gradually during the year, as Banco de México hiked its benchmark rate eight times from 5.50% at the close of 2021 to 10.50% at the close of 2022, while the US Federal Reserve raised its rate from 0.25% to 4.50% in the same period.



3.1%

growth in GDP in 2022

Since the end of 2021, the lingering effects of the pandemic have pushed up the cost of marine container transport by five times their former value, the average price of steel tripled, and a shortage of semiconductors increased automobile prices. Early in 2022, Russia's unconscionable invasion of Ukraine raised the prices of food, fertilizers, energy and other commodities, which combined with other factors to raise global inflation to levels not seen since the 1980s. In Mexico, inflation closed 2022 at 7.82%, after peaking at 8.70% in September. The core index, which includes goods and services, grew 8.35%, while non-core inflation—made up of food and energy—increased 6.27%.

Mexico's trade balance for 2022 was a deficit of USD 26.42 billion, rising from a deficit of USD10.94 billion the year before. Within exports, manufacturing rose 16.6%, while imports rose across the board, with a particularly strong 29.4% growth in consumer goods. The price of Mexico's export blend of oil rose from an average of USD64.60/barrel in 2021 to USD89.26/barrel in 2022.

National government finances were stable, thanks to higher tax revenues and restrained current spending. The budget balance was MXN978.53 billion for the year, equivalent to 3.4% of GDP, a little higher than the 2.9% reported in 2021, due to interest rate increases that affected financial costs in 2022. Public-sector debt shrank from 50.8% of GDP to 49.4%.

In 2023 the world's economy is expected to slow down due to restrictive policies by central banks across the globe, in an effort to bring inflation back down to their long-term targets; Mexico's economy is prepared, however, and should position itself to take advantage of the shift in US-China trade relations to promote domestic and international investment, refocus supply chains and production of goods toward the United States instead of Asia, and forge even closer trade ties with our neighbor to the north.

Report on Opsimex operating and financial results

The following are some remarks on the key figures reported in our financial statements for the close of 2022, which are attached to this report, including the opinion of the Independent Auditor.

Our country's economy is prepared, however, and should position itself to take advantage of the shift in US-China trade relations

Opsimex began fiscal year 2022 with a portfolio of 20,049 income-generating sites. During the year, 1,653 sites were added to revenues, 1,265 of them built during the year, 194 acquired by Opsimex and 194 by Fideicomiso Opsimex 4594 (FSites, established as a FIBRA, the Mexican equivalent of a U.S. REIT), to end the year with a consolidated portfolio of 21,702 towers, 8,273 of them directly owned by Opsimex, 13,122 owned by FSites and 307 owned by Telesites Costa Rica.

Over the course of the year, 630 new colocation contracts were added to revenues, bringing our consolidated tenancy ratio of 1.267 operators per tower by the end of 2022.

The Company reported total revenues of 10.9 billion pesos, a 21.1% growth compared to the previous year, primarily the result of the increased number of sites and the new colocations booked during the year. EBITDA closed at 10.3 billion pesos, 22.6% higher than the year before, and the EBITDA margin ended the year at 94.5%.

Capital expenditures by Opsimex in 2022 totaled 4.0 billion pesos, including 2.6 billion pesos for the acquisition of 388 towers by FSites and Opsimex. On February 18, 2022, Opsimex shareholders approved distribution of dividend totaling 1.6 billion pesos, which was paid on May 30, 2022.

Opsimex continues to focus on generating stable growth, based on the constant expansion of its clients' networks and the construction of the telecommunication towers they require. The FSites portfolio grew from 11,683 revenue-generating towers to 13,122 at the end of 2022.

The company and its subsidiaries have an optimum financial structure for continuing the rate of organic growth they have shown in the past, while remaining open to opportunities that may arise in the market. We are optimistic that the growth trend will maintain this stability going forward.

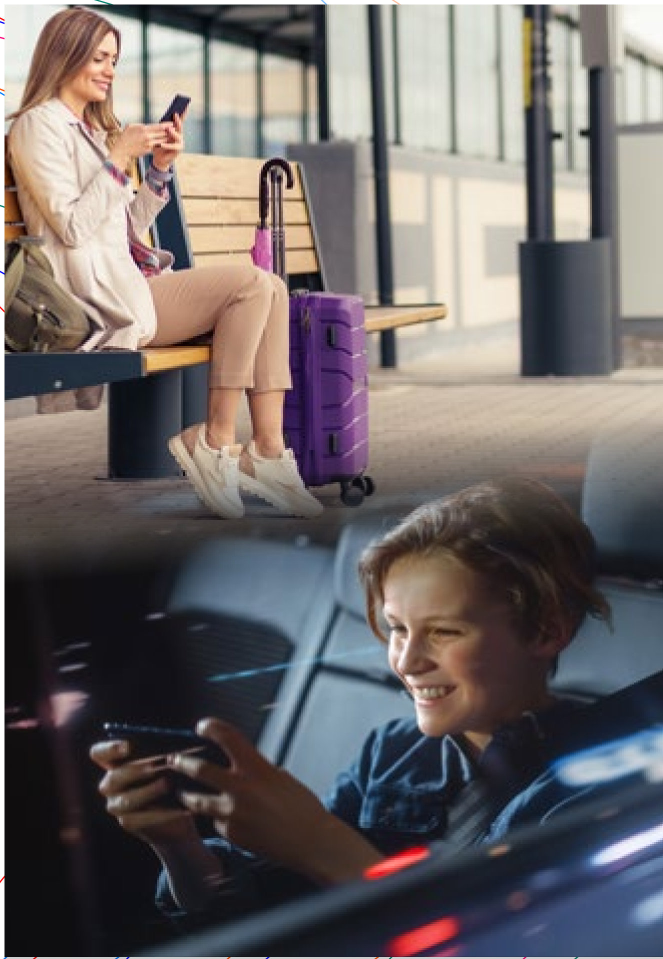
Opsimex reiterates the pledge it has made to employees, clients and suppliers, to abide by the quality standards and thus to keep this company growing.

Fellow shareholders: We are grateful for the trust you have placed in Operadora de Sites Mexicanos, S.A.B. de C.V., and on behalf of our entire work team, we reiterate our commitment to continually improving the performance of this company's activities.

Sincerely,
Gerardo Kuri Kaufmann
Juan Rodríguez Torres
Executive Committee
Operadora de Sites Mexicanos, S.A.B. de C.V.

1,653

sites added in 2022

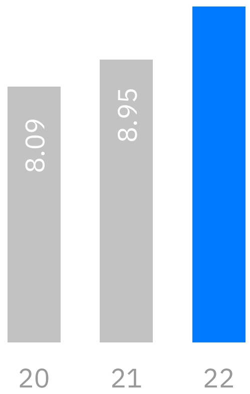


SOLID GROWTH

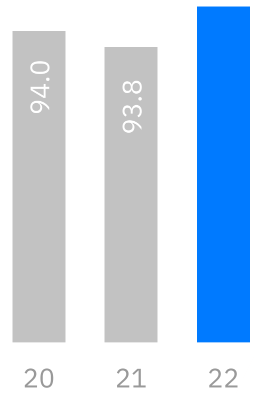
Opsimex continued its steady growth in 2022, adding 1,653 towers to its portfolio during the year, 388 of them acquired in December and the other 1,265 built over the course of the year.

In terms of colocations, 630 additional rents were added to our revenues in 2022, bringing the total to 4,246 rents. As a result, Operadora de Sites closed the year with a portfolio of 21,702 towers and a tenancy ratio of 1.267 tenants per tower.

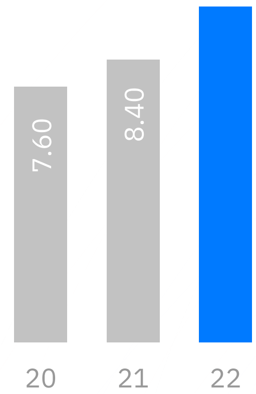
Revenues
MXN billion
10.87



EBITDA margin
%
94.3



EBITDA
MXN billion
10.26



OPSIMEX
OPERATING SUMMARY

MXN **10.87**
billion in total revenues

Results
Revenues totaled 10.87 billion pesos in 2022, rising 21.5% compared to 2021. Tower rental revenues came to 7.56 billion pesos. The EBITDA margin for the year was 94.3%, with EBITDA totaling 10.26 billion pesos.

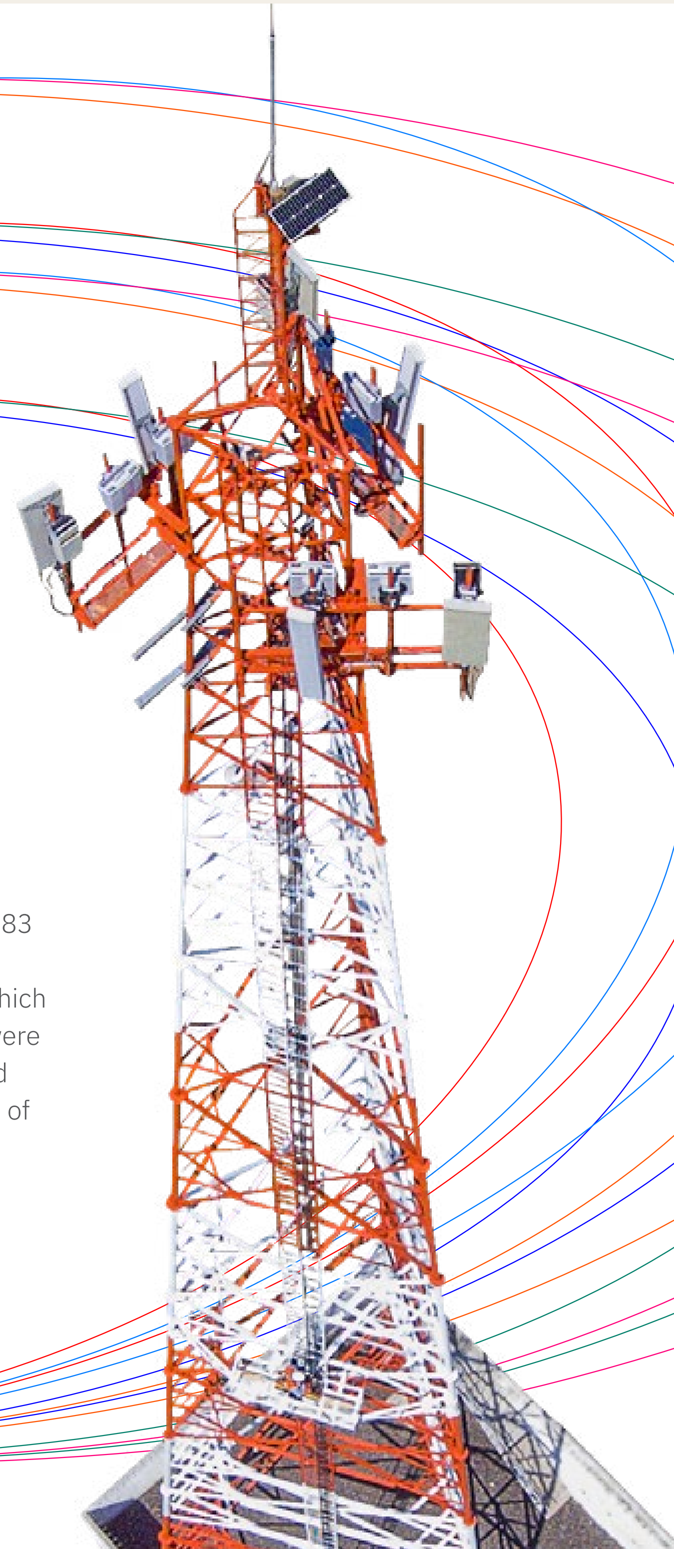
At the close of the year, the company held debt totaling 41.79 billion pesos and a cash position of 4.89 billion pesos, which means net debt stood at 36.90 billion pesos.

FIBRA SITES

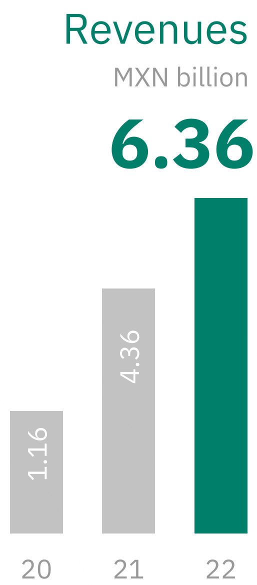
1,439

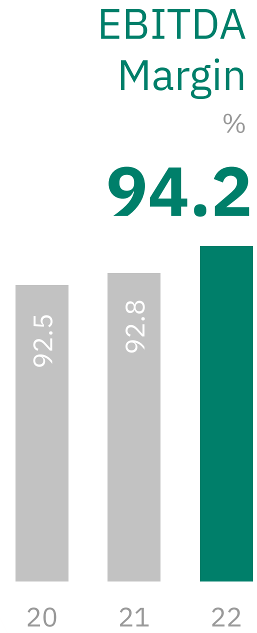
sites added in 2022

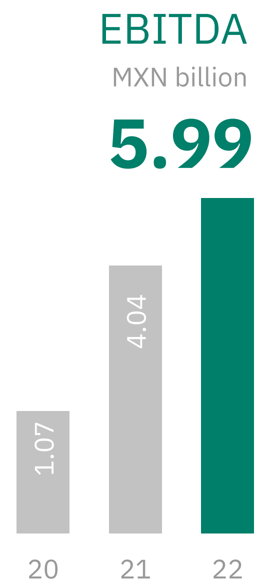
Fsites began 2022 with a portfolio of 11,683 revenue-generating sites. During the year, another 1,439 sites were added, 194 of which were acquired in December and the rest were built over the course of the year. At the end of the year, FSites reported a tenancy ratio of 1.282 rents per tower.



FSITES
OPERATING SUMMARY







Results

FSites, which is organized as a real-estate investment trust (FIBRA in Spanish), reported total revenues of 6.36 billion pesos, which is a 46.0% increase compared to the previous year. EBITDA closed at 5.99 billion pesos, growing 48.1% year-over-year, while the EBITDA margin stood at 94.2% at the close of 2022.

FSites paid out dividends against the 2022 fiscal-year results totaling 1.50 billion pesos, equivalent to 100% of its tax earnings.

6.36

billion pesos in total revenues

BOARD OF DIRECTORS

Our Board of Directors is currently made up of six (6) regular directors with no designated alternates. Our corporate bylaws stipulate that the Board of Directors must have between five and twenty-one directors and up to an equal number of alternate directors. Directors need not be shareholders, but a majority of the directors and their alternates must be Mexican citizens and elected by Mexican shareholders.

Directors and their alternates are appointed or reelected at each annual general shareholders' meeting. In accordance with the Mexican Securities Market Act (LMV), qualifying the independence of directors is the responsibility of the shareholders' meeting, though the Mexican Banking and Securities Commission (CNBV) may challenge this qualification. Pursuant to our bylaws and the LMV, at least 25% of board members must be independent. Currently 50% of our directors are independent, a proportion higher than that required by law. Meetings of the Board of Directors may be legally called to order when a majority of its members are present.

Our bylaws also state that the members of the Board of Directors are elected for a term of one year. In accordance with the General Commercial Corporations Law (LGSM), however, members of the Board remain in their positions after the expiration of their terms for up to an additional thirty (30) -day period if new members are not elected and substitutes have either not been designated for the departing member, or have not yet assumed their duties. Furthermore, under certain circumstances provided for under the LMV, the Board of Directors may elect temporary directors who then may be ratified or replaced at the shareholders' meetings.

The following is a list of the current members of the company's Board of Directors, their position on the Board, their business experience and other board experience, most of which were recently appointed as board members of the Company in a general annual shareholders' meeting held April 28, 2023, on the understanding that these individuals had served as board members of Telesites prior to its entry to the National Securities Registry (RNV) and the listing of the company's stock on the Mexican Stock Exchange.

Name	Title	Type	Years as board member	Gender
Juan Rodríguez Torres	Chairman	Independent	7	Male
Gerardo Kuri Kaufmann	Regular Member	Non independent	7	Male
Daniel Goñi Díaz	Regular Member	Independent	1	Male
Daniel Díaz Díaz	Regular Member	Non independent	7	Male
Víctor Adrián Pandal González	Regular Member	Non independent	1	Male
Luis Ramos Lignan	Regular Member	Independent	1	Male

For the moment, all of the members of the board are male.

Verónica Ramírez Villela and Eriván Urióstegui Hernández serve as secretary and secretary pro tem, respectively, of the Board of Directors of Operadora de Sites Mexicanos, but are not members of that board. We believe that the participation of a woman in these activities from the time of our founding promotes a philosophy of gender inclusiveness in the formation of our governance bodies.

The following are brief profiles of each of our board members:

Juan Rodríguez Torres
Mr. Rodríguez received a bachelor's degree in civil engineering from the Universidad Nacional Autónoma de México. He is 83 years old. He is a board member of Grupo Sanborns, S.A.B. de C.V. and Elementia, S.A. de C.V. (for which he also serves as member of the audit and corporate practices committee), Fortaleza Materiales, S.A.P.I. de C.V. and chairman of its audit and corporate practices committee; Minera Frisco, S.A.B. de C.V. (also chairman of its audit and corporate practices committee), Fomento de Construcciones y Contratas, S.A. and Cementos Portland Valderribas, S.A. and their respective committees. Non-executive chairman of the real estate group REALIA Business, S.A. He is chairman of board of directors of the Red Nacional Última Milla, S.A.P.I. de C.V. and Red Última Milla del Noroeste, S.A.P.I. de C.V. All of the aforementioned companies are considered related or associated parties of the Administrator. Mr. Rodríguez is the founder of various companies in the real estate and footwear industries, as well as board member of Procorp, S.A. de C.V., a real-estate investment company, and a member of the advisory board of Grupo Financiero Banamex. He is currently Chairman of the Board of Directors, member of the audit and corporate practices committee and of the Company's Executive Committee.

Daniel Díaz Díaz
Bachelor's degree in civil engineering from the Universidad Nacional Autónoma de México. He is 89 years old. He served in the public sector as undersecretary for Infrastructure and Secretary of Communications and Transportation. From 1990 to 1997 he served as a member of the board of the Universidad Nacional Autónoma de México. Mr. Díaz was general director of the Instituto Mexicano del Transporte and, from 2000 to 2001, general director of Caminos y Puentes Federales de Ingresos y Servicios Conexos. From 2003 to 2005 he was an infrastructure project advisor to the Fundación del Centro Histórico de la Ciudad de México, A.C., and currently serves on the boards of Carso Infraestructura y Construcción, S.A. de C.V., Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V., Red Nacional Última Milla, S.A.P.I. de C.V. and Red Última Milla del Noroeste, S.A.P.I. de C.V.

Luis Ramos Lignan
Undergraduate degree in Civil Engineering and a master's degree in hydraulics from the Universidad Nacional Autónoma de México. He is 83 years old. He has served as chairman of the Colegio de Ingenieros Civiles de México, the Cámara Nacional de Empresas de Consultoría, A.C., the Asociación de Ingenieros y Arquitectos de México, A.C., the Instituto Mexicano de Auditoría Técnica, A.C., and the Technical Committee of the Fideicomiso Fondo para el Financiamiento de Estudios para Proyectos de Infraestructura. Currently he is chairman and CEO of Ingeniería y Procesamiento Electrónico, S.A. de C.V.

Daniel Goñi Díaz
Undergraduate degree in law from the Universidad Nacional Autónoma de México. He is 71 years old. He is

notary public number 80 in the State of Mexico and has served as secretary, vice president and president of the Mexican Red Cross on several occasions. He has also been citizen board member of the State of Mexico Electoral Commission. Mr. Goñi Díaz sits on the board of directors of Red Nacional Última Milla, S.A.P.I. de C.V. and Red Última Milla del Noroeste, S.A.P.I. de C.V.

Víctor Adrián Pandal González
Undergraduate degree in Business Administration from the Universidad Iberoamericana. He is 49 years old. He also holds a master's in business administration from Boston University. From April 2002 to December 2018, he was general director of the Fundación del Centro Histórico de la Ciudad de México, A.C. Currently an independent consultant and founding member of HAN Capital, a real-estate investment fund.

Gerardo Kuri Kaufmann
Holds a bachelor's degree in industrial engineering from the Universidad Anáhuac. He is 39 years old. From 2008 to 2010, he served as purchasing director of Carso Infraestructura y Construcción, S.A. de C.V. Since the founding of Inmuebles Carso, S.A.B. de C.V., and until April 2016, he was CEO of that company, and today is a member of its board, as well as of the board of all its subsidiaries. He is also a member of the board of directors and CEO of Minera Frisco, S.A.B. de C.V., board member of Elementia Materiales, S.A. de C.V., Realia Business, S.A., Fomento de Construcciones y Contratas, S.A. (where he sits on the Executive Committee), Cementos Portland Valderrivas, S.A. (also delegate board member of that company) and Carso Infraestructura y Construcción, S.A. de C.V. Alternate chairman of the Board of Fortaleza Materiales, S.A.P.I. de C.V. He is currently a member of the company's Executive Committee.

There is no relationship, by blood or by marriage, between members of the Company's Board of Directors and its senior executives.

The Company does not maintain pension, retirement or other such plans for members of the Board of Directors, senior executives or other parties that may be considered related to the Company.

The Audit and Corporate Practices Committee is made up of the following individuals (all of them independent board members according to the LMV definition).

Name	Position	Type
Luis Ramos Lignan	Chairman	Independent
Juan Rodríguez Torres	Member	Independent
Daniel Goñi Díaz	Member	Independent

All members of the Audit and Corporate Practices Committee have extensive experience and an established professional career either as entrepreneurs, public officials or in the private sector. Most of them are or have been board members of various companies in the financial or securities industry and have served in federal public administration and de-centralized government agencies.

REPORT OF THE **AUDIT AND CORPORATE PRACTICES COMMITTEE**

TO THE BOARD OF DIRECTORS OF OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V.

In accordance with article 43, sections I and II of the Mexican Securities Market Act (LMV, by its initials in Spanish), and pursuant to the recommendations contained in the Code of Best Corporate Practices published by the Mexican Business Coordinating Council on behalf of the Audit and Corporate Practices Committee of Operadora de Sites Mexicanos, S.A.B. de C.V. (the "Company"), we hereby present to you our report on the activities carried out by this corporate committee in fulfillment of its duties during the fiscal year ended December 31, 2022.

One of the basic responsibilities of Company management is to issue financial statements that have been prepared on the basis of applicable financial reporting standards. These financial statements should reflect in a clear, sufficient and up-to-date manner, the operations of the Company and the corporations it controls. Furthermore, Company management is charged with introducing appropriate internal control and internal audit systems, and appropriately and promptly disclosing any material information on the Company and the corporations it controls, for the investing public as provided for by law.

As an auxiliary body of the Board of Directors, the Audit and Corporate Practices Committee is responsible for overseeing the management, direction and execution of the Company's businesses and those of the corporations it controls, and for verifying the Company's compliance with various operating and internal control procedures. Accordingly, the Company's Audit and Corporate Practices Committee has reviewed the consolidated financial statements with figures as of December 31, 2022, and the opinion of the Company's internal auditor and Independent External Auditor regarding that information. In fulfillment of its primary audit responsibilities, the Committee carried out the following activities:

- We evaluated the performance of Despacho Mancera, S.C., a member of Ernst & Young Global Limited ("Mancera"), and found it acceptable; accordingly, we recommended that the Board of Directors ratify its engagement as Independent External Auditor for the task of reviewing the financial statements and preparing the corresponding financial opinion on the Company and the corporations it controls, for fiscal year 2022. Furthermore, we verified the appropriate preparation and presentation of intermediate financial information by the Company, ascertaining that it was clear, precise, and met all international financial reporting standards.

- Prior to the engagement of Mancera as Independent External Auditor, we ascertained that said firm: (i) met the personal, professional and independence criteria established in the applicable law and provisions for rendering such services; and (ii) presented its statement of compliance with the corresponding quality control standard for the fiscal year audited. We also reviewed the terms of the audit agreement.

- We approved the fees paid to the Independent External Auditor and its work plan for examining the financial statements of the Company for fiscal year 2022.

- We maintained effective communications with the Independent External Auditor regarding the activities carried out for preparing its opinion on the Company's financial statements.

- We observed no relevant cases of non-compliance with the operating or accounting guidelines or policies of the Company or its subsidiaries as of December 31, 2022.

- The Company required services other than those of the external audit from the Independent External Auditor during the fiscal year. Those services were engaged following an analysis of their suitability in terms of the applicable legal provisions considering the independence of the External Auditor.

- We reviewed the financial statements for the Company and its subsidiaries as of December 31, 2022, the report of the internal auditor and the Independent External Auditor's report, and the accounting policies used in preparing the financial statements and verified that all necessary information was disclosed in keeping with current regulations.

- There were no modifications and/or approved authorizations regarding the accounting policies of the Company or its subsidiaries for fiscal year 2022.

- We followed up on implementation of the policies and processes of the Company and the corporations it controls regarding risk management, internal control and auditing, as well as the status of the internal control system. This Committee was informed of various nonmaterial deficiencies or discrepancies detected by the internal audit area, and Company management informed us of the measures taken to correct them; it should be noted that we detected no relevant breaches of the internal control policies established by the Company.

- We approved the work program for the internal auditor for fiscal year 2022 and verified that it was carried out.

- We supported the Board of Directors in preparing the reports referred to in article 28, section IV of the Securities Market Act.

- We reviewed and recommended that the Board of Directors approve the transactions carried out by the Company under the terms mentioned in article 28 of the Securities Market Law, particularly with regard to transactions with related parties, ascertaining that these were carried out at market values and on the basis of the corresponding transfer price studies. We also saw to it that these transactions were reviewed by the Company's Independent External Auditor, as indicated in the corresponding note to transactions with related parties in the report on the consolidated financial statements of the Company with data as of December 31, 2022.

- We followed up on the resolutions of the shareholders' meeting and the board of Directors.

Additionally, and in fulfillment of its primary Corporate Practices duties, the Committee carried out the following activities:

- Evaluated the performance of the Executive Committee and key executives of the Company and its subsidiaries, as well as their performance as administrator of the OPSIMEX 4594 Trust.

- Reviewed and followed up on transactions with related parties, which were carried out during the ordinary course of business and under market conditions.

- Analyzed the process of hiring and compensation of Company employees, the CEO and other key executives, including emoluments paid to Board Members.

- Based on our analysis of the results of the Company and the various meetings held with the Executive Committee and key executives, we deem their performance in fiscal year 2022 to have been satisfactory.

- We received no request whatsoever for the exemptions referred to in article 28, section III, point f) of the Securities Market Act

- Continued supervision of the Company's corporate and legal situation, verifying that it remained in compliance with the applicable laws and regulations.

No observations were received from shareholders, board members, the Executive Committee, key executives, employees or outside parties regarding accounting practices, internal controls or issues relating to internal or external audits of the Company, nor were there any reports of material actions or situations deemed irregular in its administration or which may have had an adverse effect on the Company's financial situation.

We have reviewed the consolidated financial statements of the Company for the fiscal year ended December 31, 2022, and the opinion of the Independent External Auditor, finding that they were prepared in accordance with accounting policies, procedures and practices consistent with financial reporting standards, and we agree with the content of that opinion as we believe they reasonably reflect the financial position of the Company as of December 31, 2022. We believe the management, direction and execution of the Company's businesses during fiscal year 2022 was carried out appropriately by Company management.

We make the foregoing statement for the purpose of complying with the obligations entrusted to this corporate body and provided for in the Securities Market Act, and with any other duty that has been or is entrusted to us by the Company's Board of Directors, further noting that in the preparation of this report we took into account the opinion of key executives of the Company.

Sincerely,

Luis Ramos Lignan

Chairman of the Audit
and Corporate Practices Committee
of Operadora de Sites Mexicanos,
S.A.B. de C.V.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V. AND SUBSIDIARIES

Opinion

We have audited the accompanying consolidated financial statements of Operadora de Sites Mexicanos, S.A.B. de C.V. and its subsidiaries (formerly Operadora de Sites Mexicanos, S.A. de C.V.) (the Company), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Operadora de Sites Mexicanos, S.A.B. de C.V. and its subsidiaries as at 31 December 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico in accordance with the *Código de Ética Profesional del Instituto Mexicano de Contadores Públicos* (IMCP Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the accompanying consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Property and equipment

Description of key audit matter

We considered the passive infrastructure under property and equipment as a key audit matter because the valuation of these assets requires the use of assumptions that involve calculations that are subjective and complex, since they require that we seek assistance from specialists of the Company's management and audit specialists to carry out our audit procedures.

How we addressed this key audit matter
We evaluated the assumptions used to measure and recognize property and equipment on the basis of a fair value review that we performed in accordance with IAS 16 *Property, Plant and Equipment and IFRS 13 Fair Value Measurement*. For this review, we considered and evaluated the reconciliation of the beginning and ending balances of property and equipment. Based on audit samples, we analyzed the increases reflected in property and equipment accounts by reviewing and comparing significant items to their respective support documentation. We tested asset depreciation by verifying the mathematical calculations underlying the depreciation and we carried out substantive analytical procedures as well. To determine the existence of potential indicators of impairment, we sought assistance from specialists and we assessed the Company's presentation and disclosure of passive infrastructure in accordance with IFRS.

Notes 2h) and 7 to the accompanying consolidated financial statements include disclosures regarding the Company's construction and property and equipment.

2. Long-term debt

Description of key audit matter
We considered the Company's long-term debt a key audit matter due to the high level of professional judgment required for the valuation of these financial liabilities, which are measured at amortized cost, and since they require that we seek assistance from specialists of the Company's management and audit specialists to carry out our audit procedures.

How we addressed this key audit matter
We evaluated management's calculation of the Company's debt and we applied analytical testing to the accrued interest on the debt, verifying the amounts of interest against the results of the reconciliation of interest payable. We analyzed the determination of the market value of the debt and the calculation of the interest and we verified the results of these analyses against the terms and conditions of the respective debt contracts. We compared the book balances of the debt against the balances reflected in the confirmation of balances that we received from the financial entities with which the Company has contracted the debt. We evaluated the risk of interest rate fluctuations considering the amount of the debt in question. We sought the assistance of specialists to determine the balance of debt recognized at amortized cost. We also evaluated the presentation and disclosure of the Company's structured notes and long-term debt in its financial statements considering IFRS requirements.

Notes 2e) and 9 to the accompanying consolidated financial statements contain disclosures related to this matter.

3. Asset retirement obligation

Description of key audit matter
We considered the Company's asset retirement obligation a key audit matter due to the high degree of professional judgment required to calculate this obligation and because it requires the use of assumptions that involve estimates that are subjective and complex, since they require that we seek assistance from specialists of the Company's management and audit specialists to carry out our audit procedures.

How we addressed this key audit matter
We reviewed the Company's calculation of its asset retirement obligation and we verified the correct valuation of the principal components of the provision in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Using audit samples, we reviewed the Company's lease agreements to verify the term of each asset retirement obligation. We also received assistance from a valuation specialist to verify the reasonableness of the provision and we assessed the correct presentation and disclosure of the Company's asset retirement obligation in accordance with IFRS.

Notes 2m) and 9 to the accompanying consolidated financial statements include disclosures related to the Company's asset retirement obligation.

Other information
Management is responsible for the other information. The other information comprises the information included in the annual report filed with the National Banking and Securities Commission (CNBV, by its acronym in Spanish), but does not include the consolidated financial statements and our auditor's report thereon. We expect to obtain the other information after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report filed with the CNBV, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to issue a statement on the Annual Report required by the CNBV that contains a description of the matter.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when we have access to it and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read and consider the Annual Report filed with the CNBV, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to issue a statement on the Annual Report required by the CNBV that contains a description of the matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is the undersigned.

Mancera, S.C.
A Member Practice of Ernst & Young Global Limited

Alejandro Morán Sámano

Mexico City
25 april 2023

CONSOLIDATED STATEMENTS OF **FINANCIAL POSITION**

(Amounts in thousands of Mexican pesos)

	As at 31 December			
		2022		2021
Assets				
Current assets:				
Cash and cash equivalents (Note 4)	**Ps.**	**4,888,306**	Ps.	5,686,292
Accounts receivable		**229,148**		433,651
Related parties (Note 7)		**50,455**		112,489
Recoverable taxes		**454,555**		2,968,459
Other current assets (Note 6)		**175,373**		146,370
Total current assets		**5,797,837**		9,347,261
Non-current assets:				
Property and equipment, net (Note 8)		**78,016,420**		72,674,121
Right-of-use assets (Note 12)		**19,392,776**		17,127,493
Long-term accounts receivable (Note 5)		**413,694**		-
Licenses and software, net		**15,799**		14,286
Deferred tax assets (Note 17)		**29,981**		58,276
Other non-current assets (Note 6)		**159,442**		145,991
Total non-current assets		**98,028,112**		90,020,167
Total assets	**Ps.**	**103,825,949**	Ps.	99,367,428
Liabilities and equity				
Short-term debt (Note 10)	**Ps.**	**458,700**	Ps.	450,258
Interest payable on debt (Note 10)		**549,042**		531,840
Dividends payable		**48,721**		-
Accounts payable and accrued liabilities (Note 15)		**169,141**		231,667
Taxes and contributions payable		**309,111**		222,524
Related parties (Note 7)		**163,071**		23,125
Employee benefits (Note 14)		**50,160**		43,844
Total current liabilities		**1,747,946**		1,503,258
Non-current liabilities:				
Long-term debt (Note 10)		**19,762,785**		19,586,566
Deferred tax liability (Note 17)		**4,052,802**		4,325,335
Deferred income tax from sale of structured notes (Note 1.b)		**11,636,971**		11,636,971
Lease liabilities (Note 12)		**21,567,400**		18,262,010
Retirement benefits (Note 13)		**11,937**		13,380
Asset retirement obligation (Note 9)		**1,175,685**		1,056,581
Total non-current liabilities		**58,207,580**		54,880,843
Total liabilities		**59,955,526**		56,384,101
Equity (Note 16):				
Share capital		**23,733**		10,050
Other components of equity		**(16,203,640)**		(16,203,640)
Surplus on revaluation of assets		**14,509,073**		11,480,589
Surplus on issue of real estate structured notes (Note 1b)		**26,635,921**		26,635,921
Retained earnings		**2,283,947**		4,673,159
Equity attributable to equity holders of the parent		**27,249,034**		26,596,079
Non-controlling interests		**16,621,389**		16,387,248
Total equity		**43,870,423**		42,983,327
Total liabilities and equity	**Ps.**	**103,825,949**	Ps.	99,367,428

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF **COMPREHENSIVE INCOME**

(Amounts in thousands of Mexican pesos)

		For the year ended 31 December		
		2022		2021
Operating revenue:				
Infrastructure rent	**Ps.**	**10,545,326**	Ps.	8,688,509
Revenue from alteration services		**140,729**		160,257
Other income (Note 2t)		**189,464**		102,381
		10,875,519		8,951,147
Operating costs and expenses:				
Depreciation and amortization (Note 8)		**3,882,987**		3,425,212
Depreciation of right-of-use assets (Note 12)		**2,172,022**		1,660,574
Alteration service costs		**113,845**		70,836
Operating expenses		**483,790**		458,254
Other expenses		**16,885**		22,301
		6,669,529		5,637,177
Operating profit		**4,205,990**		3,313,970
Net financing cost:				
Accrued interest income		**427,643**		592,197
Accrued interest expense		**(3,130,337)**		(2,790,486)
Foreign exchange loss, net		**(711,486)**		(665,875)
		(3,414,180)		(2,864,164)
Profit before income tax		**791,810**		449,806
Income tax (Note 17)		**651,038**		224,543
Net profit	**Ps.**	**140,772**	Ps.	225,263
Attributable to:				
Equity holders of the parent	**Ps.**	**(229,197)**	Ps.	163
Non-controlling interests		**369,969**		225,100
	Ps.	**140,772**	Ps.	225,263
Weighted average number of outstanding shares (thousands of shares)		**3,237,517**		35,174
Basic (loss)/earnings per share attributable to equity holders of the parent	**$**	**(0.07)**	$	0.004
Diluted (loss)/earnings per share attributable to equity holders of the parent	**$**	**(0.07)**	$	0.004

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF **COMPREHENSIVE INCOME**

(Amounts in thousands of Mexican pesos)

		For the year ended 31 December		
		2022		2021
Net profit	**Ps.**	**140,772**	Ps.	225,263
Other comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in future years, net of taxes:				
Revaluation surplus, net of taxes		**3,028,484**		(2,573,452)
Surplus on issue of real estate structured notes		**(24,091)**		6,620,237
Surplus on non-controlling interests		**1,394,064**		579,898
Foreign currency translation reserve		**(2,121)**		(292)
Labor obligations, net of taxes		**1,137**		2,311
Total other comprehensive income		**4,397,473**		4,628,702
Comprehensive income	**Ps.**	**4,538,245**	Ps.	4,853,965
Attributable to:				
Equity holders of the parent	**Ps.**	**2,774,212**	Ps.	4,048,967
Non-controlling interests		**1,764,033**		804,998
	Ps.	**4,538,245**	Ps.	4,853,965

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF **CHANGES IN EQUITY**

For the Years Ended 31 December 2022 and 2021
(Amounts in thousands of Mexican pesos)
(Nota 16)

	Equity attributable to equity holders of the parent											
				Retained earnings			Other comprehensive income					
	Share capital	Other components of equity	Reserve for repurchase of shares	Legal reserve	Unapplied income	Total	Effect of labor obligations	Foreign currency translation reserve	Revaluation surplus	Surplus on issue of real estate structured notes	Non-controlling interests	Total equity
Balance as at 31 December 2020	$ 10,000	$ (16,203,640)	$ -	$ 19,813	$ 5,688,057	$ 5,707,870	$ (1,846)	$ -	$ 14,054,041	$ 20,015,684	$ 12,724,744	$ 36,306,853
Net profit for the year	-	-		-	163	163	-	-			225,100	225,263
Other comprehensive income	-		-	-	-	-	2,311	(292)	(2,573,452)	6,620,237	579,899	4,628,702
Total comprehensive income	-	-	-	-	163	163	2,311	(292)	(2,573,452)	6,620,237	804,999	4,853,965
Allocation effect of surplus, net of taxes	-	-	-	-	635,847	635,847	-	-	-	-	-	635,847
Issue of real estate structured notes (Note 1b)	-	-	-	-	-	-	-	-	-	-	2,964,090	2,964,090
Effect of merger	-		-	-	29,106	29,106		-	-	-	-	29,106
Dividends paid	-		-	-	(1,700,000)	(1,700,000)	-	-	-	-	-	(1,700,000)
Share capital increase	50		-	-	-			-	-	-		50
Cash dividends	-	-	-	-	-	-	-	-	-	-	(106,584)	(106,584)
Balance as at 31 December 2021	10,050	(16,203,640)	-	19,813	4,653,173	4,672,986	465	(292)	11,480,589	26,635,921	16,387,248	42,983,327
Profit for the year	**-**	**-**	**-**	**-**	**(229,197)**	**(229,197)**	**-**	**-**	**-**	**-**	**369,969**	**140,772**
Other comprehensive income	**-**	**-**		**-**	**-**	**-**	**1,137**	**(2,121)**	**3,028,484**	**(24,091)**	**1,394,064**	**4,397,473**
Total comprehensive income	**-**	**-**	**-**	**-**	**(229,197)**	**(229,197)**	**1,137**	**(2,121)**	**3,028,484**	**(24,091)**	**1,764,033**	**4,538,245**
Allocation effect of surplus, net of taxes	**-**	**-**	**-**	**-**	**673,951**	**673,951**	**-**	**-**	**-**	**-**	**-**	**673,951**
Issue of real estate structured notes (Note 1b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Effect of merger	**14,141**	**-**	**-**	**(16,463)**	**14,179**	**(2,284)**	**-**	**-**	**-**	**-**	**-**	**11,856**
Dividends paid	**-**	**-**	**-**	**-**	**(1,769,319)**	**(1,769,319)**	**-**	**-**	**-**	**-**	**-**	**(1,769,319)**
Creation of reserve for repurchase of shares	**-**	**-**	**2,500,000**	**-**	**(2,500,000)**	**(2,500,000)**	**-**	**-**	**-**	**-**	**-**	**-**
Repurchase of shares	**(458)**	**-**	**(1,037,288)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,037,746)**
Capital reimbursement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,244,112)**	**(1,244,112)**
Share capital increase	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(285,780)**	**(285,780)**
Balance as at 31 December 2022	**$ 23,733**	**$ (16,203,640)**	**$ 1,462,712**	**$ 3,350**	**$ 842,787**	**$ 846,137**	**$ 1,602**	**$ (2,413)**	**$ 14,509,074**	**$ 26,611,830**	**$ 16,621,390**	**$ 43,870,423**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF **CASH FLOWS**

(Amounts in thousands of Mexican pesos)

	For the year ended 31 December			
		2022		2021
Operating activities				
Profit before income tax	**Ps.**	**791,810**	Ps.	449,806
Items not affecting cash flows:				
Depreciation and amortization		**6,055,009**		5,111,337
Accrued interest income		**(427,643)**		(592,197)
Accrued interest expense		**3,130,337**		2,790,485
Foreign exchange loss, net		**711,486**		665,875
Net periodic benefit expense		**2,438**		2,350
		10,263,437		8,427,948
Changes in operating assets and liabilities:				
Accounts receivable		**(209,191)**		(304,494)
Related parties		**218,844**		(92,608)
Recoverable taxes		**2,513,904**		2,428,108
Other current and non-current assets		**14,368**		(11,085)
Accounts payable and accrued liabilities		**(63,105)**		683,907
Retirement benefits paid		**3,572**		(354)
Taxes and contributions payable		**(814,933)**		(1,381,871)
Net cash flows from operating activities		**11,926,896**		9,749,551
Investing activities				
Property and equipment		**(4,104,142)**		(10,859,562)
Interest received		**427,643**		592,197
Net cash flows used in investing activities		**(3,676,499)**		(10,267,315)
‘				
Financing activities				
Share capital increase		**14,141**		50
Repurchase of shares		**(1,037,746)**		-
Capital reimbursement		**(1,244,112)**		-
Long-term structured notes obtained		**-**		495,346
Short-term bank loan obtained		**570,000**		1,250,000
Structured notes repaid		**-**		(3,000,000)
Bank loan repaid – Bank of America		**(60,578)**		-
Bank loan repaid		**(1,020,000)**		(800,000)
Issue of real estate structured notes		**-**		2,967,990
Dividends paid		**(2,055,099)**		(135,591)
Interest paid on debt		**(1,250,810)**		(1,303,389)
Lease payments		**(2,964,179)**		(2,556,055)
Net cash flows used in financing activities		**(9,048,383)**		(3,081,699)
Net decrease in cash and cash equivalents		**(797,986)**		(3,599,463)
Cash and cash equivalents at beginning of year		**5,686,292**		9,285,755
Cash and cash equivalents at end of year	**Ps.**	**4,888,306**	Ps.	5,686,292

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022 and 2021
(Amounts in thousands of Mexican pesos, unless otherwise indicated)

1. DESCRIPTION OF THE BUSINESS

Operadora de Sites Mexicanos, S.A.B. de C.V. and subsidiaries (Opsimex or the Company) was incorporated in Mexico City on 5 January 2015, as a result of its spin-off from Radiomóvil Dipsa, S.A. de C.V. (Telcel). The Company is primarily engaged in leasing passive mobile telecommunications infrastructure, comprised of physical space throughout its towers, such as floors, roofs and ceilings for the installation of signal transmission and reception equipment and auxiliary equipment (such as power generators or backup batteries, air conditioning and alarm systems and other equipment).

As at 31 December 2022 and 2021 and through 15 March 2022, the Company was a 99.99%-owned subsidiary of Telesites, S.A.B. de C.V. (Telesites). Subsequently, Telesites (disappearing company) merged into the Company (surviving company).

The Company's operating period and fiscal year is from 1 January through 31 December.

The Company's head offices are located in Mexico City at Avenida Paseo de las Palmas 781, 7th floor, offices 703 and 704, Colonia Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000.

On 12 April 2023, the consolidated financial statements and these notes were authorized by the Company's Board of Directors, for their issue and subsequent approval by the shareholders, who have the authority to modify the consolidated financial statements. Information on subsequent events covers the period from 1 January 2023 through the above-mentioned issue date of the financial statements.

Relevant events

At an extraordinary shareholders' meeting held on 20 January 2022, the shareholders discussed and approved the merger of Telesites into the Company. This merger took effect on 15 March 2022, date on which the Company changed its name to Operadora de Sites Mexicanos, S.A.B. de C.V. and its share were listed on the Mexican Stock Exchange.

Surplus on issue of real estate structured notes

On 20 April 2021, the Company contributed assets and liabilities, comprised of 2,800 towers, distributed across Mexico's 32 states, to Irrevocable Trust 4594 (Banco Actinver, S.A., Institución de Banca Múltiple Grupo Financiero Actinver) (the Trust). In exchange for its contribution, Opsimex received a 72.5% interest in the Trust, while the remaining 27.5% was distributed among public investors.

An analysis of the effects of the assets and liabilities transferred as of the above-mentioned dates is as follows:

		Amounts
Passive infrastructure contribution to the Trust (2021):		
Beginning balance of surplus on issue of real estate structured notes	Ps.	20,015,684
2,800 sites		(1,194,708)
Fair value of real estate structured notes received		10,640,000
	Ps.	29,460,976
Other movements		
Deferred income tax from sale of structured notes	Ps.	(2,943,864)
Disposal of leases under IFRS 16		118,809
Surplus on issue of real estate structured notes as at 31 December 2021	Ps.	26,635,921
Remaining value of 2,800 sites		(24,091)
Surplus on issue of real estate structured notes as at 31 December 2022	Ps.	26,611,830

These transactions amounted a surplus on issue of real estate structured notes of Ps. 26,611,830 and Ps. 26,635,921, as at 31 December 2022 and 2021, respectively, which was recognized in equity.

The assets and liabilities transferred include right-of-use assets and lease liabilities of Ps. 1,891,476 and Ps. 2,010,285, respectively, in 2021. As of the above-mentioned date, these amounts were recognized in accordance with IFRS 16 *Leases*, as part of the Trust and remeasured in accordance with the (current/non-current) terms established in the agreements as of that date.

In accordance with IFRS 16, the lessee shall recognize the full termination of the lease in profit or loss at the net carrying amount of the right-of-use assets and lease liabilities at the termination date. Notwithstanding the foregoing, these balances were transferred to the Trust and therefore, were recognized in the consolidated financial statements. Accordingly, they do not constitute a full termination of the lease agreements, but a continuation of the original leases in these consolidated financial statements.

In order to reflect the economic substance rather than the legal form of the lease agreements transferred, the net profit of Ps. 118,809 as at 31 December 2021 mentioned above is presented as part of the Surplus on issue of real estate structured notes caption in the consolidated financial statements.

The Trust is primarily engaged in the acquisition or construction of eligible assets in Mexico intended to (i) be leased or commercially exploited by granting access to and sharing the passive infrastructure to be used, operated and exploited as a location for active and passive infrastructure, (ii) to acquire the right to receive income from the leasing of these eligible assets or from the rendering of the service, and (iii) to provide financing for these purposes secured by the eligible assets, provided that such financing is performed directly by the Trust or trusts in accordance with the tax provisions related to Infrastructure and real estate trusts (FIBRA, by its acronym in Spanish).

Income tax from the sale of these eligible assets could be deferred, but it will ultimately be paid by the seller of the assets, if the Company sells them or the investors sell the structured notes received as consideration for the contribution of the eligible assets. Income tax from this transaction totaled Ps. 11,636,971.

Opsimex has control over the Trust and therefore, all of its assets, liabilities and operating results have been consolidated as of the date on which the Company obtained control.

Merger of Demonsa and Telesites Internacional

At an extraordinary shareholders' meeting held on 21 June 2021, the shareholders agreed to merge Demonsa, S.A. de C.V. and Telesites Internacional, S.A. de C.V. (the disappearing companies) into the Company (the surviving company). This merger took effect on 31 July 2021.

Purchase of passive infrastructure

On 17 November 2022, in conformity with an asset purchase agreement, the Company purchased from Teléfonos de México, S.A.B. de C.V. (Telmex) a portfolio of 194 telecommunications towers for a sale price of Ps. 1,194,180, and assumed the related rights and obligations.

On 7 December 2022, in conformity with an asset purchase agreement, the Trust purchased from Telmex a portfolio of 194 telecommunications towers for a sale price of Ps. 1,390,980, and assumed the related rights and obligations.

On 30 November 2021, in conformity with an asset purchase agreement, the Trust purchased from Telmex a portfolio of 958 telecommunications towers for a sale price of Ps. 6,993,400, and assumed the related rights and obligations.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective as at 31 December 2022, as issued by the International Accounting Standards Board (IASB).

The preparation of the Company's consolidated financial statements in accordance with IFRS requires the use of critical estimates and assumptions that affect the reported amounts of certain assets and liabilities, and revenue and expenses. It also requires management to exercise judgment in how it applies the Company's accounting policies.

The Company's functional and presentation currency is the Mexican peso.

b) Consolidation

The consolidated financial statements comprise the financial statements of the Company and those of the subsidiaries over which the Company exercises significant control. The financial statements of the subsidiaries have been prepared for the same reporting period and following the same accounting policies as those of the Company. The companies operate in the telecommunications sector or provide services to companies related to these activities. All intercompany balances and transactions have been eliminated on consolidation.

The operating results of the subsidiaries were included in the Company's consolidated financial statements as of the month following their constitution.

An analysis of the Company's equity investment in its subsidiaries as at 31 December 2022 and 2021 is as follows:

Company name	% equity interest as at 31 December 2022	2021	Country	Date of first consolidation	Type of transaction
Irrevocable Trust No. 4594, Banco Actinver, Institución de Banca Múltiple	**72.5%**	72.5%	Mexico	July 2020	Infrastructure
Telesites Costa Rica, S.A. (TLC)	**100%**	100%	Costa Rica	August 2021	Infrastructure
Telesites Colombia, S.A.S. (TCO)	**-%**	100%	Colombia	August 2021	Infrastructure

c) Revenue recognition

Rental and alteration service income

The Company is primarily engaged in leasing passive infrastructure, which consists of non-electronic components used in telecommunications networks, such as towers, masts and other structures designed to support antennas for telecommunications and broadcasting.

Alteration services to telephone carriers refer to the modifications that the Company makes to the passive infrastructure.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements under IFRS 15 *Revenue from Contracts with Customers*. Rents are reviewed and increased based on the National Consumer Price Index (NCPI) and the amount of rent is generally determined based on the specific characteristics of the sites where the leased passive infrastructure is.

d) Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions in certain areas. Actual results could differ from these estimates. The Company based its estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the estimates and their effects are shown in the financial statements when they occur.

These assumptions mostly refer to:

- Useful life estimates of items of property and equipment
- Allowance for expected credit losses
- Impairment in the value of long-lived assets
- Fair value of financial instruments
- Employee benefits
- Asset retirement obligation

e) Financial assets and financial liabilities

i. Financial assets

Initial recognition and measurement

Financial assets are classified as subsequently measured at amortized cost, financial assets at fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. See accounting policy in Note 2.c) Revenue recognition.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to generate cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows for the activities of the business and not a particular intention of holding an instrument. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortized cost (debt instruments)

b) Financial assets at fair value through OCI with recycling of cumulative gains and losses

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses

d) Financial assets at fair value through profit or loss

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for

forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, long-term debt, accounts payable and accrued liabilities.

All financial liabilities are recognized initially at fair value and, in the case of long-term debt, including directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities, long-term debt and loans to related parties.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

• **Long-term debt**

After initial recognition, interest-bearing long-term debt is subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as accrued interest expense in the statement of comprehensive income.

• Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

iii. Offsetting of financial instruments

The Company may offset a financial asset and a financial liability and present the net amount in its statement of financial position only when:

(i) it has the right and legal obligation to receive or pay an offsetting amount, therefore the Company has, in fact, an offsetting financial asset or liability; and

(ii) the net amount resulting from offsetting the financial asset and the financial liability reflects the Company's expected cash flows from settling two or more separate financial instruments.

iv. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's-length market transactions; reference to the current fair value of another financial instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

The hierarchy used for determining fair values is as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Variables other than the quoted prices included in level 1 that are observable for assets or liabilities, either directly (prices) or indirectly (price derivatives); and
- Level 3: Variables used for assets or liabilities that are not based on observable market data (unobservable variables).

Note 10 provides an analysis of the fair values of the Company's financial instruments.

f) Cash and cash equivalents

Cash in banks earns interest at floating rates on daily account balances. Cash equivalents are represented by short-term deposits made for terms ranging from one day to three days, and which bear interest at rates common for each type of short-term investment. These investments are stated at cost plus accrued interest, which is similar to their market value.

g) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent to be exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.

h) Property and equipment, net

The Company's property includes passive infrastructure, which includes non-electronic components used in telecommunications networks, including masts, towers and posts. These fixed assets are measured at fair value using the revaluation model specified in IAS 16 *Property, Plant and Equipment*. Company management periodically reviews the stated amounts of the Company's fixed assets whenever it believes that there is a significant difference between the carrying amount of an asset and its fair value. Depreciation is determined on fair values on a straight-line basis over the estimated useful lives of the assets starting at the time the assets are available for use.

The Company's equipment is carried at cost, net of accumulated depreciation, in accordance with IAS 16 *Property, Plant and Equipment*. Depreciation is determined on the assets' carrying amounts on a straight-line basis over the estimated useful lives of the assets, starting the month after the assets are available for use.

The Company periodically reviews the residual values, useful lives and depreciation methods of its fixed assets and adjusts them prospectively where appropriate at the end of each reporting period, in accordance with IFRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The revaluation surplus is recycled to retained earnings in the same proportion as the accounting depreciation over the useful live of the asset and, if the revalued asset is derecognized, the revaluation surplus is transferred to retained earnings without affecting the profit or loss for the period.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in other operating income or other operating expenses when the asset is derecognized.

Annual depreciation rates for 2022 and 2021 are as follows:

Passive infrastructure	3.33% to 6.67%
Computer equipment	30%
Automotive equipment	25%
Other equipment	10%

i) Licenses and software

The licenses and software acquired by the Company are classified as intangible assets with finite useful lives that are recognized at cost. Amortization of these intangible assets is calculated on the assets' carrying amounts on a straight-line basis based on the estimated useful lives of the assets.

The annual amortization rate for acquired licenses is 15%.

j) Impairment in the value of long-lived assets

The Company assesses at each reporting date whether there is an indication that its long-lived assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount, which is higher than the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired, and its carrying amount is written down to its recoverable amount, and the loss is immediately recognized in profit or loss.

The depreciation and amortization expense for future periods is adjusted to the new carrying amount during the remaining useful life of the related assets. Recoverable amounts are determined for each individual asset, unless the asset generates cash inflows that are closely dependent on the cash flows generated by other assets or group of assets (cash generating units).

The carrying amount of property and equipment is reviewed annually to verify if there are indicators of impairment in the value of such assets. When the recoverable amount of an asset, which is the higher of the asset's expected net selling price and its value in use (the present value of future cash flows) is less than its net carrying amount, the difference is recognized as an impairment loss.

As at 31 December 2022 and 2021, there were no indicators of impairment in the value of the Company's fixed assets.

k) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets, even if that asset is not explicitly specified in an arrangement.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. All other contracts are considered service contracts.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets (based on their relative materiality). The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation or amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognized, initial direct costs incurred by the lessee, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated or amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Buildings	5 to 12 years
Motor vehicles and offices	1 to 4 years

The right-of-use assets are also subject to impairment. Refer to the accounting policy on impairment in the value of non-financial assets in Note 2j).

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The Company discounts the present value of the future cash flows for its leases that are within the scope of IFRS 16 using an incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the leased asset. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company presents its lease liabilities separately from other liabilities in the statement of financial position.

l) Provisions, contingencies and commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provision amounts are determined as the present value of the expected outflow of resources to settle the obligation. The provisions are discounted using a pre-tax rate that reflects the current market conditions at the date of the statement of financial position and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are recognized only when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Also, contingencies are recognized only when they generate a loss.

m) Asset retirement obligation

The Company records a reserve for the decommissioning costs associated with the sites where its passive infrastructure is located. Decommissioning costs are measured at the present value of the costs expected to be incurred to settle the Company's obligation to decommission the assets. These costs are determined on the basis of the estimated cash flows and the asset retirement costs are capitalized as part of the carrying amounts of the related assets. For purposes of this calculation, cash flows are discounted at a pre-tax rate that reflects the risks associated with the asset retirement obligation. Reversals of previous discount rates are recognized in profit or loss as a financing cost as incurred.

Estimated future decommissioning costs are reviewed annually and are revised where needed. Changes in future cost estimates or discount rates are recognized as an increase or a decrease in the carrying amount of the asset.

n) Employee benefits

The Company annually recognizes the liability for seniority premiums based on independent actuarial calculations applying the projected unit credit method, using financial assumptions net of inflation. The latest actuarial calculation was prepared on 31 December 2022.

The Company creates a provision for the costs of compensated absences, such as paid annual leave, which is recognized using the accrual method.

o) Employee profit sharing

On September 1st 2021, as a result of the labor outsourcing reform, the Company hired the employees of Demonsa, S.A. de C.V. (the Transferor), and assumed all labor obligations related to past services. Accordingly, the Company recognized a defined benefit obligation and any other assumed labor obligations through profit or loss for the year.

The Company is only required to pay employee profit sharing based on its own profits.

As a result of the labor outsourcing reform, in 2021 the method used to calculate employee profit sharing was modified. New requirements were established, whereby the employee profit sharing payable to each employee is capped at three times their current monthly wage or the average employee profit sharing received by the employee in the three prior years (assigned employee profit sharing), whichever is higher.

If the amount of employee profit sharing determined by applying the 10% rate to taxable profit is higher than the sum of the employee profit sharing allocated to each employee, the latter must be considered as the amount of employee profit sharing payable for the period. In accordance with the Mexican Labor Law, the difference between these two amounts does not generate a payment obligation either in the current or future periods.

If current employee profit sharing calculated using a 10% rate of an entity's taxable profit is equal to or less than the amount of the employee profit sharing assigned to each employee, the former shall be considered as the current employee profit sharing for the period.

p) Income tax

Current income tax is recognized as a current liability, net of prepayments made during the year.

Deferred income tax is calculated using the asset and liability method established in IAS 12 *Income Taxes*.

Deferred income tax is calculated using the asset and liability method, based on the temporary differences between financial reporting and tax values of assets and liabilities at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

q) Uncertain tax positions

The Company periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation, and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. Tax balances are determined based on the 'most likely amount method' or the 'expected value' method, depending on which approach best predicts the resolution of the uncertainty.

r) Statement of cash flows

The statement of cash flows reports the cash generated and used by the Company during the year. It first shows the Company's profit before income tax, followed by its cash flows resulting from operating activities, then its cash flows resulting from investing activities, and lastly its cash flows resulting from financing activities.

For the years ended 31 December 2022 and 2021, the statement of cash flows was prepared using the indirect method.

s) Concentration of risk

The Company's principal financial instruments used to fund the Company's operations comprise bank loans, lines of credit, accounts payable and related party payables. The Company's principal financial assets include cash and cash equivalents, accounts receivable, related party receivables and other assets that derive directly from its operations.

The main risks associated with the Company's financial instruments are cash flow risk and market, credit and liquidity risks. The Company performs sensitivity analyses to measure potential losses in its operating results based on a theoretical increase of 100 basis points in interest rates. The Board of Directors approves the risk management policies that are proposed by Company management.

Credit risk is the risk that a counterparty will default on its payment of obligations with the Company. The Company is also exposed to market risks associated with fluctuations in interest rates.

Financial assets which potentially subject the Company to concentrations of credit risk are cash and cash equivalents, short-term deposits and debt instruments. The Company's policy is designed to avoid limiting its exposure to any one financial institution.

The Company continuously monitors its customer accounts and a portion of the Company's surplus cash is invested in time deposits in financial institutions with strong credit ratings.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended 31 December **2022**	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	**Ps. -**	**Ps. 982,098**	**Ps. -**	**Ps. -**	**Ps. 19,586,566**	**Ps. 20,568,664**
Accounts payable and other creditors	**-**	**107,305**	**-**	**-**	**-**	**107,305**
	Ps. -	**Ps. 1,089,403**	**Ps. -**	**Ps. -**	**Ps. 19,586,566**	**Ps. 20,675,969**

Year ended 31 December 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	Ps. -	Ps. 982,106	Ps. -	Ps. 541,880	Ps. 19,044,686	Ps. 20,568,672
Accounts payable and other creditors	-	142,403	-	-	-	142,403
	Ps. -	Ps. 1,124,509	Ps. -	Ps. 541,880	Ps. 19,044,686	Ps. 20,711,075

t) Statement of comprehensive income presentation

Costs and expenses shown in the Company's consolidated statement of comprehensive income are presented based on a combination of their function and their nature, which provides a clearer picture of the components of the Company's operating profit, since such classification allows for comparability of the Company's financial statements with those of other companies in its industry.

Although not required to do so under IFRS, the Company includes operating profit in the statement of comprehensive income, since this item is an important indicator for evaluating the Company's operating results. Operating profit consists of ordinary revenues and operating costs and expenses.

An analysis of the Company's other income for the years ended 31 December 2022 and 2021 is as follows:

	2022	2021
Restatement of recoverable value added tax	**Ps. 170,705**	Ps. 86,466
Unrealized loss on valuation of contracts	**15,041**	8,610
Recovery of expenses	**3,250**	1,413
Revenue from rent paid in advance	**-**	1,841
Recovery of rental expenses	**114**	2,804
Other	**354**	1,247
	Ps. 189,464	Ps. 102,381

3. NEW ACCOUNTING PRONOUNCEMENTS

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issue of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

a) Standards issued but not yet effective

IFRS 17 *Insurance Contracts*

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after January 1st 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1st 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgments*, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1st 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments are not expected to have a material effect on the Company´s Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are not expected to have a material effect on the Company´s Financial Statements.

b) New and amended standards and interpretations in 2021

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2021, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1st 2022. These amendments had no impact on the Company's consolidated financial statements.

Reference to the Conceptual Framework - Amendments to IFRS 3

In May 2021, the IASB issued Amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 *Levies*, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the *Framework for the Preparation and Presentation of Financial Statements*.

The amendments are effective for annual reporting periods beginning on or after January 1st 2022 and apply prospectively. The amendments are not expected to have a material effect on the Company's consolidated financial statements.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

4. CASH AND CASH EQUIVALENTS

An analysis of cash and cash equivalents as at 31 December 2022 and 2021 is as follows:

		2022		2021
Cash	**Ps.**	**5**	Ps.	5
Banks		**65,676**		94,186
Readily marketable securities		**4,822,625**		5,592,101
	Ps.	**4,888,306**	Ps.	5,686,292

5. ACCOUNTS RECEIVABLE

With regard to the bankruptcy proceeding filed by Altán Redes, S.A.P.I. de C.V., on 28 October 2022, the First District Judge in bankruptcy matters, residing in Mexico City and with jurisdiction throughout the country, issued a ruling approving the Bankruptcy Agreement dated 13 October 2022 filed by the bankruptcy mediator on 14 October 2022.

With respect to the Bankruptcy Agreement, the Company, in its capacity of creditor, did not grant any reduction to Altán Redes, S.A.P.I. de C.V., and the interest accrued on the recognized debt will be capitalized during the term of the agreement at the 28-day Mexican Weighted Interbank Interest Rate (TIIE, by its acronym in Spanish). The loan matures on 31 December 2056; however, the debtor can make prepayments if they have available cash flows and have settled all other debt balances with priority of payment.

As at 31 December, the long-term account receivable amounted to Ps. 413,694.

On 9 May 2022, the Company entered into an amending agreement to the commercial agreement entered on 29 May 2019 with Altán, whereby the latter was required to pay the outstanding debt balances accrued since December 2020. For purposes of this agreement, a discount of 17% was applied to the rental price for tower space, in accordance with the following:

- The contractual commitment for each tower will be for terms of ten years.
- A 17% discount is to be applied through the issuance of credit memos, solely and exclusively on the rental price for the approved tower space, for the first 3 years from 17 November 2021 to 16 November 2024, with a payment period of 180 calendar days from the issuance of the invoice, which shall be issued within the corresponding month.
- At the end of the 3-year period beginning on 17 November 2024, Altán shall have a period of 90 calendar days from the issuance of the invoice to make the payment.
- Should Altán fail to make any payment for the services to be rendered, there will be no grace period.

6. OTHER CURRENT AND NON-CURRENT ASSETS

An analysis of other current and non-current assets as at 31 December 2022 and 2021 is as follows:

		2022		2021
Advances to suppliers	**Ps.**	**19,313**	Ps.	21,680
Creditable input value added tax, net		**63,512**		31,140
Prepaid insurance		**28,356**		24,115
Fees and subscriptions		**64,192**		69,435
Total other current assets	**Ps.**	**175,373**	Ps.	146,370
Security deposits	**Ps.**	**159,442**	Ps.	145,991
Total other non-current assets	**Ps.**	**159,442**	Ps.	145,991

7. RELATED PARTIES

a) An analysis of balances due from and to related parties as at 31 December 2022 and 2021 is provided below. The companies mentioned in this note are considered associates or affiliates of the Company, since the Company's principal shareholders hold direct or indirect stakes in these companies.

		2022		2021
Receivables:				
Radiomóvil Dipsa, S.A. de C.V. (i)	**Ps.**	**44,626**	Ps.	58,071
Telesites, S.A.B. de C.V. (viii)		**-**		29,519
Teléfonos de México, S.A.B. de C.V. (iii)		**5,486**		24,201
Other related parties		**343**		698
	Ps.	**50,455**	Ps.	112,489
Payables:				
Operadora Cicsa, S.A. de C.V. (ix)	**Ps.**	**8,251**	Ps.	14,604
Teléfonos de México, S.A.B. de C.V. (iii)		**149,949**		-
PC Industrial, S.A. de C.V. (xi)		16		506
Radiomovil Dipsa, S.A. de C.V.		**4**		2,051
Seguros Inbursa, S.A., Grupo Financiero Inbursa (x)		**3,762**		3,311
Other related parties		**1,089**		2,653
	Ps.	**163,071**	Ps.	23,125

b) During the years ended 31 December 2022 and 2021, the Company had the following transactions with its related parties:

			2022		2021
Revenue:					
Radiomóvil Dipsa, S.A. de C.V.	Leasing (i)	**Ps.**	**9,088,800**	Ps.	7,718,877
	Alteration services (i)		**140,729**		160,257
Claro Costa Rica, S.A. de C.V.	Leasing (ii)		**122,547**		124,186
Teléfonos de México, S.A.B. de C.V.	Leasing (iii)		**335,813**		6,213
Teléfonos del Noreste, S.A. de C.V.	Leasing (iv)		**1,857**		1,704
Torres Latinoamérica, S.A. de C.V.	Expense reimbursements (v)		**537**		-
Carso Electric, S.A. de C.V.	Recovery of expenses (vi)		**22**		-
Telesites S.A.B. de C.V.	Interest (vii)		**-**		1,146
Expenses:					
Operadora Cicsa, S.A. de C.V.	Construction (viii)		**95,339**		138,590
Radiomóvil Dipsa, S.A. de C.V.	Leasing (i)		**65,435**		52,810
Seguros Inbursa, S.A., Grupo Financiero Inbursa	Insurance (ix)		**42,754**		37,700
PC Industrial, S.A. de C.V.	Maintenance (x)		**344**		20,490
Consorcio Red Uno, S.A. de C.V.	Leasing (xi)		**-**		160
Grupo Sanborns, S.A. de C.V.	Leasing (xii)		**1,040**		1,327
Fianzas Guardiana Inbursa, S.A.	Insurance (xiii)		**165**		-
Acolman, S.A.	Leasing (xiv)		**8,583**		8,349
Administradora Carso Palmas, A.C.	Leasing (xv)		**-**		715
Teléfonos de México, S.A.B. de C.V.	Fixed assets (iii)		**2,585,160**		6,993,400
Leasing (iii)			**-**		819
Teléfonos del Noroeste, S.A. de C.V.	Leasing (iv)		**-**		621
Alquiladora de casas, S.A. de C.V.	Leasing (xvi)		**86,849**		-
Carso Infraestructura y Construcción, S.A. de C.V.	Construction services (xvii)		**1,135**		-
Sears Operadora México, S.A. de C.V.	Maintenance (xviii)		**921**		-
Sanborns Hermanos, S.A. de C.V.	Leasing (xix)		**-**		1,742
Compañía de Teléfonos y Bienes, S.A. de C.V.	Leasing (xx)		**127,068**		-
Industrial Afiliada, S.A. de C.V.	Leasing (xxi)		**-**		5,930
Other	Leasing		**9**		1,554

(i) In accordance with the current reference offer for each year, each month the Company enters into several lease agreements with Telcel for the use of the Company's passive infrastructure and the provision of alteration services. All leases are for terms of 10 years, but at inception, the agreements are amended to extend the lease term depending on the circumstances of each particular site. As a result, the leases have maturities all the way through 2032 and include an option to renew for similar terms. Leased passive infrastructure is comprised of non-electronic components used in telecommunications networks, including but not limited to masts, towers, posts, sites, land and physical space. Alteration services refer to the modifications that the Company makes to passive infrastructure at the request of Telcel. For the years ended 31 December 2022 and 2021, revenue earned from these passive infrastructure leasing and alteration services totaled Ps. 9,088,800 and Ps. 7,718,877, respectively. The account receivable due from Telcel as at 31 December 2022 and 2021 is Ps. 44,626 and Ps. 58,071, respectively.

As at 31 December 2022 and 2021, revenue earned from alteration services recognized in profit or loss totaled Ps. 140,729 and Ps. 160,257, respectively.

(ii) During 2022 and 2021, the Company's transactions related to the use of passive infrastructure with Claro Costa Rica, S.A. (Claro) recognized in profit or loss totaled Ps. 122,547 and Ps. 124,186, respectively.

(iii) During 2022 and 2021, the Company's transactions related to the use of passive infrastructure with Teléfonos de México, S.A.B. de C.V. (Telmex) recognized in profit or loss totaled Ps. 335,813 and Ps. 6,213, respectively. As at 31 December 2022 and 2021, the account receivable due from Telmex was Ps. 5,486 and Ps. 24,201, respectively.

As at 31 December 2022 and 2021, the Company purchased a portfolio of towers from Telmex for a total sale price of Ps. 2,585,160 and Ps. 6,993,400, respectively. As at 31 December 2022, the account payable due to Telmex was Ps. 149,949.

(iv) During 2022 and 2021, the Company's transactions related to the use of passive infrastructure with Teléfonos del Noreste, S.A. de C.V. (Telnor) recognized in profit or loss totaled Ps. 1,857 and Ps. 1,704, respectively.

(v) During 2022, the Company's expense reimbursement from Torres Latinoamérica recognized in profit or loss totaled Ps. 537.

(vi) During 2021, the Company paid interest to Telesites totaling Ps. 1,146.

(vii) During 2022 and 2021, the Company had transactions related to the construction of passive infrastructure with Operadora Cicsa, S.A. de C.V. (CICSA). Maintenance expense was Ps. 95,339 and Ps. 138,590, respectively. As at 31 December 2022 and 2021, the account payable due to CICSA was Ps. 8,251 and Ps. 14,604, respectively.

(viii) During 2022 and 2021, the Company entered into insurance agreements described in its passive infrastructure lease agreements, with Seguros Inbursa, S.A., Grupo Financiero Inbursa (Inbursa). For the years ended 31 December 2021 and 2020, the Company's total charge for insurance costs was Ps. 42,754 and Ps. 37,700, respectively. As at 31 December 2022 and 2021, the account payable due to Inbursa was Ps. 3,762 and Ps. 3,311, respectively.

(ix) During 2022 and 2021, the Company had transactions related to preventive maintenance for passive infrastructure with PC Industrial, S.A. de C.V. (PCIS). Maintenance expense was Ps. 344 and Ps. 20,490, respectively. As at 31 December 2022 and 2021, the account payable due to PCIS was Ps. 16 and Ps. 506, respectively.

(x) During 2021, the Company had transactions related to leases with Consorcio Red Uno totaling Ps. 160.

(xi) During 2022 and 2021, the Company had transactions related to leases of sites for passive infrastructure with Grupo Sanborns, S.A. de C.V. (Sanborns) totaling Ps. 1,040 and Ps. 1,327, respectively.

(xii) During 2021, the Company had transactions related to leases with Fianzas Guardiana Inbursa, S.A. (Guardiana) totaling Ps. 165.

(xiii) During 2022 and 2021, the Company had transactions related to leases with Acolman, S.A. (Acolman) totaling Ps. 8,583 and Ps. 8,349, respectively.

(xiv) During 2021, the Company had transactions related to leases with Administradora Carso Palmas, A.C. (Administradora) totaling Ps. 715.

(xv) During 2022, the Company had transactions related to leases with Alquiladora de Casas, S.A. de C.V. totaling Ps. 86,849.

(xvi) During 2022, the Company had transactions related to leases with Carso Infraestructura y Construcción, S.A. de C.V. totaling Ps. 1,135.

(xvii) During 2022, the Company had transactions related to leases with Sears Operadora México, S.A. de C.V. totaling Ps. 992.

(xviii) During 2022, the Company had transactions related to leases with Sanborns Hermanos, S.A. de C.V. totaling Ps. 1,742.

(xix) During 2022, the Company had transactions related to leases with Compañía de Teléfonos y Bienes, S.A. de C.V. totaling Ps. 127,068.

(xx) During 2021, the Company had transactions related to leases with Industrial Afiliada, S.A. totaling Ps. 5,930.

8. PROPERTY AND EQUIPMENT, NET

The Company has two main types of towers: rooftop towers and greenfield towers, which are located in open areas. Most of the Company's greenfield towers can accommodate up to three customers, except for towers that are more than 45 meters high, which can accommodate up to five customers. Rooftop towers equipped with additional masts can accommodate more customers, provided that there is sufficient floor space available on-site to install the additional masts. As at 31 December 2022, the Company's passive infrastructure is comprised of 21,521 towers (19,759 towers as at 31 December 2021).

The Company's passive infrastructure is located in Mexico, distributed across nine cellular regions as defined by telecommunications sector rules and regulations.

An analysis of property and equipment as at 31 December 2022 and 2021 is as follows:

Item	Passive infrastructure	Automotive equipment	Other equipment	Construction in process	Land	Total
Investment:						
As at 31 December 2020	Ps. 73,446,416	Ps. 14,797	Ps. 79,859	Ps. 220,432	Ps. 47,101	Ps. 73,808,605
Additions	20,206,626	9,666	29,854	1,145,040	3,440	21,394,626
Additions from revaluation surplus (Note 2h)	2,370,360	-	-	-	-	2,370,360
Disposals from revaluation surplus (Note 2h)	(4,613,610)	-	-	-	-	(4,613,610)
Disposals	(2,810,318)	-	-	(854,815)	-	(3,665,133)
As at 31 December 2021	88,599,474	24,463	109,713	510,657	50,541	89,294,848
Additions	**4,132,302**	**1,974**	**7,733**	**1,312,263**	**3,495**	**5,457,767**
Additions from revaluation surplus (Note 2h)	**5,106,684**	**-**	**-**	**-**	**-**	**5,106,684**
Disposals	**-**	**-**	**-**	**(1,431,943)**	**-**	**(1,431,943)**
As at 31 December **2022**	**Ps. 97,838,460**	**Ps. 26,437**	**Ps. 117,446**	**Ps. 390,977**	**Ps. 54,036**	**Ps. 98,427,356**

Item		Passive infrastructure		Automotive equipment		Other equipment		Construction in process		Land		Total
Depreciation:												
As at 31 December 2020	Ps.	(13,659,778)	Ps.	(9,761)	Ps.	(23,762)	Ps.	-	Ps.	-	Ps.	(13,693,301)
Depreciation expense		(3,402,087)		(5,759)		(15,175)		-		-		(3,423,021)
Disposals		-		-		-		-		-		-
As at 31 December 2021		(17,061,865)		(15,520)		(38,937)		-		-		(17,116,322)
Depreciation expense		**(3,823,016)**		**(2,484)**		**(57,488)**		**-**		**-**		**(3,882,987)**
Disposals		**-**		**-**		**-**		**-**		**-**		**-**
As at 31 December **2022**	**Ps.**	**(20,884,881)**	**Ps.**	**(18,004)**	**Ps.**	**(96,425)**	**Ps.**	**-**	**Ps.**	**-**	**Ps.**	**(20,999,309)**
Asset retirement obligation:												
As at 31 December 2020	Ps.	476,645	Ps.	-	Ps.	-	Ps.	-	Ps.	-	Ps.	476,645
Cancellations		-		-		-		-		-		-
Amortization		(25,551)		-		-		-		-		(25,551)
Increase for the year		44,501		-		-		-		-		44,501
As at 31 December 2021		495,595		-		-		-		-	Ps.	495,595
Cancellations		-		-		-		-		-		-
Amortization		**(26,326)**		**-**		**-**		**-**		**-**		**(26,326)**
Increase for the year		**119,104**		**-**		**-**		**-**		**-**		**119,104**
As at 31 December **2022**	**Ps.**	**588,372**	**Ps.**	**-**	**Ps.**	**-**	**Ps.**	**-**	**Ps.**	**-**	**Ps.**	**588,373**
Carrying amount:												
As at 31 December **2022**	**Ps.**	**77,541,952**	**Ps.**	**8,433**	**Ps.**	**21,021**	**Ps.**	**390,977**	**Ps.**	**54,036**	**Ps.**	**78,016,420**
As at 31 December 2021	Ps.	72,033,204	Ps.	8,943	Ps.	70,776	Ps.	510,657	Ps.	50,541	Ps.	72,674,121

Depreciation expense of property and equipment and amortization expense of licenses and software for the years ended 31 December 2022 and 2021 was Ps. 3,882,987 and Ps. 3,425,212, respectively.

9. ASSET RETIREMENT OBLIGATION

An analysis of the Company's asset retirement obligation as at 31 December 2022 and 2021 is as follows:

		2022		2021
Balance as at 1 January	**Ps.**	**1,056,581**	Ps.	1,012,080
Increase for additions of passive infrastructure		**145,430**		50,979
Redemptions		**(26,326)**		(6,478)
Utilized		**-**		-
Balance as at 31 December	**Ps.**	**1,175,685**	Ps.	1,056,581

As at 31 December 2022, the review of the cash flow estimates and discount rates determined no changes in these variables compared to the prior year.

10. SHORT- AND LONG-TERM DEBT

a) Analysis of long-term debt

Breakdown of debt			2022		2021
Bank loans	Long term	Ps.	-	Ps.	542,166
Amortized cost			-		(286)
			-		541,880
Issue of structured notes (“certificados bursátiles”)	Long term		19,785,918		19,071,751
Amortized cost			(23,133)		(27,065)
			19,762,785		19,044,686
Total long-term debt		Ps.	19,762,785	Ps.	19,586,566

b) Analysis of short-term debt and interest

Breakdown of debt			2022		2021
Bank loans	Short term	Ps.	-	Ps.	450,000
Bank loan – Bank of America	Short term		458,700		-
		Ps.	458,700	Ps.	450,000

Breakdown of debt			2022		2021
Interest payable on structured notes (*“certificados bursátiles”*)	Short term	Ps.	547,257	Ps.	529,096
Interest payable on bank loans	Short term		-		258
Interest payable on bank loans – Bank of America	Short term		1,785		2,744
Total interest payable			549,042		532,098
Total short-term debt and interest		Ps.	1,007,742	Ps.	982,098

c) Issue of structured notes

On 17 July 2015, as part of its structured note placement program through Inversora Bursátil, S.A. de C.V., Casa de Bolsa Grupo Financiero Inbursa (Inversora), Opsimex was authorized to issue five-year structured notes (“certificados bursátiles”) of up to Ps. 22,000,000 or its equivalent in UDIs (investment units). Opsimex issued the following structured notes under this program:

i) On 5 August 2015, Opsimex issued series 1 OSM-15 Mexican peso structured notes for a total issue of Ps. 3,500,000, and with a maturity date of 23 July 2025. These structured notes bear annual gross interest of 7.97%.

ii) On 23 September 2015, Opsimex reissued its series 1 OSM-15R Mexican peso structured notes for a total issue of Ps. 3,710,000, and with a maturity date of 23 July 2025. These structured notes bear annual gross interest of 7.97%.

iii) On 5 August 2015, Opsimex issued series 2 OSM-152 Mexican peso structured notes for a total issue of Ps. 4,500,000, and with a maturity date of 29 July 2021. These structured notes bear annual gross interest of 0.5% + 28-day Mexican Weighted Interbank Interest Rate (TIIE). As at 31 December 2021, Opsimex repaid these structured notes in full on 29 July 2021.

iv) On 5 August 2015, Opsimex issued series 3 OSM-15U structured notes denominated in UDIs for a total issue of Ps. 7,000,000 (equal to 1,324,169 UDIs), and with a maturity date of 17 July 2030. These structured notes bear annual gross interest of 4.75%.

v) On 18 February 2016, Opsimex reissued its series 1 OSM-15 2R Mexican peso structured notes for a total issue of Ps. 2,500,000, and with a maturity date of 23 July 2025. These structured notes bear annual gross interest of 7.97%.

vi) On 27 July 2021, Opsimex issued series OSM-0120 Mexican peso structured notes for a total issue of Ps. 1,000,000, and with a maturity date of 26 January 2021. These structured notes bear annual interest of 6.70%. As at 31 December 2021, Opsimex repaid these structured notes in full on 26 January 2021.

vii) On 27 July 2021, Opsimex issued series OSM-0220 Mexican peso structured notes for a total issue of Ps. 2,000,000, and with a maturity date of 27 July 2021. These structured notes bear annual interest of 6.70%. As at 31 December 2021, Opsimex repaid these structured notes in full on 27 July 2021.

An analysis of the historical amounts and the outstanding accrued interest under the long-term structured notes as at 31 December 2022 is as follows:

Series	Maturity date	Long-term debt	Interest payable
OSM-15 Mexican pesos series 1	23 July 2025	**Ps. 3,500,000**	Ps. 121,653
OSM-15R Mexican pesos series 1	23 July 2025	**3,710,000**	128,952
OSM-15 2R Mexican pesos series 1	23 July 2025	**2,500,000**	86,895
OSM-15U UDIs series 3	17 July 2030	**10,075,918**	209,757
		Ps. 19,785,918	Ps. 547,257

An analysis of the historical amounts and the outstanding accrued interest under the long-term structured notes of Opsimex as at 31 December 2021 is as follows:

Series	Maturity date	Long-term debt	Interest payable
OSM-15 Mexican pesos series 1	23 July 2025	Ps. 3,500,000	Ps. 120,878
OSM-15R Mexican pesos series 1	23 July 2025	3,710,000	128,131
OSM-15 2R Mexican pesos series 1	23 July 2025	2,500,000	86,342
OSM-15U UDIs series 3	17 July 2030	9,361,751	193,745
		Ps. 19,071,751	Ps. 529,096

As at 31 December 2022 and 2021, the value of one UDI was $ 7.6468 pesos and $ 7.1082 pesos, respectively. As at 25 April 2023, the date of issue of these consolidated financial statements, the value of the UDI was $ 7.7879 pesos.

Redemptions

The Series 1 (OSM-15, OSM-15R, OSM-15 2R) Mexican peso structured notes and Series 3 (OSM-15U) structured notes in UDIs of Opsimex do not stipulate early redemptions during their lifetimes, and principal is repayable to noteholders at maturity.

d) Bank loans

An analysis of the Company's short-term bank loans as at 31 December 2022 is as follows:

Currency	Item	Rate	Maturity date		Short-term debt		Interest payable
Mexican pesos:	Bank of America, N.A. (i)	4.52%	23 February 2023	**Ps.**	**409,898**	**Ps.**	**1,595**
	Bank of America, N.A. (ii)	4.52%	23 February 2023		**48,802**		**190**
	Total debt			**Ps.**	**458,700**	**Ps.**	**1,785**

An analysis of the Company's long-term bank loans as at 31 December 2021 is as follows:

Currency	Item	Rate	Maturity date		Short-term debt		Interest payable
Mexican pesos:	Bank of America, N.A. (i)	4.52%	23 February 2023	Ps.	490,732	Ps.	2,468
	Bank of America, N.A. (ii)	4.52%	23 February 2023		51,148		277
	Total debt			Ps.	541,880	Ps.	2,744

(i) On 23 February 2018, the Company renewed its line of credit of USD 24,000 with Bank of America (BOFA). This loan matures on 23 February 2023 and bears interest on outstanding balances at a rate of 4.52%. As at 31 December 2022 and 2021, the outstanding balance of this loan is Ps. 409,898 and Ps. 490,732, respectively, and interest payable on the loan is Ps. 1,595 and Ps. 2,468, respectively. On 22 February 2023, the Company repaid USD 3,000.

(ii) On 24 May 2018, the Company renewed its line of credit of USD 2,500 with BOFA. This loan matures on 23 February 2023 and bears interest on outstanding balances at a rate of 4.52%. As at 31 December 2022 and 2021, the outstanding balance of this loan is Ps. 48,802 and Ps. 51,148, respectively, and interest payable on the loan is Ps. 190 and Ps. 277, respectively.

An analysis of the Company's short-term bank loans as at 31 December 2022 and 2021 is as follows:

Currency	Item	28-day TIIE + basis points	Maturity date		Long-term debt		Interest payable
Mexican pesos:	Banco Santander, S.A. (i)	6.36%	26 January 2022	**Ps.**	**350,000**	**Ps.**	**186**
	Banco Inbursa, S.A. (ii)	6.51%	26 April 2022		**100,000**		**72**
	Total debt			**Ps.**	**450,000**	**Ps.**	**258**

(i) On 8 January 2021, the Company entered into a 12-month current account loan agreement in Mexican pesos with Banco Santander, S.A. Institución de Banca Múltiple for financing of up to Ps. 500,000. The loan bears interest on the outstanding balance at the 28-day TIIE + 6 basis points. On 28 October 2021, the Company drew down Ps. 100,000 from this line of credit. This drawdown matured in one month and was repaid in full on 26 November 2021.

On 28 December 2021, the Company drew down Ps. 350,000 from this line of credit. This drawdown matures in one month and bears interest at the 28-day TIIE + 6 basis points. As at 31 December 2021, the outstanding balance of this loan is Ps. 350,000 and accrued interest payable on the loan is Ps. 186. As at 31 December 2022, the Company repaid the loan in full.

(ii) On 28 October 2021, the Company entered into a current account loan agreement in Mexican pesos with Banco Inbursa, S.A. Institución de Banca Múltiple for financing of up to Ps. 100,000. This loan matures on 26 April 2022 and bears interest on the outstanding balance at the 28-day TIIE + 8 basis points. As at 31 December 2021, the outstanding balance of this loan is Ps. 100,000 and accrued interest payable on the loan is Ps. 72. As at 31 December 2022, the Company repaid the loan in full.

11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

An analysis of the Company's financial assets and financial liabilities as at 31 December 2022 and 2021 is as follows:

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	**Ps. 19,762,785**	**Ps. 18,795,983,979**	Ps. 19,586,566	Ps. 19,200,241

The fair value of the Company's financial assets and liabilities is determined based on the price at which a financial instrument can be traded in an orderly transaction between market participants, without being a forced sale or liquidation.

Management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

12. LEASES

The Company has lease contracts for various items of property, motor vehicles and offices used in its operations. Leases of properties generally have lease terms between 5 and 12 years, while motor vehicles and offices generally have lease terms between 1 and 4 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Leased properties	Other leases	Total
As at 31 December 2021	Ps. 11,941,028	Ps. 1,590	Ps. 11,942,618
Additions and reclassifications	6,825,494	19,955	6,845,449
Depreciation	(1,661,284)	710	(1,660,574)
As at 31 December 2021	17,105,238	22,255	17,127,493
Additions and reclassifications	**4,431,224**	**6,081**	**4,437,305**
Depreciation	**(2,160,997)**	**(11,025)**	**(2,172,022)**
As at 31 December 2022	**Ps. 19,375,465**	**Ps. 17,311**	**Ps. 19,392,776**

Set out below are the carrying amounts of lease liabilities recognized and the movements during the period:

	2022	2021
As at 1 January 2021	**Ps. 18,262,010**	Ps. 12,555,935
Additions	**4,437,305**	6,845,449
Accretion of interest	**1,832,264**	1,416,680
Lease payments	**(2,964,179)**	(2,556,054)
As at 31 December 2022	**Ps. 21,567,400**	Ps. 18,262,010

The following are the amounts recognized in profit or loss:

		2022		2021
Depreciation of right-of-use assets	**Ps.**	**2,172,022**	Ps.	1,660,574
Lease interest		**1,832,264**		1,416,680
Total amount recognized in the statement of comprehensive income	**Ps.**	**4,004,286**	Ps.	3,077,254

13. RETIREMENT BENEFITS

An analysis of the net periodic benefit expense and the defined benefit obligation associated with the Company's post-employment benefits (seniority premiums and termination benefit plan) as at and for the years ended 31 December 2022 and 2021 is as follows:

a) Net periodic benefit expense

	2022					
		Retirement benefits		Termination benefits		Total
Analysis of net periodic benefit expense for 2022:						
Current-year service cost	**Ps.**	**812**	**Ps.**	**473**	**Ps.**	**1,285**
Interest cost		**548**		**605**		**1,153**
Net periodic benefit expense	**Ps.**	**1,360**	**Ps.**	**1,078**	**Ps.**	**2,438**

	2021					
		Retirement benefits		Termination benefits		Total
Analysis of net periodic benefit expense for 2021:						
Current-year service cost	Ps.	666	Ps.	614	Ps.	1,280
Interest cost		620		451		1,070
Net periodic benefit expense	Ps.	1,286	Ps.	1,064	Ps.	2,350

b) An analysis of changes in the Company's net defined benefit obligation is as follows:

		Retirement benefits		Termination benefits		Total
Net defined benefit obligation:						
Net defined benefit obligation as at 31 December 2020	Ps.	7,158	Ps.	3,480	Ps.	10,638
Remeasurements for the year		615		327		942
Current-year service cost		-		-		-
Interest cost		566		427		993
Charges to the reserve		-		(354)		(354)
Actuarial gain		(641)		1,803		1,162
Net defined benefit obligation as at 31 December 2021		7,698		5,683		13,381
Remeasurements for the year		-		-		-
Current-year service cost		**(192)**		**923**		**731**
Interest cost		**-**		**-**		**-**
Charges to the reserve		**-**		**(551)**		**(551)**
Actuarial gain		**(799)**		**(822)**		**(1,624)**
Net defined benefit obligation as at 31 December **2022**	**Ps.**	**6,707**	**Ps.**	**5,233**	**Ps.**	**11,937**

c) An analysis of the net defined benefit obligation is as follows:

		2022				
		Retirement benefits		Termination benefits		Total
Provisions for:						
Vested benefit obligation	**Ps.**	**6,707**	**Ps.**	**5,230**	**Ps.**	**11,937**
Net defined benefit obligation	**Ps.**	**6,707**	**Ps.**	**5,230**	**Ps.**	**11,937**

		2021				
		Retirement benefits		Termination benefits		Total
Provisions for:						
Vested benefit obligation	Ps.	7,698	Ps.	5,682	Ps.	13,380
Net defined benefit obligation	Ps.	7,698	Ps.	5,682	Ps.	13,380

d) The key assumptions used in the actuarial study, expressed in absolute terms, were as follows:

	2022	2021
Financial assumptions		
Discount rate	**10.07%**	8.05%
Expected salary increase rate	**7.50%**	7.00%
Inflation rate	**3.75%**	3.50%
Biometric assumptions		
Mortality rate	EMSSA 2009 Dynamic	EMSSA 2009 Dynamic
Disability rate	IMSS 97	IMSS 97

As at 31 December 2022 and 2021, the Company does not have any material contingent liabilities for employee benefits.

14. EMPLOYEE BENEFITS

As at 31 December 2022 and 2021, the Company has recognized accrued liabilities for short-term employee benefits. An analysis is as follows:

		As at 31 December 2020		Arising during the year		Utilized		As at 31 December 2021		Arising during the year		Utilized		As at 31 December **2022**
Paid annual leave	Ps.	2,117	Ps.	4,484	Ps.	(3,464)	Ps.	3,137	**Ps.**	**4,019**	**Ps.**	**(4,317)**	**Ps.**	**2,839**
Vacation premium		3,822		4,431		(6,026)		2,227		**8,312**		**(5,638)**		**4,901**
Bonuses		13,276		13,100		(15,129)		11,247		**19,617**		**(12,694)**		**18,170**
Employee profit sharing		2,201		27,233		(2,201)		27,233		**18,127**		**(21,110)**		**24,250**
	Ps.	21,416	Ps.	49,248	Ps.	(26,820)	Ps.	43,844	**Ps.**	**50,075**	**Ps.**	**(43,759)**	**Ps.**	**50,160**

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

An analysis of accounts payable and accrued liabilities is as follows:

		2022		2021
Suppliers and accounts payable	**Ps.**	**107,305**	Ps.	142,403
Provisions and accrued liabilities		**61,836**		89,264
Total	**Ps.**	**169,141**	Ps.	231,667

The above-mentioned provisions represent expenses incurred in 2022 and 2021 or services contracted during these years that are to be paid in the following year. There is uncertainty as to both the final amounts payable and the timing of the Company's cash outlay and thus, the amounts shown above may vary.

16. EQUITY

a) An analysis of the Company's share capital as at 31 December 2022 and 2021 is as follows:

		2022		2021	
Series	Share capital	No. of shares	Amount	No. of shares	Amount
A	Minimum, fixed	**-**	**Ps. -**	50,000	Ps. 50
B	Minimum, fixed	**-**	**-**	35,124,997	9,950
A-1	Minimum, variable	**3,300,000**	**23,733**	-	-
		3,300,000	**Ps. 23,733**	35,174,997	Ps. 10,000

b) The Company's share capital is variable, with an authorized fixed minimum of Ps. 23,733, represented by 3,300,000 series "A-1" common registered shares, issued and outstanding, with no par value. These shares are registered on the National Securities Registry under file number 3495-1-2022-1 and listed on the stock exchange under ticker symbol SITES1.

c) As at 31 December 2022, the Company had treasury shares comprised of 62,483,000 Series A-1 shares for subsequent reissuance as set forth in the Mexican Securities Trading Act.

d) In accordance with the Mexican Corporations Act, the Company is required to appropriate at least 5% of the net profit of each year to increase the legal reserve. This practice must be continued each year until the legal reserve reaches 20% of the value of the Company's share capital. The legal reserve is included as part of Retained earnings. As at 31 December 2022 and 2021, the legal reserve is Ps. 3,359.

e) Earnings distributed in excess of the Net taxed profits account (CUFIN, by its acronym in Spanish) balance will be subject to the payment of corporate income tax at the statutory rate at that time. The payment of this tax may be credited against the Company's current income tax.

f) As a result of the 2014 Mexican Tax Reform, dividends paid to individuals and foreign corporations from earnings generated as of 1 January 2014 shall be subject to an additional 10% withholding tax.

g) Through resolutions adopted at a regular shareholders' meeting held on 26 January 2022, the shareholders declared a cash dividend of Ps. 100,320. This dividend was paid out from the CUFIN account on 27 January 2022.

h) Through resolutions adopted at a regular shareholders' meeting held on 18 February 2022, the shareholders declared a cash dividend of Ps. 100,320. This dividend was paid out from the CUFIN account on 21 February 2022.

i) Through resolutions adopted at a regular shareholders' meeting held on 31 March 2022, the shareholders authorized a program for the purchase and issuance of shares representing the Company's share capital, as provided for in Article 60 of the General Rules Applicable to Securities Issuers, in accordance with Article 56 of the Mexican Securities Trading Act, for a total amount of Ps. 2,500,000.

j) Through resolutions adopted at a regular shareholders' meeting held on 29 April 2022, the shareholders declared a cash dividend of $0.48 per issued and outstanding share representing the Company's share capital. The amount of the dividend to be paid will depend on the repurchase or reissue of the Company's own shares. This dividend was paid out on 30 May 2022.

17. INCOME TAX

On 30 October 2020, the Mexican Congress approved the 2021 Tax Reform, which became effective on January 1st 2021. Among other changes, the reform establishes a net interest expense deduction limitation equal to 30% of an entity's adjusted tax profit. This limitation is only applicable when the amount of the aggregate interest payments of the members of a corporate group in Mexico exceeds 20 million Mexican pesos. The 2021 Tax Reform had no effect on the Company's consolidated financial statements.

a) The Mexican Income Tax Law (MITL) establishes a corporate income tax rate of 30% for fiscal years 2022 and 2021.

b) An analysis of income tax recognized in profit or loss for the years ended 31 December 2022 and 2021 is as follows:

		2022		2021
Current income tax	**Ps.**	**901,521**	Ps.	663,643
Deferred income tax		**(250,483)**		(439,100)
Total income tax	**Ps.**	**651,038**	Ps.	224,543

c) A reconciliation of the Company's net deferred income tax assets and liabilities is as follows:

		2022		2021
As at 1 January	**Ps.**	**(4,267,059)**	Ps.	(6,191,456)
Deferred income tax recognized in profit or loss		**250,483**		439,100
Deferred income tax in other comprehensive income		**(6,245)**		(716,392)
Deferred income tax reclassified to retained earnings		-		2,201,689
As at 31 December	**Ps.**	**(4,022,821)**	Ps.	(4,267,059)

d) A reconciliation of the statutory income tax rate to the effective income tax rate recognized by the Company for financial reporting purposes is as follows:

	2022	2021
Statutory income tax rate	**30%**	30%
Effect of reconciling items:		
Taxable effects of inflation	**55**	99
Property and equipment, net	**(30)**	(52)
Non-deductible items	**1**	1
Provisions	**2**	-
Reversal of provisions	**3**	-
Leases	**18**	12
Share of profit/(loss) of trust	**3**	(40)
Effective income tax rate	**82%**	50%

e) An analysis of the effects of temporary differences giving rise to deferred tax assets and liabilities is as follows:

		2022		2021
Deferred tax assets:				
Provisions and accrued liabilities	**Ps.**	**18,724**	Ps.	34,892
Interest pursuant to Article 28.XXXII		**-**		5,269
Employee benefits		**7,676**		14,101
Retirement benefits		**3,581**		4,014
Total deferred tax assets		**29,981**		58,276
Deferred tax liabilities:				
Property and equipment, net		**17,163**		57,089
Surplus on revaluation of assets		**4,029,691**		4,265,045
Amortized cost		**761**		395
Prepaid expenses		**5,187**		2,806
Total deferred tax liabilities		**4,052,802**		4,325,335
Deferred tax liability, net	**Ps.**	**(4,022,821)**	Ps.	(4,267,059)

f) For the years ended 31 December 2022 and 2021, the Company reported taxable profit of Ps. 3,005,068 and Ps. 2,212,143, respectively, on which income tax payable was Ps. 901,520 and Ps. 663,643, respectively.

g) As at 31 December 2022 and 2021, the Company has the following tax balances:

		2022		2021
Restated contributed capital account (CUCA)	**Ps.**	**29,329**	Ps.	13,505
Net taxed profits account (CUFIN)		**21,209,264**		18,958,239

h) FIBRA real estate tax regime

The Trust is subject to the tax treatment set forth in the Tax Provisions related to FIBRAs (FIBRA Tax Regime) applicable to trusts engaged in the acquisition or construction of property and must comply with the requirements established in the related provisions. The Trust and its Noteholders must fulfill the tax obligations arising from the Trust's activities in accordance with the FIBRA Tax Regime.

The Trust is not subject to the payment of income tax; however, it is required to calculate its taxable profit in terms of the Tax Provisions regarding FIBRAs, and distribute at least 95% of its annual taxable profit to its noteholders.

For the years ended 31 December 2022 and 2021, the Trust determined taxable profit of Ps. 1,497,707 and Ps. 322,973, respectively, in accordance with the Tax Regime for FIBRAs.

Pursuant to Articles 187 and 188 of the MITL, Rules 3.21.2.2. and 3.21.2.3. of the 2022 Miscellaneous Tax Resolution and other applicable tax laws, the Trust must comply with certain requirements, which include the following:

a) The Trust is primarily engaged in the acquisition or construction of real estate intended to be leased, or to acquire the right to receive income from the leasing of such real estate.

b) At least 70% of the Trust's net assets must be invested in real estate, while the remainder must be invested in government securities registered with the National Securities Registry, or in mutual funds.

c) The real estate built or acquired is intended for leasing and cannot be sold unless at least four years as of the date of completion of construction or acquisition thereof have elapsed, respectively. The real estate sold before such period has elapsed shall not be subject to the preferential tax treatment established in Article 188 of the MITL.

d) The Trustee must issue equity certificates for the Trust's net assets, and such certificates must be placed in Mexico among the general investing public.

e) The Trustee must distribute, at least once a year and no later than 15 March, at least 95% of its taxable profit from the immediately prior year generated from the Trust's net assets to all noteholders.

f) Mobile telecommunications towers must be intended exclusively for commercial exploitation through service agreements for shared access and use of the infrastructure to be used, operated and exploited as a location for active and passive infrastructure.

g) In terms of Rule 3.21.3.5., the value of mobile telecommunications towers that are an integral part of the Trust's net assets is to be determined using the procedure established to restate the acquisition cost of the real estate referred to in Article 124 of the MITL, except when the real estate where the towers are built is also part of the Trust's net assets, in which case the value of the towers is to be determined as part of the construction cost of such property.

In accordance with Article 187 of the MITL, the Trust will be also subject to the provisions of Article 188 of the MITL, as follows:

a) In terms of Title II of the Law, the Trustee shall determine the Trust's taxable profit for the year on revenue earned from property, rights, loans or securities that are an integral part of the Trust's net assets.

b) Taxable profit for the year shall be divided by the number of equity certificates issued by the Trustee to the Trust in order to determine the amount of taxable profit corresponding to each individual certificate.

c) The Trustee must withhold from the holders of the equity certificates income tax on the distributed amount of such tax result, applying the rate set forth in Article 9 of the Law, unless the noteholders are exempt from the payment of income tax on such income.

d) The holders of the equity certificates shall be subject to the payment of income tax on income earned from the sale of such certificates.

e) Whenever the trustors contribute real estate to the Trust that will be immediately leased to such trustors by the trustee, the trustors may defer payment of income tax payable on income earned from the sale of the property until the date on which the lease agreement is terminated, provided that such period does not exceed 10 years, or at the time the trustee sells the contributed real estate, whichever occurs first.

Dignified vacation reform

The vacation reform published in the *Official Gazette on* 27 December 2022 and effective as of January 1st 2023 amends Articles 76 and 78 of the Federal Labor Law, which address vacation periods. Workers who have more than one year of service are now entitled to 12 paid vacation days per year, increasing by two days for each additional year of service until the fifth year (20 days). As of the sixth year, the number of vacation days granted to employees will increase by two days for each additional five years of service. Each employee may use such vacation days as they prefer, upon agreement with their employer. Article 78 was amended to indicate that, of the total vacation period provided for in Article 76, the worker shall be entitled to at least twelve continuous days. As at 31 December 2022, the Company recognized an increase in the provision for paid annual leave in its financial statements.

Labor outsourcing reform

In April 2021, the Mexican government amended the Federal Labor Law, the Federal Tax Code and other laws that regulate employment in order to prohibit the outsourcing of employees, except under specific circumstances. Derived from this tax reform, entities are not allowed to deduct outsourcing expenses or credit their input value added tax on outsourcing expenses. In a worst-case scenario, labor outsourcing may be considered as tax fraud. This reform became effective on September 1st 2021.

As a result of the labor outsourcing reform, the Company transferred employees between Group companies, along with all labor obligations related to past services provided. The labor outsourcing reform had no effect on the Company's consolidated financial statements.

Employee profit sharing

As a result of the labor outsourcing reform, in 2021 the method used to calculate employee profit sharing was modified. New requirements were established, whereby the employee profit sharing payable to each employee is capped at three times their current monthly wage or the average employee profit sharing received by the employee in the three prior years (assigned employee profit sharing), whichever is higher.

If the amount of employee profit sharing determined by applying the 10% rate to taxable profit is higher than the sum of the employee profit sharing allocated to each employee, the latter must be considered as the amount of employee profit sharing payable for the period. In accordance with the Mexican Labor Law, the difference between these two amounts does not generate a payment obligation either in the current or future periods.

If current employee profit sharing calculated using a 10% rate of an entity's taxable profit is equal to or less than the amount of the employee profit sharing assigned to each employee, the former shall be considered as the current employee profit sharing for the period.

18. CONTINGENCIES AND COMMITMENTS

Since 2013, the Mexican government has been formulating a new regulatory framework for the country's telecommunications and the broadcast sectors. This new regulatory framework is based on a set of constitutional reforms that were enacted in June 2013, which took effect in July 2014, and which led to the enactment of a new Federal Telecommunications and Broadcasting Law and Mexican Public Broadcasting System Law to replace the existing regulatory framework.

As a result, the Federal Telecommunications Institute (IFT) was created as an independent agency tasked with promoting and regulating access to Mexico's telecommunications and broadcast infrastructure (including passive infrastructure).

The IFT also has the power to oversee fair competition in the telecommunications and broadcast sectors by imposing asymmetric regulations on sector participants that it deems market dominant and it may also declare that a company is a so-called "preponderant economic agent" in either of these two sectors.

In March 2014, the IFT issued a ruling (the Ruling) through which it declared that America Móvil and Telcel, together with other market participants, represented an "economic interest group" that is a so-called "preponderant economic agent" in the telecommunications sector. The IFT ordered America Móvil and Telcel to take specific actions to force both companies to grant access to and to share their passive infrastructure with other carriers. The Company's and the Trust's passive infrastructure includes non-electronic components used in telecommunications networks, including but not limited to rights of way, ducts, masts, ditches, towers, posts, equipment installations and related supplies, security, auxiliary equipment, land, physical space and pipes.

The Federal Telecommunications and Broadcasting Law that was published in July 2014 states that the IFT shall be tasked with promoting the execution of agreements between asset owners and customers in order for the former to provide access to this passive infrastructure to the latter. Whenever the negotiations surrounding these agreements prove unsuccessful, the IFT may intercede to determine the pricing and the terms of the commercial agreements. The IFT also has the power to regulate the terms of passive infrastructure agreements between assets owners and their customers, and it may assess the agreements in terms of fair competition and take actions to ensure that the terms and conditions for the use and sharing of the passive infrastructure are non-discriminatory.

In February 2017, the IFT issued a Biennial Ruling that amended, eliminated and supplemented the provisions stipulated in the original Ruling. Additionally, in December 2020, the IFT issued a second Biennial Ruling, whereby the IFT's plenary session amended, eliminated and supplemented the measures imposed on the so-called preponderant economic agent in the telecommunications sector. The amendments applicable to passive infrastructure have been deemed immaterial.

Merger

At the date of issue of these merged financial statements and with regard to the disappearing entity, the Company is in the process of obtaining acceptance from the tax authority of the processing form for the notice of cancellation of the Federal Taxpayer Registry (RFC, by its acronym in Spanish) due to merger.

In this regard, and in accordance with the procedure in force, it shall be deemed to be complete when the Company has filed the cancellation of the RFC of the disappearing entities mentioned in the preceding paragraph, as set out in Article 24 Section I of said code, Rule 2.5.25 of the Miscellaneous Tax Resolution and processing forms "86/CFF Notice of cancellation in the RFC due to merger" and "316/CFF Review prior to the filing of the notice of cancellation in the RFC".

Therefore, if the procedure for the cancellation of the RFC of the disappearing companies is not completed, the tax authorities could consider the merger as a disposal for tax purposes, with the relevant implications established in the MITL, Value Added Tax Law and other applicable laws.

Reference offer

In accordance with the Ruling as amended by the Biennial Ruling and in terms of the new regulatory framework, Telcel has drafted and/or updated its reference offer, which will be valid until 31 December of each year. As a result, Opsimex, as the transferee of Telcel and owner of the passive infrastructure, has complied with the terms of the Ruling.

In the terms of the Biennial Ruling, there is an offer currently in effect, which was duly approved by the IFT in November 2022 and will be valid from January 1st to 31 December 2023. As per the terms of the reference offer, carriers must sign both a general agreement and an individual agreement for each site they acquire access to for a minimum of ten years.

According to the Biennial Ruling, in July of each year the Company will be required to file a new reference offer for approval by the IFT. These new reference offers shall take effect on January 1st of the following year, although operators may agree on reference offers with longer terms than their current reference offers.

Towers and Antennas

The Company is subject to regulatory requirements regarding the registration, zoning, construction, lighting, demarcation, maintenance and inspection of towers, as well as land-use restrictions for the land on which the Company's towers are located. Failure to comply with these regulations may lead to fines. The Company believes that it complies substantially with all applicable regulations.

19. SEGMENT INFORMATION

The Company has passive infrastructure installed throughout Mexico and in various sites abroad. Its principal business segment is leasing this infrastructure. At the date of issue of these consolidated financial statements, the Company's business is geographically divided into the following regions:

		2022			2021		
Region	Mexican states	Infrastructure rental income	Depreciation of right-of-use assets	Depreciation of passive infrastructure	Infrastructure rental income	Depreciation of right-of-use assets	Depreciation of passive infrastructure
1	Baja California Sur and Baja California	**Ps. 459,909**	**Ps. 122,171**	**Ps. 172,798**	Ps. 399,685	Ps. 94,084	Ps. 155,464
2	Sinaloa and Sonora	**691,448**	**135,521**	**278,623**	587,573	127,863	228,148
3	Chihuahua and Durango	**596,545**	**90,884**	**248,191**	430,491	95,748	170,792
4	Nuevo León, Tamaulipas and Coahuila	**1,204,026**	**210,514**	**424,878**	1,023,973	211,693	337,692
5	Jalisco, Michoacán, Colima and Nayarit	**1,310,664**	**240,922**	**512,433**	1,071,156	231,614	395,739
6	Querétaro, Guanajuato, San Luis Potosí, Aguascalientes and Zacatecas	**1,222,533**	**246,269**	**461,948**	1,021,248	227,376	383,929
7	Puebla, Veracruz, Oaxaca and Guerrero	**1,747,197**	**338,907**	**614,700**	1,374,145	297,634	485,058
8	Yucatán, Campeche, Tabasco, Chiapas and Quintana Roo	**1,254,683**	**227,363**	**429,769**	968,774	226,323	314,367
9	Hidalgo, Morelos and Mexico City	**1,932,746**	**535,380**	**653,755**	1,687,277	122,681	904,356
	Total	**Ps. 10,419,751**	**Ps. 2,147,931**	**Ps. 3,797,095**	Ps. 8,564,322	Ps. 1,635,016	Ps. 3,375,545
	Other foreign sites						
1	Costa Rica	**Ps. 125,575**	**Ps. 24,091**	**Ps. 25,921**	Ps. 124,187	Ps. 25,558	Ps. 26,542
	Total foreign sites	**125,575**	**24,091**	**25,921**	124,187	25,558	26,542
	Total	**Ps. 10,545,326**	**Ps. 2,172,022**	**Ps. 3,823,016**	Ps. 8,688,509	Ps. 1,660,574	Ps. 3,402,087

20. SUBSEQUENT EVENTS

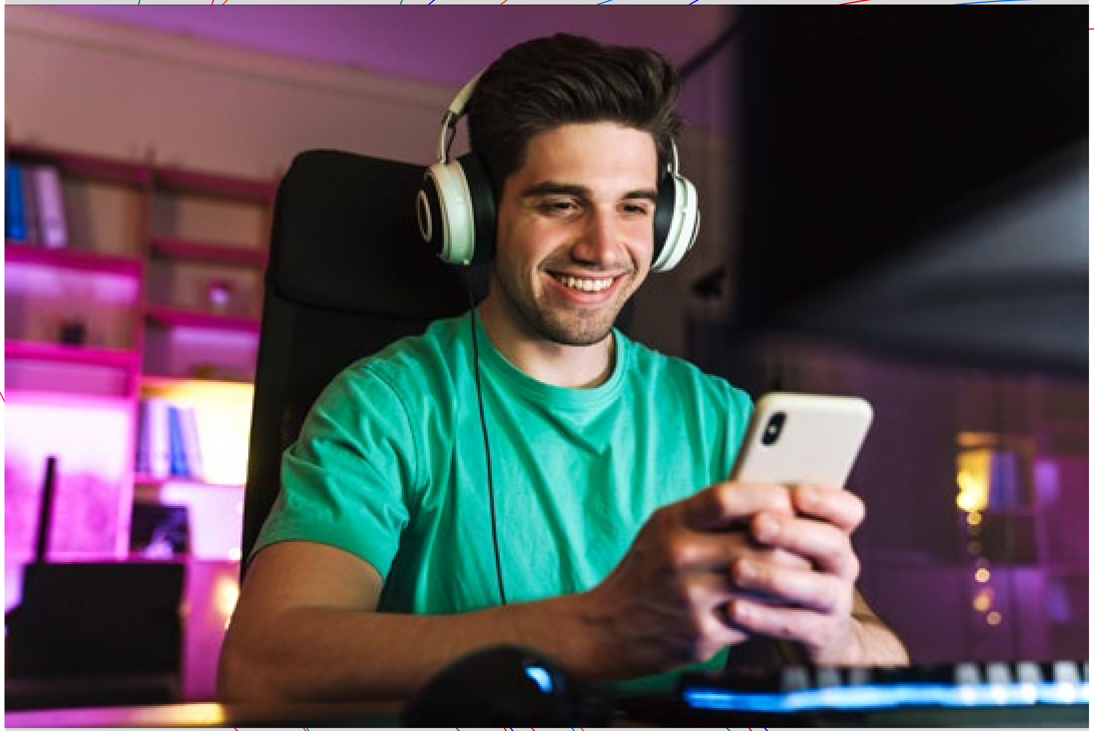
i) The loan payable by Telesites Costa Rica to Bank Of America matured on 23 February 2023. On that same date, the parties to the loan agreement extended the maturity date through an extension letter, whereby they agreed to increase the interest rate to 5.60% and set the new maturity date at 2 March 2023.

On March 1st 2023, amendment number 1 was signed under the unsecured term loan agreement, which ratifies the 5.6% interest rate and extends the loan term for 5 years as of the signing date.

ii) In January 2023, the Company paid interest of Ps. 391,243 and Ps. 243,983 on its OSM-15 Mexican peso structured notes and OSM-15U UDI structured notes, respectively.

INVESTOR INFORMATION

telesites



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Stock information
Series A1 shares of Operadora de Sites Mexicanos, S.A.B de C.V. are listed on the Mexican Stock Exchange under the ticker symbol “SITES1”.

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