2023 Annual Report

telesites

PROFITABLE Strength AND GROWTH

CONTENT

OPSIMEX IN NUMBERS

AVERAGE CAPEX

$1.3

million pesos on sites that boost Mexican telecommunications' growth.

+23 thousand

sites generating revenue

$11.89

billion pesos in revenues

9.3% increase vs 2022.

1,395

sites built **during 2023.**

$11.22

billion pesos in EBITDA

9.4% increase vs 2022.

Service availability 24 hours a day, **365 days a year** and response in **less than 48 hours.**

TO OUR INVESTORS

telesites

GENERAL SHAREHOLDERS' MEETING
BOARD OF DIRECTORS
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 our capacity as members of the Executive Committee of Operadora de Sites Mexicanos, S.A.B. de C.V. (the "Company" or "Opsimex"), we are pleased to present this report on the Company's operations during the fiscal year ended December 31, 2023.

Economic Overview 2023

In 2023, the global economy experienced a GDP growth of 3.1%. The United States maintained a stable economy despite high-interest rates, achieving full employment and sustained consumption. Furthermore, China showed a strong recovery, growing from 3.0% in 2022 to 5.2% in 2023, aided by government fiscal stimuli. Specifically, the United States recorded a 2.5% growth during the same period, driven by a 4.2% increase in durable goods consumption and a 2.3% increase in services, offsetting a 10.6% decline in residential investment due to rising interest rates.

The Mexican economy expanded by 3.2% in 2023, with the construction sector leading this growth with a 15.5% increase, thanks to infrastructure projects and investments from nearshoring. Private consumption maintained an upward trend, evidenced by a 4.0% growth in commerce, driven by a 6.3% increase in the average real wage of workers insured by the Mexican Social Security Institute (IMSS) and a record high in remittances, which reached $63.28 billion dollars.

The Mexican peso closed the year at $16.97 per dollar, appreciating by 13.0%, fluctuating between a high of $19.54 at the beginning of the year and a low of $16.62 in July 2023. This appreciation is mainly attributed to the real interest rate differential between Mexico and the United States, as well as positive net flows in the payments' balance, driven by remittances and foreign direct investment.

The Bank of Mexico raised the benchmark interest rate twice in 2023, from 10.50% to 11.25%, while the U.S. Federal Reserve increased it from 4.50% to 5.50%.

Globally, the year was marked by a normalization of inflation after the significant impact of the Russia-Ukraine conflict in 2022, which had increased food and energy prices. Mexico closed with an inflation rate of 4.7%, decreasing from 7.8% in 2022, with core inflation at 5.1% and non-core inflation at 3.4%. The United States ended with an inflation rate of 3.4%, down from 6.5% the previous year, with inflationary pressures mainly in the services sector at 5.3%.

For the first time, according to the U.S. Census Bureau, Mexico became the main exporter to the United States, with exports valued at $475.6 billion dollars in 2023, surpassing China and Canada.

Nevertheless, Mexico recorded a trade deficit of $5.46 billion dollars, with an oil deficit of $18.54 billion dollars not fully offset by a non-oil surplus of $13.07 billion dollars; automotive exports stood out with a 14.3% increase during the year.

The country's public finances remained stable, with public debt as a percentage of GDP closing the year at 46.8%, a primary deficit of 0.1%, and public sector financial requirements of -4.3%. For 2024, the Ministry of Finance and Public Credit anticipates a primary deficit of 1.2% and a fiscal deficit of 5.4%.

Mexico faces a historic opportunity to attract unprecedented investment and advance towards development, driven by its strategic geographical position, international trade dynamics, and the quality and capacity of its workforce. These elements position it as an attractive center for manufacturing and services for companies seeking to optimize their logistics chains and reduce costs without compromising quality.

Investment as a percentage of GDP reached 24.4% in 2023, marking one of the highest levels in the country. If we can achieve an investment of 28 to 30% of GDP in the coming years, the country's economy could grow by 5 to 6% per year.

Report on Opsimex's Operational and Financial Results

Below, we present some comments on the outstanding figures shown in the Company's financial statements at the close of the 2023 fiscal year, which are attached to this report, including the opinion issued by the External Auditor.

Opsimex began 2023 with a portfolio of 21,702 sites generating revenue. During the year, 1,395 sites were added to revenues, of which 1,123 were built during the year, 82 were acquired by Opsimex, and 190 by the Opsimex Trust 4594 ("FSites"), closing the year with a consolidated portfolio of 23,097 towers, of which 8,391 are directly in Opsimex, 14,396 are owned by FSites, and 310 are owned by Telesites Costa Rica.

During this year, 241 new co-location contracts were added to revenues, resulting in a consolidated tenancy ratio of 1.266 operators per tower at the end of 2023.

The Company recorded total revenues of 11.8 billion pesos, implying an annual growth of 11.5% compared to the previous year, mainly due to the increase in sites and new co-locations registered during the year. EBITDA closed at 11.3 billion pesos and increased by 11.8% compared to 2022, with an EBITDA margin of 95.8% at the end of 2023.

Capital investments made by Opsimex during 2023 amounted to 2.7 billion pesos, including 0.9 billion corresponding to the acquisition of 272 towers by Fsites and Opsimex.

On April 28, 2023, Opsimex Shareholders' Meeting approved the distribution of a dividend of 1.6 billion pesos, which was paid on May 30, 2023.

Opsimex continues to focus on generating stable growth, based on the constant expansion of its clients' networks and the construction of telecommunications towers that this entails. The FSites portfolio grew from 13,122 towers generating revenue at the end of 2022 to 14,396 at the end of 2023.

In 2023, the Company, along with its subsidiaries, once again demonstrated its characteristic resilience, taking advantage of growth opportunities both organically and inorganically. It has operated efficiently and stably, with healthy finances and robust planning. Our future perspective of continuing to exploit the growth potential and optimizing the use of the company's resources remains strong.

We reiterate our commitment to our employees, customers, and suppliers to continue operating in adherence to the highest standards of quality and service.

To the company's shareholders: Thank you for staying with us and for your trust. On behalf of the Operadora de Sites Mexicanos, S.A.B. de C.V. team, we reaffirm our commitment to perfecting the execution of the Company's activities.

Sincerely,
Executive Committee
Operadora de Sites Mexicanos, S.A.B. de C.V.

Gerardo Kuri Kaufmann

Juan Rodriguez Torres

ABOUT OUR COMPANY

Operadora de Sites Mexicanos is a Mexican company that builds, installs, maintains, operates and sells several types of passive telecommunications infrastructure, including towers, support structures, physical spaces and other non-electronic elements. With **approximately 23,000 towers distributed across the nine regions of Mexico,** it is currently the main supplier of this type of infrastructure in the country. Moreover, the company has presence in Costa Rica with a **portfolio of 310 towers.**

Operadora de Sites Mexicanos, S.A.B. de C.V. has the following participation in two entities:

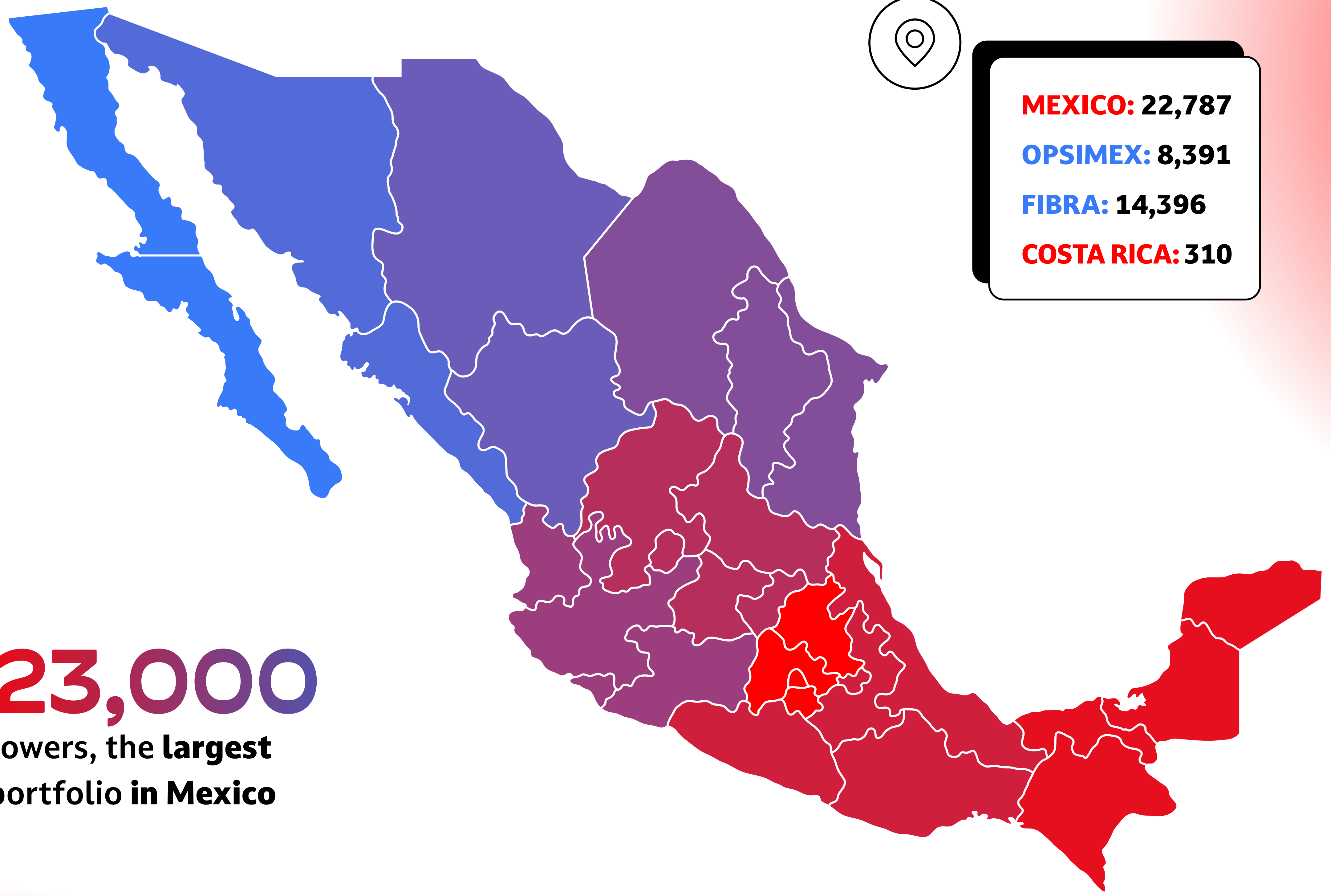
1. Fideicomiso Opsimex 4594 — 72.5%

2. Telesites Costa Rica, S.A. — 100%

TOTAL SITES

23,097

REGION	SITES
1	956
2	1,488
3	1,372
4	2,431
5	2,932
6	2,745
7	4,071
8	3,062
9	3,730



MEXICO: 22,787
OPSIMEX: 8,391
FIBRA: 14,396
COSTA RICA: 310

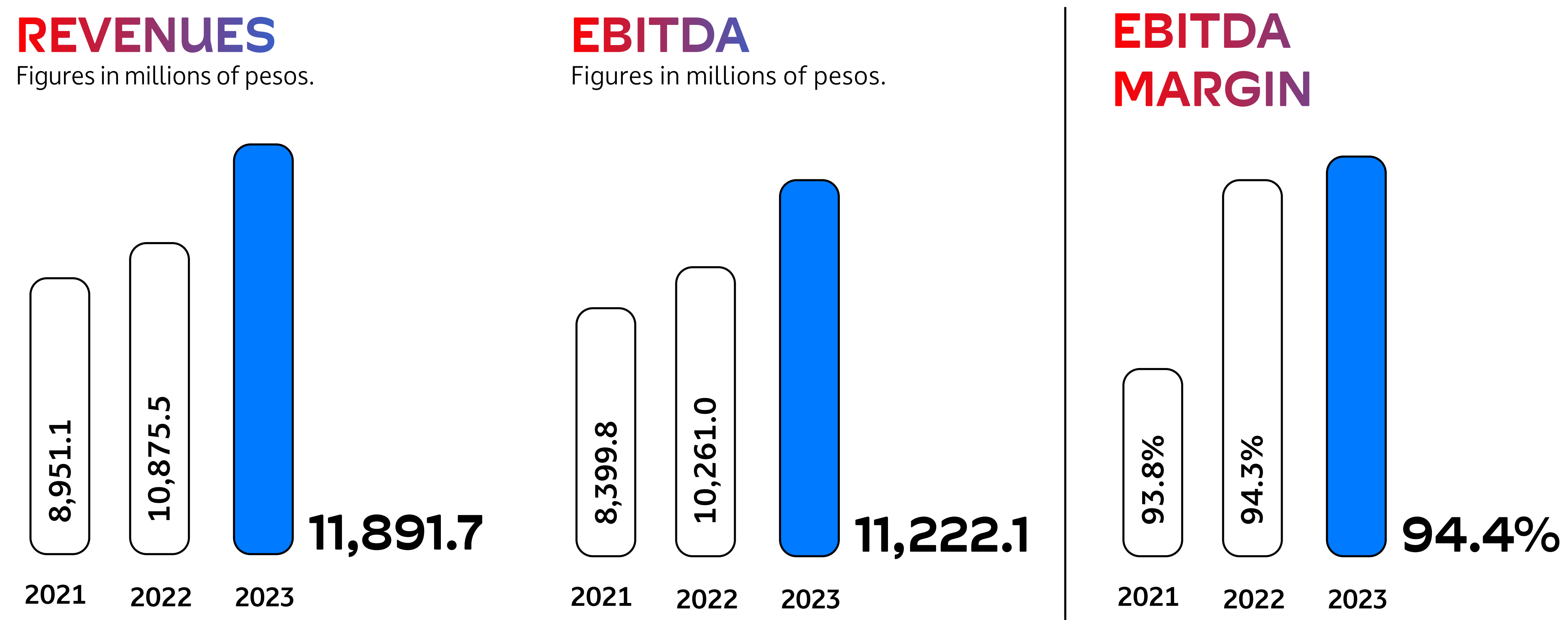
≈23,000

towers, the **largest** portfolio **in Mexico**

2023 OPERATING SUMMARY

Total revenues at the **close of 2023 were $11.89 billion pesos**, a **9.3% increase compared to 2022**. Accumulated EBITDA was **$11.22 billion pesos, 9.4%** more than the previous year, representing **94.4% of revenues.** Moreover, Opsimex's portfolio reports **23,097 sites generating revenue, 1,395 more than in 2022,** representing a **6.4%** increase. As of the end of 2023, **184 sites** were at several stages of construction.

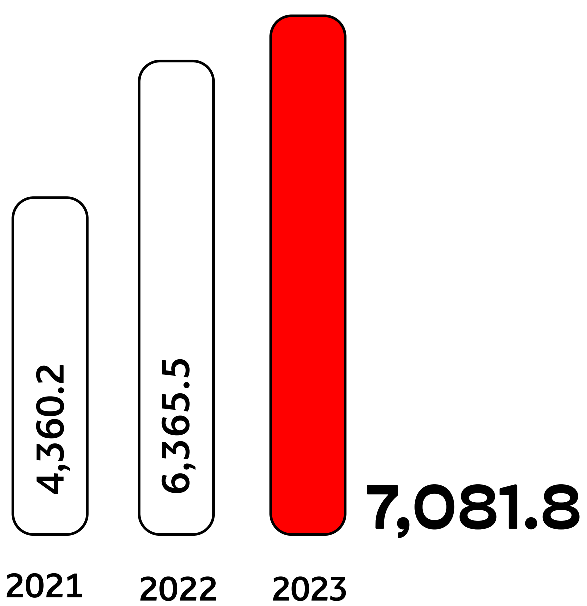
OPSIMEX



FIBRA

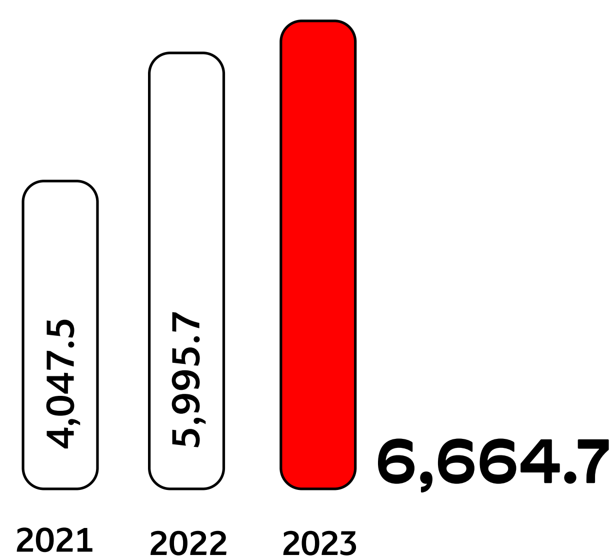
REVENUES

Figures in millions of pesos.

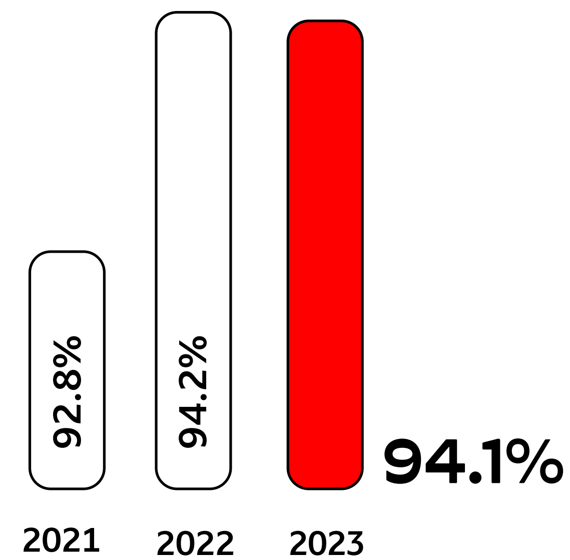


EBITDA

Figures in millions of pesos.



EBITDA MARGIN



At the end of 2023, **14,396 sites** were generating revenue, amounting to **$7.08 billion pesos for FIBRA**. Of this amount, **$5.16 billion pesos (72.9%)** came from tower revenue. EBITDA was **$6.66 billion pesos**, resulting in a margin of **94.1%.**

VALUE PROPOSITION

COMMERCIAL

Telesites is committed to expanding its portfolio of sites through investments in infrastructure construction in both urban and rural environments. This strategy addresses the growing demand for connectivity and the need for digital inclusion, particularly by **businesses and government entities looking to extend their reach.**

We commit to responding to our clients' requests **within 48 hours**, meeting the **efficiency and speed** standards **demanded by the market.**

The company has focused on providing **4G and 5G connectivity solutions** to meet the requirements of long-term contracts established with our clients. These contracts guarantee financial stability and support investments in building new towers, ensuring our profitability.

In 2023, **Telesites** faced the challenges of the global economic slowdown with effective resilience measures. The company managed to maintain the same growth rate in Build-to-Suit assignments as in previous years and aimed to keep the average accounts receivable turnover below 30 days. **This strategy aims to foster capital expenditure (CAPEX)** in infrastructure projects with sound profitability, contributing to the country's economic development.

In 2023, Telesites' commercial area achieved significant milestones that boosted its efficiency and competitiveness. The successful implementation of the **SAP system** enabled smooth management of orders, billing, and price updates, facilitating a seamless beginning to revenue generation. The systematization of the commercial process also allowed the visualization of telecommunications towers through the SAP system, providing clients with detailed information about available sites.

This focus on transparency and efficiency strengthened commercial relationships and attracted new clients specializing in infrastructure services for **maritime platforms and virtual mobile operators with LTE technology.**

$1.3
million pesos

investment per site, multiplied by the constructed towers, demonstrates Telesites' significant investment **in the growth of the Mexican economy and its telecommunications network.**

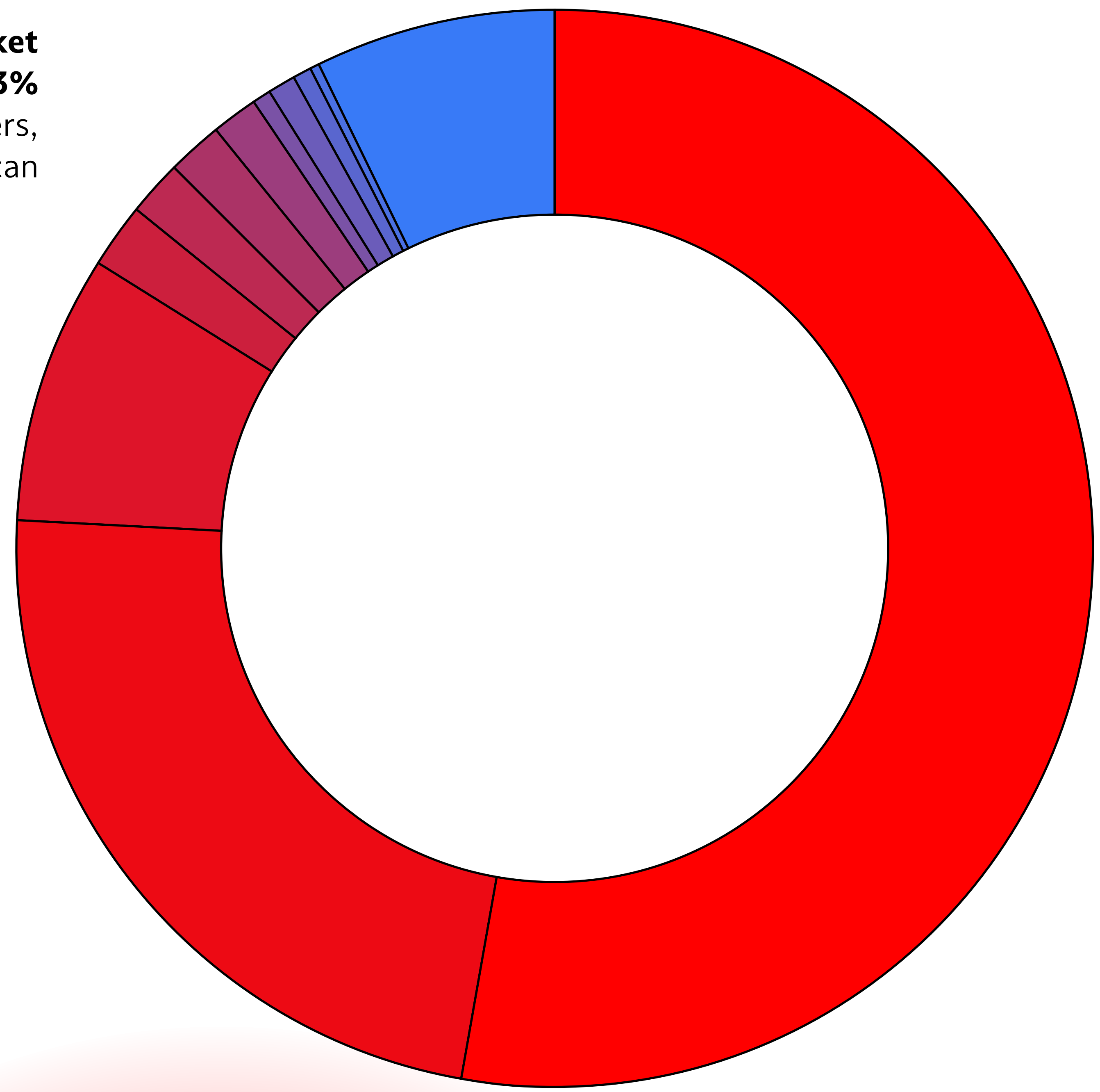
In complex situations, we demonstrate our ability to find sustainable solutions that minimize risks and maximize benefits for all involved parties.

MARKET SHARE

One of our greatest strengths is the **large-scale construction of Build-to-Suit sites.**

The following graph shows the **market share in Mexico**, where we have a **53%** share based on the number of towers, while our main competitor, American Towers, has **23%.**

Source: TowerXchange



NUMBER OF TOWERS

- **22,787 - Telesites**
- 9,850 - American Tower
- 3,500 - Mexico Telecom Partners
- 805 - Centennial Towers
- 733 - Phoenix Towers International
- 650 - MX Towers
- 600 - IIMT
- 302 - Torrecom
- 300 - Neutral Networks/Southern Cross (Evengroup)
- 220 - Intelli Site Solutions
- 200 - QMC Telecom International
- 7 - Tower One Wireless
- 3,000 Estimated unknown MNO tower count

Regarding data protection and cybersecurity, **at Telesites, each account executive is assigned the exclusive responsibility of attending to a single client,** ensuring a personalized and secure handling of confidential information. This practice exemplifies our strong commitment to **protecting our clients' data.**

Additionally, we use a cloud-based contract repository through the **Checkpoint** platform. This solution provides controlled access to contractual information, ensuring data confidentiality and integrity. Our IT department implements rigorous cybersecurity policies to safeguard the sensitive information of the company and our clients.

CONSTRUCTION

Telesites, Mexican leader in telecommunications infrastructure, executes infrastructure projects with a meticulous and structured approach, reflecting its commitment to excellence and operational efficiency. The process begins with receiving tasks assigned by the client, followed by an evaluation of search areas. Then, a technical validation is conducted by the client, and detailed proposals are developed in collaboration with suppliers. After the site construction and administrative procedures, the client takes charge of the operational deployment. This rigorous and collaborative approach ensures high standards of quality and efficiency.

From the construction area, **Telesites prioritizes quality, efficiency, and transparency in all operations** through collaboration with the client, optimization of internal processes, and continuous monitoring of regional conditions. To optimize supervision, the strategic allocation of supervisors is adjusted according to each region's needs. In construction, stringent **quality control processes are established, including periodic evaluations and concrete quality checks.**

16% savings
in the **2023 construction budget** due to improved commercial processes.

Close collaboration with the client involves smooth communication and constant project monitoring to proactively identify and solve obstacles. Internally, processes are reviewed and optimized to simplify and streamline workflows, ensuring transparency and effective management.

In 2023, Telesites restructured and improved its processes, starting with strategic meetings with teams from nine regions to identify critical areas and improvement opportunities in construction control and workflow validation.

A **16% savings was accomplished in the planned construction budget for 2023**. This achievement is due to improved budget management processes, resulting in greater operational efficiency and better financial management for the company.

AT TELESITES, MAINTENANCE IS DIVIDED INTO THREE ESSENTIAL CATEGORIES:

PREVENTIVE, CORRECTIVE, AND MAJOR.

95%

compliance
at designated
maintenance sites.

MAINTENANCE

Preventive maintenance focuses on preserving and preventing future problems in tower structures, with three modalities adapted to each type of tower to ensure optimal conditions. Telesites collaborates with specialized suppliers to carry out these tasks.

Corrective maintenance addresses issues detected during preventive inspections, implementing actions to address minor damages and prevent major problems. Recently, regional supervision and supplier allocation have been reorganized to enhance work quality. This approach serves as an internal audit to evaluate the consistency and effectiveness of maintenance operations nationwide.

Major maintenance involves more extensive interventions in tower structures, evaluating the cost-benefit ratio between making significant repairs and completely replacing the tower. Additionally, the process of relocating sites upon contract termination is managed to ensure operational continuity.

Strategically, **Telesites has implemented various strategies** to improve resource management. The supplier structure has been changed by region to establish an internal audit, prioritizing quality and supervision in work. Additionally, the focus is on addressing critical needs in major maintenance first to optimize budget use.

THROUGHOUT 2023,

we **implemented rigorous expense controls for maintenance** and achieved notable efficiency in managing the maintenance budget.

Telesites' core strategy for ensuring effective quality control in maintenance involves stringent supervision by internal staff at all process stages. From problem identification to job completion, compliance with established specifications and standards is guaranteed. Furthermore, **preventive measures ensure worker safety, including certifications for both internal staff and external providers, ensuring a safe and efficient work environment.**

CORPORATE GOVERNANCE

At Opsimex, corporate governance is a fundamental part of our operations. We are focused on transparency, ethics, and responsibility, with practices designed to promote shareholder trust, ensure regulatory compliance, and foster an organizational culture based on integrity and excellence. We have concrete policies, boards, and strategies implemented to ensure the effectiveness of our operations.

BOARD OF DIRECTORS

Our Board of Directors is composed of **six proprietary directors without designated alternates**. According to our bylaws, the Board must have between five and twenty-one proprietary directors and an equal number of alternates. Directors are not required to be shareholders, but most proprietary and alternate directors must be of Mexican nationality and designated by Mexican shareholders.

During the annual shareholders' meeting, the appointment or re-election of proprietary and alternate directors takes place. According to the **Securities Market Law (LMV),** which we adhere to in all our governance operations, the shareholders' meeting must evaluate the directors' independence. According to our bylaws, at least 25% of directors must be independent; however, we currently have 50% independent directors, exceeding the legal requirement and reflecting our commitment to transparency.

Board members are appointed for one year. Nonetheless, the **General Law of Commercial Companies (LGSM)** states that directors will continue in office for up to thirty days after their terms expire if their successors have not been appointed or have not assumed their roles. In specific situations, the Board can appoint interim directors, and the shareholders' meeting can confirm these appointments or their corresponding successors.

Verónica Ramírez Villela and Eriván Urióstegui Hernández serve as secretary and deputy secretary of the Board of Directors, respectively, though they are not Board members.

JUAN RODRÍGUEZ TORRES
Chairman

Independent Director
for **8 years.**

GERARDO KURI KAUFMANN
Proprietary Director

Non-Independent Director
for **8 years.**

DANIEL DÍAZ DÍAZ
Proprietary Director

Non-Independent Director
for **8 years.**

DANIEL GOÑI DÍAZ
Proprietary Director

Independent Director
for **2 years.**

VÍCTOR ADRIÁN PANDAL GONZÁLEZ
Proprietary Director

Independent Director
for **2 years.**

LUIS RAMOS LIGNAN
Proprietary Director

Independent Director
for **2 years.**

There are no consanguinity or affinity relationships between the Board members and their executives.

OUR BOARD MEMBERS

JUAN RODRÍGUEZ TORRES

Is a civil engineer graduated from the National Autonomous University of Mexico (UNAM) and is 84 years old. He holds several positions in different companies and organizations, including being a member of the board of directors of Grupo Sanborns, S.A.B. de C.V., and Elementia Materiales, S.A.P.I. de C.V., where he is also a member of their audit and corporate practices committees. Additionally, he is a board member of Fortaleza Materiales, S.A.P.I. de C.V.

He is the chairman of the audit and corporate practices committee of Minera Frisco, S.A.B. de C.V., chairman of the corporate practices and audit committee of Fomento de Construcciones y Contratas, S.A., and a member of their committees.

He serves as a board member in Cementos Portland Valderrivas, S.A. and its committees, and is the non-executive chairman of the real estate group REALIA Business, S.A. He also chairs 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., companies related to the Society. Furthermore, he is a board member of Procorp, S.A. de C.V., Sociedad de Inversión de Capitales, and an advisory board member of Grupo Financiero Banamex.

He is the founder of several companies in the real estate and footwear sectors and is currently the Chairman of the Board of Directors, a member of the audit and corporate practices committee, and part of the Society's Executive Committee.

GERARDO KURI KAUFMANN

Is an industrial engineer graduated from the Universidad Anáhuac, aged 40. From 2008 to 2010, he served as the purchasing director at Carso Infraestructura y Construcción, S.A. de C.V. Subsequently, after the formation of Inmuebles Carso, S.A.B. de C.V., he assumed its general management and is currently part of its board of directors as well as all its subsidiaries.

Additionally, he is a board member and CEO of Minera Frisco, S.A.B. de C.V., and participates in the boards of directors of Elementia Materiales, S.A.P.I. de C.V., Realia Business, S.A., Fomento de Construcciones y Contratas, S.A., where he also integrates the Executive Committee, Cementos Portland Valderrivas, S.A., and Carso Infraestructura y Construcción, S.A. de C.V. He also serves as the alternate chairman of the board of Fortaleza Materiales, S.A.P.I. de C.V. Currently, he is a board member and part of the Society's Executive Committee.

DANIEL GOÑI DÍAZ

Holds a law degree from the National Autonomous University of Mexico (UNAM) and is 72 years old. He is the public notary number 80 in the State of Mexico and has served as secretary, vice-president, and president of the National Red Cross on various occasions. In addition, he has been a citizen commissioner in the Electoral State Commission of the State of Mexico. He is also a board member 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.

DANIEL DÍAZ DÍAZ

Is a civil engineer graduated from the National Autonomous University of Mexico (UNAM) and is 90 years old. Throughout his public sector career, he has held prominent positions such as undersecretary of infrastructure and secretary of communications and transportation. He was also a member of the governing board of the National Autonomous University of Mexico from 1990 to 1997. Additionally, he served as the general director of the Mexican Institute of Transportation and the general director of Caminos y Puentes Federales de Ingresos y Servicios Conexos from 2000 to 2001. Later, from 2003 to 2005, he worked as an advisor on infrastructure projects at the Fundación del Centro Histórico de la Ciudad de México, A.C.

Currently, he is a board member of several companies, including Carso Infraestructura y Construcción, S.A. de C.V., Impulsora del Desarrollo, 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.

VÍCTOR ADRIÁN PANDAL GONZÁLEZ

Holds a degree in Business Administration from the Universidad Iberoamericana, aged 50. He obtained a master's degree in Business Administration from Boston University. From April 2002 to December 2018, he served as the general director at the Fundación del Centro Histórico de la Ciudad de México, A.C.

Currently, he works as an independent consultant and is a founding partner of HAN Capital, an investment fund specializing in real estate.

LUIS RAMOS LIGNAN

Is a civil engineer with a master's degree in hydraulics obtained from the National Autonomous University of Mexico. He is 84 years old. Throughout his career, he has held important positions such as president of the College of Civil Engineers of Mexico, A.C., the National Chamber of Consulting Companies, A.C., the Association of Engineers and Architects of Mexico, A.C., the Mexican Institute of Technical Auditing, A.C., and the Technical Committee of the Trust Fund for the Financing of Infrastructure Project Studies.

Currently, he serves as the President and CEO of Ingeniería y Procesamiento Electrónico, S.A. de C.V.

AUDIT AND CORPORATE PRACTICES COMMITTEE REPORT

telesites

April 10, 2024

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

In terms of Article 43, sections I and II of the Securities Market Law and in compliance with the recommendations contained in the Code of Principles and Best Corporate Governance Practices published by the Business Coordinating Council, on behalf of the Audit and Corporate Practices Committee of Operadora de Sites Mexicanos, S.A.B. de C.V. (the "Society"), we inform you about the activities of this social body in terms of auditing and corporate practices during the fiscal year ending December 31, 2023.

It should be noted that one of the fundamental responsibilities of the Society's administration is the issuance of financial statements prepared based on the applicable financial reporting standards. These financial statements must clearly, sufficiently, and in an updated way reflect the operations of the Society and the moral persons it controls. Additionally, the Society's administration is responsible for implementing adequate internal control and internal audit systems and adequately and timely disclosing relevant information of the Society and the moral persons it controls to the investing public in terms of applicable legal provisions.

The Audit and Corporate Practices Committee, as an auxiliary body of the Board of Directors, is in charge of overseeing the management, conduct, and execution of the Society's business and the moral persons it controls, as well as verifying compliance by the Society with various operational procedures and internal control matters. In performing its functions, the Audit and Corporate Practices Committee of the Society has reviewed the Society's consolidated financial statements as of December 31, 2023, and the Independent External Auditor's opinion regarding this information.

In compliance with the main auditing functions, the following activities were carried out:

a. The performance of the Mancera, S.C. firm, a member of Ernst & Young Global Limited ("Mancera"), was evaluated and deemed acceptable, recommending to the Board of Directors the ratification of its appointment as the Independent External Auditor to review the financial statements and prepare the corresponding financial opinion of the Society and the moral persons it controls for the 2023 fiscal year. The adequate preparation and presentation of the Society's interim financial information were verified, ensuring that it was clear, precise, and compliant with international financial reporting standards.

b. Prior to Mancera's appointment as the Independent External Auditor, it was validated that the firm: (i) complied with the personal, professional, and independence requirements established in the applicable laws and provisions for service provision, and (ii) presented its statement on compliance with the quality control standard for the audited period. The terms of the audit engagement were also reviewed.

c. The fees payable to the Independent External Auditor were approved, as well as its work program for the audit of the 2023 financial statements.

d. Effective communication with the Independent External Auditor regarding the activities carried out for the audit of the Society's financial statements was maintained.

e. No significant cases of non-compliance with the Society's operating guidelines and accounting records policies or its subsidiaries as of December 31, 2023, were reported.

f. The Society required the hiring of non-audit services by the Independent External Auditor. Such hiring was carried out after analyzing its appropriateness in terms of applicable legal provisions, considering the maintenance of the Auditor's independence.

g. The Society's and its controlled entities' financial statements as of December 31, 2023, the Independent External Auditor's report, and the accounting policies used in preparing the financial statements were reviewed, ensuring that the necessary information was disclosed according to current applicable regulations.

h. No modifications and/or approvals were made regarding the Society's and its subsidiaries' accounting policies for the 2023 fiscal year.

i. Compliance with the Society's and its controlled entities' policies and processes regarding risk management, internal control, and auditing, as well as the status of the internal control system, was monitored. The Committee was informed about various non-relevant deficiencies or deviations detected by the internal audit area, and the Society's administration informed us of the measures implemented for their correction. It is worth noting that no significant non-compliance with the Society's established internal control policies was detected.

j. The internal auditor's work program for the 2023 fiscal year was approved and its compliance was verified.

k. The Board of Directors was supported in preparing the reports referred to in Article 28, section IV of the Securities Market Law.

l.The operations carried out by the Society were reviewed and recommended to the Board of Directors for approval in terms of Article 28 of the Securities Market Law. Specifically, concerning transactions with related parties, it was verified that they were conducted at market values and, where applicable, with the corresponding transfer pricing studies. These transactions were supervised by the Society's External Auditor, as noted in the related-party transactions note contained in the audit report of the Society's consolidated financial statements as of December 31, 2023.

m. Compliance with the Society's shareholders' meeting and Board of Directors' resolutions was monitored.

Additionally, in compliance with the main functions in corporate practices, the following activities were carried out:

a. The performance of the Executive Committee and key executives of the Society and its subsidiaries, as well as their roles as Administrator of the OPSIMEX 4594 Trust, was evaluated.

b. The transactions with related parties, conducted within the ordinary course of business and under market conditions, were reviewed and followed up on.

c. The hiring and remuneration processes for the Society's employees and key executives, including the compensation of the board members, were analyzed.

d. Based on the Society's results analysis and various meetings with the Executive Committee and key executives, we consider their performance during the 2023 fiscal year to be satisfactory.

e. No requests were received regarding exemptions in terms of Article 28 section III, paragraph f) of the Securities Market Law.

f. Corporate and legal oversight of the Society was maintained, ensuring compliance with applicable regulations.

It should be noted that no observations were received from shareholders, board members, the Executive Committee, key executives, employees, or third parties regarding the Society's accounting, internal controls, and internal or external audit matters, nor were any complaints about material facts considered irregular in management or adversely affecting the Society's financial situation.

We have reviewed the Society's consolidated financial statements as of December 31, 2023, and the Independent External Auditor's opinion of the Society, considering that the referred financial statements were prepared according to the accounting policies, procedures, and practices in terms of the Financial Information Standards, and we agree with their content as they reasonably reflect the Society's and its subsidiaries' financial situation as of December 31, 2023. Moreover, we consider that the Society's management, conduct, and business execution during the 2023 fiscal year have been carried out adequately by the Society's administration.

We state the above to fulfill the obligations of this social body provided in the Securities Market Law and any other function entrusted to us by the Society's Board of Directors, noting that the relevant Society executives were heard in preparing this report.

Sincerely,

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

AUDIT AND CORPORATE PRACTICES COMMITTEE

The Audit and Corporate Practices Committee plays a fundamental role at Opsimex, being primarily responsible for ensuring that the Organization's suppliers comply with standards and regulations. This committee actively participates in supervising processes and the execution of work, especially concerning the construction of sites and telecommunications towers.

The committee members, composed of civil engineers with extensive experience in the sector and a law graduate, focus on verifying that contractors meet established deadlines and regulations, as well as making recommendations to improve the quality and efficiency of the work performed. If any deficiencies are identified, the committee takes measures to ensure they are corrected and the required standards are met.

In addition to its role in supervising suppliers, the Audit and Corporate Practices Committee also conducts internal evaluations and issues recommendations to the corresponding areas to improve their processes. Although there is no formal evaluation of the Committee's performance, it ensures compliance with the obligations established by the Securities Market Law and other corporate governance codes.

The Legal area participates in this Committee with a voice but without a vote, ensuring that legal guidelines and best corporate practices are followed. The committee closely monitors compliance with the minimum requirements mandated by legal provisions and promotes effective interaction with the Committee to ensure all applicable requirements are met. Together, this collaboration ensures that Telesites operates according to the highest standards of quality and business ethics.

Each member of the Audit and Corporate Practices Committee has extensive experience and a solid professional background, having held roles in both the business sector and the public sector. Most of them have been or are advisors in various companies in the financial and securities sector, as well as having experience in the Federal Public Administration and decentralized agencies.

LUIS RAMOS LIGNAN
Chairman

Independent Director

JUAN RODRÍGUEZ TORRES
Member

Independent Director

DANIEL GOÑI DÍAZ
Member

Independent Director

telesites

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

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023 and 2022 with Independent Auditor's Report

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 (the Company), which comprise the consolidated statement of financial position as at 31 December 2023, 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 2023, 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. Measurement of property and equipment

Description of key audit matter
We have considered the measurement of property and equipment, recognized as at 31 December 2023, as a key audit matter due to significant assumptions involving a degree of subjectiveness and complexity when measuring the asset's fair value. This measurement was performed by both, our internal valuers and valuers independent from the Company's management.

How we addressed this key audit matter
We evaluated the reasonableness of the assumptions used to determine the fair value of property and equipment at subsequent recognition, in accordance with IAS 16 Property, Plant and Equipment and IFRS 13 Fair Value Measurement. We received assistance from our internal specialists to assess the valuation methodology used and analyzed the key assumptions based on the level of complexity and subjectivity involved, and compared them against evidence to the contrary and comparable market information. We also verified whether management's information was the best available information under the circumstances to determine market value.

We have also assessed the appropriate presentation and disclosure of the Company's property and equipment measured at fair value, as described in Notes 2h) and 8 of the accompanying financial statements as at and for the year ended 31 December 2023.

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 10 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.

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 Company 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

JOSÉ ANDRÉS MARÍN VALVERDE

Mexico City
21 April 2024

OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands of Mexican pesos)

		As at 31 December		
		2023		2022
Assets				
Current assets:				
Cash and cash equivalents (Note 4)	**Ps.**	**4,485,838**	Ps.	4,888,306
Accounts receivable (Note 5)		**218,607**		229,148
Related parties (Note 7)		**45,622**		50,455
Recoverable taxes		**192,153**		454,555
Other current assets (Note 6)		**111,063**		175,373
Total current assets		**5,053,283**		5,797,837
Non-current assets:				
Property and equipment, net (Note 8)		**80,576,456**		78,016,420
Right-of-use assets (Note 12)		**18,408,516**		19,392,776
Long-term accounts receivable (Note 5)		**413,694**		413,694
Licenses and software, net		**18,227**		15,799
Deferred tax assets (Note 17)		**35,192**		29,981
Other non-current assets (Note 6)		**231,876**		159,442
Total non-current assets		**99,683,961**		98,028,112
Total assets	**Ps.**	**104,737,244**	Ps.	103,825,949

		As at 31 December		
		2023		2022
Liabilities and equity				
Short-term debt (Note 10)	**Ps.**	**-**	Ps.	458,700
Interest payable on debt (Note 10)		**562,022**		549,042
Dividends payable		**47,674**		48,721
Accounts payable and accrued liabilities (Note 15)		**187,159**		169,141
Taxes and contributions payable		**141,372**		309,111
Related parties (Note 7)		**105,414**		163,071
Employee benefits (Note 14)		**47,472**		50,160
Total current liabilities		**1,091,113**		1,747,946
Non-current liabilities:				
Long-term debt (Note 10)		**20,604,110**		19,762,785
Deferred tax liability (Note 17)		**3,811,406**		4,052,802
Deferred income tax from sale of structured notes		**11,636,971**		11,636,971
Lease liabilities (Note 12)		**21,608,050**		21,567,400
Retirement benefits (Note 13)		**14,434**		11,937
Asset retirement obligation (Note 9)		**1,240,224**		1,175,685
Total non-current liabilities		**58,915,195**		58,207,580
Total liabilities		**60,006,308**		59,955,526
Equity (Note 16):				
Share capital		**23,358**		23,733
Other components of equity		**(16,203,640)**		(16,203,640)
Surplus on revaluation of assets		**16,627,797**		14,509,073
Surplus on issue of real estate structured notes		**26,611,830**		26,611,830
Retained earnings		**1,054,742**		2,308,037
Equity attributable to equity holders of the parent		**28,114,087**		27,249,033
Non-controlling interests		**16,616,849**		16,621,390
Total equity		**44,730,936**		43,870,423
Total liabilities and equity	**Ps.**	**104,737,244**	Ps.	103,825,949

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

OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands of Mexican pesos)

		For the year ended 31 December 2023		2022
Operating revenue:				
Infrastructure rent	**Ps.**	**11,751,680**	Ps.	10,545,326
Revenue from alteration services		**119,822**		140,729
Other income (Note 2t)		**20,239**		189,464
		11,891,741		10,875,519
Operating costs and expenses:				
Depreciation and amortization (Note 8)		**4,185,828**		3,882,987
Depreciation of right-of-use assets (Note 12)		**2,307,878**		2,172,022
Alteration service costs		**128,201**		113,845
Operating		**533,254**		483,790
Other		**8,164**		16,885
		7,163,325		6,669,529
Operating profit		**4,728,416**		4,205,990
Net financing cost:				
Accrued interest income		**454,684**		427,643
Accrued interest expense		**(3,167,402)**		(3,130,337)
Foreign exchange loss, net		**(444,523)**		(711,486)
		(3,157,241)		(3,414,180)

		For the year ended 31 December 2023		2022
Profit before income tax		**1,571,175**		791,810
Income tax (Note 17)		**748,526**		651,038
Net profit for the year	**Ps.**	**822,649**	Ps.	140,772
Attributable to:				
Equity holders of the parent	**Ps.**	**425,552**	Ps.	(229,197)
Non-controlling interests		**397,097**		369,969
	Ps.	**822,649**	Ps.	140,772
Weighted average number of outstanding shares (thousands of shares)		**3,186,410**		3,237,517
Basic earnings/(loss) per share attributable to equity holders of the parent	**Ps.**	**0.13**	Ps.	(0.07)
Diluted earnings/(loss) per share attributable to equity holders of the parent	**Ps.**	**0.13**	Ps.	(0.07)

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

OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands of Mexican pesos)

		For the year ended 31 December		
		2023		2022
Net profit for the year	**Ps.**	**822,649**	Ps.	140,772
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		**2,118,724**		3,028,484
Deficit on issue of real estate structured notes		**-**		(24,091)
Surplus on non-controlling interests		**1,021,897**		1,394,065
Foreign currency translation reserve		**(5,700)**		(2,121)
Labor obligations, net of taxes		**173**		1,137
Total other comprehensive income		**3,135,094**		4,397,474
Comprehensive income	**Ps.**	**3,957,743**	Ps.	4,538,246
Attributable to:				
Equity holders of the parent	**Ps.**	**2,538,750**	Ps.	2,774,211
Non-controlling interests		**1,418,993**		1,764,034
	Ps.	**3,957,743**	Ps.	4,538,246

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

OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended 31 December 2023 and 2022
(Amounts in thousands of Mexican pesos) (Note 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	Retained earnings	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 2021	Ps. 10,050	Ps. (16,203,640)	Ps. -	Ps. 19,813	Ps. 4,653,173	Ps. 4,672,986	Ps. 465	Ps. (292)	Ps. 11,480,589	Ps. 26,635,921	Ps. 16,387,248	Ps. 42,983,327
Net profit for the year	-	-	-	-	(229,197)	(229,197)	-	-			369,969	140,772
Other comprehensive income	-	-	-	-	-	-	1,137	(2,121)	3,028,484	(24,091)	1,394,065	4,397,474
Total comprehensive income	-	-	-	-	(229,197)	(229,197)	1,137	(2,121)	3,028,484	(24,091)	1,764,034	4,538,246
Allocation effect of surplus, net of taxes	-	-	-	-	673,951	673,951	-	-	-	-	-	673,951
Effect of merger	14,141	-	-	(16,463)	(2,485,822)	(2,502,285)	-	-	-	-	-	(2,488,144)
Dividends paid	-	-	-	-	(1,769,319)	(1,769,319)	-	-	-	-	-	(1,769,319)
Creation of reserve for repurchase of shares			2,500,000			-						2,500,000
Repurchase of shares	(458)	-	(1,037,288)	-	-	-	-	-	-	-	-	(1,037,746)
Capital reimbursement	-		-	-	-	-	-	-	-	-	(1,244,112)	(1,244,112)
Cash dividends	-	-	-	-	-	-	-	-	-	-	(285,780)	(285,780)
Balance as at 31 December 2022	23,733	(16,203,640)	1,462,712	3,350	842,786	846,136	1,602	(2,413)	14,509,073	26,611,830	16,621,390	43,870,423
Net profit for the year	**-**	**-**	**-**	**-**	**425,552**	**425,552**	**-**	**-**	**-**	**-**	**397,097**	**822,649**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**		**173**	**(5,700)**	**2,118,724**	**-**	**1,021,897**	**3,135,094**
Total comprehensive income	**-**	**-**	**-**	**-**	**425,552**	**425,552**	**173**	**(5,700)**	**2,118,724**	**-**	**1,418,993**	**3,957,743**
Allocation effect of surplus, net of taxes	**-**	**-**	**-**	**-**	**754,613**	**754,613**	**-**	**-**	**-**	**-**	**-**	**754,613**
Dividends declared	**-**	**-**	**-**	**-**	**(1,585,430)**	**(1,585,430)**	**-**	**-**	**-**	**-**	**-**	**(1,585,430)**
Repurchase of shares	**(375)**	**-**	**(842,503)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(842,878)**
Capital reimbursement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(967,051)**	**(967,051)**
Cash dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(456,484)**	**(456,484)**
Balance as at 31 December 2023	**Ps. 23,358**	**Ps. (16,203,640)**	**Ps. 620,209**	**Ps. 3,350**	**Ps. 437,521**	**Ps. 440,871**	**Ps. 1,775**	**Ps. (8,113)**	**Ps. 16,627,798**	**Ps. 26,611,830**	**Ps. 16,616,848**	**Ps. 44,730,937**

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

OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of Mexican pesos)

	For the year ended 31 December	
	2023	2022
Operating activities		
Profit before income tax	**Ps. 1,571,183**	Ps. 791,810
Items not affecting cash flows:		
Depreciation and amortization	**6,493,706**	6,055,009
Accrued interest income	**(454,684)**	(427,643)
Accrued interest expense	**3,167,402**	3,130,337
Foreign exchange loss, net	**444,523**	711,486
Net periodic benefit expense	**2,665**	2,438
	11,224,795	10,263,437
Changes in operating assets and liabilities:		
Accounts receivable	**10,541**	(209,191)
Related parties	**(52,822)**	218,844
Recoverable taxes	**262,402**	2,513,904
Other current and non-current assets	**(8,124)**	14,368
Accounts payable and accrued liabilities	**(74,866)**	(63,105)
Retirement benefits paid	**(5,180)**	3,572
Taxes and contributions payable	**(1,162,873)**	(814,933)
Net cash flows from operating activities	**10,193,873**	11,926,896

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

	For the year ended 31 December	
	2023	2022
Investing activities		
Property and equipment	**(2,690,468)**	(4,104,142)
Interest received	**454,684**	427,643
Net cash flows used in investing activities	**(2,235,784)**	(3,676,499)
Financing activities		
Share capital increase	**-**	14,141
Repurchase of shares	**(842,878)**	(1,037,746)
Capital reimbursement	**(967,051)**	(1,244,112)
Short-term bank loan obtained	**-**	570,000
Bank loan repaid – Bank of America	**-**	(60,578)
Bank loan repaid	**-**	(1,020,000)
Dividends paid	**(2,118,303)**	(2,055,099)
Interest paid on debt	**(1,296,015)**	(1,250,810)
Lease payments	**(3,136,310)**	(2,964,179)
Net cash flows used in financing activities	**(8,360,557)**	(9,048,383)
Net decrease in cash and cash equivalents	**(402,468)**	(797,986)
Cash and cash equivalents at beginning of year	**4,888,306**	5,686,292
Cash and cash equivalents at end of year	**Ps. 4,485,838**	Ps. 4,888,306

OPERADORA DE SITES MEXICANOS, S.A.B. DE C.V. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023 and 2022
(Amounts in thousands of Mexican pesos, unless otherwise indicated)

1. NATURE OF OPERATIONS

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).

Through 15 March 2022, Operadora de Sites Mexicanos, S.A.B. de C.V. (formerly Operadora de Sites Mexicanos, S.A. de C.V.) and subsidiaries were 99.99%-owned subsidiaries of Telesites, S.A.B. de C.V. (Telesites), as a result of the merger of both companies.

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

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 10 April 2024, 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 January 1st 2024 through the above-mentioned issue date of the consolidated 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 shares were listed on the Mexican Stock Exchange.

Purchase of passive infrastructure
On 7 December 2022, in accordance with an asset sale agreement, the Opsimex Trust purchased from Teléfonos de México, S.A.B. de C.V. (Telmex) a portfolio of 194 telecommunications towers for a sale price of Ps. 1,390 million and assumed the related rights and obligations.

On 17 November 2022, in accordance with an asset sale agreement, the Company purchased from Telmex a portfolio of 194 telecommunications towers for a sale price of Ps. 1,194 million and assumed the related rights and obligations.

On 24 July 2023, in accordance with an asset sale agreement, the Company purchased from Telmex a portfolio of 272 telecommunications towers for a sale price of Ps. 952 million and assumed the related rights and obligations. This transaction was carried out on an arm's length basis.

On 20 December 2023, in accordance with an asset sale agreement, the Company purchased from Telmex a portfolio of 6 telecommunications towers for a sale price of Ps. 21 million and assumed the related rights and obligations. This transaction was carried out on an arm's length basis.

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 2023, 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 2023 and 2022 is as follows:

Company name	% equity interest as at 31 December 2023	2022	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

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, in accordance with 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 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 2c) 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 an obligation to receive or pay a single net amount, and it has, in effect, only a single financial asset offset or financial liability offset; 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 life 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 2023 and 2022 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 2023 and 2022, 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 amount of lease liabilities recognized, initial direct costs incurred, 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 call 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. The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost.

Estimated future decommissioning costs are reviewed annually and are revised where needed. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost 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 2023.

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 1 September 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, the method used to calculate employee profit sharing was modified in 2021. 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 of 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 the amount of employee profit sharing determined by applying the 10% rate of taxable profit is lower or equal than the sum of employee profit sharing allocated to each employee, the current employee profit sharing will be the amount determined by applying the 10% rate of taxable profit.

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 2023 and 2022, 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.

	On demand	Less than 3 months	From 3 to 12 months	1 to 5 years	More than 5 years	Total
Year ended 31 December 2023						
Interest-bearing loans and borrowings	**Ps.**	**Ps. 562,022**	**Ps.**	**Ps. 395,504**	**Ps. 20,208,606**	**Ps. 21,166,132**
Accounts payable and other creditors		**187,159**				**187,159**
	Ps.	**Ps. 749,181**	**Ps.**	**Ps. 395,504**	**Ps. 20,208,606**	**Ps. 22,102,472**
Year ended 31 December 2022						
Interest-bearing loans and borrowings	Ps. -	Ps. 1,007,742	Ps. -	Ps. -	Ps. 19,762,785	Ps. 20,770,527
Accounts payable and other creditors	-	169,141	-	-	-	169,141
	Ps. -	Ps. 1,176,883	Ps. -	Ps. -	Ps. 19,762,785	Ps. 20,939,668

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 revenue and operating costs and expenses.

An analysis of the Company's other income for the years ended 31 December 2023 and 2022 is as follows:

		2023		2022
Restatement of recoverable value added tax	**Ps.**	**-**	Ps.	170,705
Unrealized loss on valuation of contracts		**9,646**		15,041
Recovery of expenses		**6,648**		3,250
Recovery of rental expenses		**-**		114
Other		**3,945**		354
	Ps.	**20,239**	Ps.	189,464

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

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16, which specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively for sale and leaseback transactions after IFRS 16 became effective. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material effect on the Company.

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

In January 2020 and October 2022, 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

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is in the process of assessing the impact that these changes will have on its current operations and whether any of its existing loan agreements may require renegotiation.

b) New and amended standards and interpretations in 2023

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

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 1 January 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 1 January 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.

4. CASH AND CASH EQUIVALENTS

An analysis of cash and cash equivalents as at 31 December 2023 and 2022 is as follows:

		2023		2022
Cash in hand	**Ps.**	**7**	Ps.	5
Cash in banks		**560,616**		65,676
Readily marketable securities		**3,925,215**		4,822,625
	Ps.	**4,485,838**	Ps.	4,888,306

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 into 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 lease agreement for each tower will be for a term 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 2023 and 2022 is as follows:

		2023		2022
Advances to suppliers	**Ps.**	**20,351**	Ps.	19,313
Creditable input value added tax, net		**57,874**		63,512
Prepaid insurance		**27,988**		28,356
Fees and subscriptions		**4,850**		64,192
Total other current assets	**Ps.**	**111,063**	Ps.	175,373

		2023		2022
Security deposits	**Ps.**	**173,565**	Ps.	159,442
Other deferred assets		**58,311**		-
Total other non-current assets	**Ps.**	**231,876**	Ps.	159,442

7. RELATED PARTIES

a) An analysis of balances due from and to related parties as at 31 December 2023 and 2022 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.

		2023		2022
Receivables:				
Radiomóvil Dipsa, S.A. de C.V.	**Ps.**	**14,449**	Ps.	44,626
Teléfonos de México, S.A.B. de C.V.		**30,558**		5,486
Other related parties		**615**		343
	Ps.	**45,622**	Ps.	50,455
Payables:				
Operadora Cicsa, S.A. de C.V.	**Ps.**	**4,927**	Ps.	8,251
Teléfonos de México, S.A.B. de C.V.		**95,173**		149,949
PC Industrial, S.A. de C.V.		**16**		16
Radiomovil Dipsa, S.A. de C.V.		**4**		4
Seguros Inbursa, S.A., Grupo Financiero Inbursa		**3,858**		3,762
Alquiladora de Casas, S.A. de C.V.		**1,010**		1,089
Other related parties		**426**		-
	Ps.	**105,414**	Ps.	163,071

b) During the years ended 31 December 2023 and 2022, the Company had the following transactions with its related parties:

		2023	2022
Revenue:			
Radiomóvil Dipsa, S.A. de C.V.	Leasing	**Ps. 10,078,399**	Ps. 9,088,800
	Alteration services	**119,822**	140,729
Claro Costa Rica, S.A de C.V.	Leasing	**116,985**	-
Teléfonos de México, S.A.B. de C.V.	Leasing	**509,920**	335,813
Teléfonos del Noreste, S.A. de C.V.	Leasing	**1,995**	1,857

		2023	2022
Revenue:			
Torres Latinoamérica, S.A. de C.V.	Expense reimbursements	**188**	537
Carso Electric, S.A. de C.V.	Recovery of expenses	**-**	22
Seguros Inbursa, S.A.	Leasing	**318**	-
Ocampo Mining, S.A. de C.V.	Leasing	**821**	-
Minera Real de Ángeles, S.A. de C.V.	Leasing	**77**	-

		2023	2022
Expenses:			
Operadora Cicsa, S.A. de C.V.	Construction	**9,869**	95,339
Radiomóvil Dipsa, S.A. de C.V.	Leasing	**57,874**	65,435
Seguros Inbursa, S.A., Grupo Financiero Inbursa	Insurance	**40,708**	42,754
PC Industrial, S.A. de C.V.	Maintenance	**-**	344
Consorcio Red Uno, S.A. de C.V.	Leasing	-	-
Grupo Sanborns, S.A. de C.V.	Leasing	**1,121**	1,040
Fianzas Guardiana Inbursa, S.A.	Insurance	**-**	165
Acolman, S.A.	Leasing	**9,207**	8,583
Administradora Carso Palmas, A.C.	Leasing	**1,086**	-
Teléfonos de México, S.A.B. de C.V.	Fixed asset	**1,020,301**	2,585,160
	Leasing	**17,451**	-
Teléfonos del Noroeste, S.A. de C.V.	Leasing	**479**	-
Alquiladora de casas, S.A. de C.V.	Leasing	**89,719**	6,849
Carso Infraestructura y construcción, S.A. de C.V.	Site services	**16,928**	1,135
Sears Operadora México, S.A. de C.V.	Maintenance	**1,211**	992
Sanborns Hermanos, S.A. de C.V.	Leasing	**3,024**	-
Compañía de teléfonos y bienes, S.A. de C.V.	Leasing	**130,518**	127,068
Industrial Afiliada, S.A. de C.V.	Leasing	**58,573**	-
Other	Leasing	**656**	9

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 2023, the Company's passive infrastructure is comprised of 22,910 towers (21,518 towers as at 31 December 2022).

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 2023 and 2022 is as follows:

Line item	Passive infrastructure	Automotive equipment	Other equipment	Construction in progress	Land	Total
Investment:						
As at 31 December 2021	Ps. 88,599,474	Ps. 24,463	Ps. 109,713	Ps. 510,657	Ps. 50,541	Ps. 89,294,848
Additions	4,091,872	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	97,798,030	26,437	117,446	390,977	54,036	98,386,926
Additions	**2,468,538**	**9,978**	**11,229**	**1,370,808**	**2,722**	**3,863,275**
Additions from revaluation surplus (Note 2h)	**3,969,116**	**-**	**-**	**-**	**-**	**3,969,116**
Disposals	**(1,048)**	**-**	**-**	**(1,167,964)**	**(3,794)**	**(1,172,806)**
As at 31 December 2022	**Ps. 104,234,636**	**Ps. 36,415**	**Ps. 128,675**	**Ps. 593,820**	**Ps. 52,964**	**Ps. 105,046,510**
Depreciation:						
As at 31 December 2021	Ps. (17,061,865)	Ps. (15,520)	Ps. (38,937)	Ps. -	Ps. -	Ps. (17,116,322)
Depreciation expense	(3,830,067)	(2,990)	(9,501)	-	-	(3,842,558)
Disposals	-	-	-	-	-	-
As at 31 December 2022	(20,891,932)	(18,510)	(48,438)	-	-	(20,958,880)
Depreciation expense	**(4,123,249)**	**(3,155)**	**(10,382)**	**-**	**-**	**(4,136,786)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2023	**Ps. (25,015,182)**	**Ps. (21,665)**	**Ps. (58,820)**	**Ps. -**	**Ps. -**	**Ps. (25,095,667)**

Line item	Passive infrastructure	Automotive equipment	Other equipment	Construction in progress	Land	Total
Asset retirement obligation:						
As at 31 December 2021	Ps. 495,595	Ps. -	Ps. -	Ps. -	Ps. -	Ps. 495,595
Cancellations	-	-	-	-	-	-
Amortization	(26,326)	-	-	-	-	(26,326)
Increase for the year	119,104	-	-	-	-	119,104
As at 31 December 2022	588,373	-	-	-	-	588,373
Cancellations	-	-	-	-	-	-
Amortization	**(27,301)**	**-**	**-**	**-**	**-**	**(27,301)**
Increase for the year	**64,540**	**-**	**-**	**-**	**-**	**64,540**
As at 31 December 2023	**Ps. 625,612**	**Ps. -**	**Ps.**	**Ps. -**	**Ps. -**	**Ps. 625,612**
Carrying amount:						
As at 31 December 2023	**Ps. 79,845,066**	**Ps. 14,750**	**Ps. 69,855**	**Ps. 593,820**	**Ps. 52,964**	**Ps. 80,576,456**
As at 31 December 2022	Ps. 77,494,471	Ps. 7,927	Ps. 69,008	Ps. 390,977	Ps. 54,036	Ps. 78,016,420

Depreciation expense of property and equipment and amortization expense of licenses and software for the years ended 31 December 2023 and 2022 was Ps. 4,185,828 and Ps. 3,882,987, respectively.

9. ASSET RETIREMENT OBLIGATION

An analysis of the Company's asset retirement obligation as at 31 December 2023 and 2022 is as follows:

	2023	2022
Balance as at 1 January	**Ps. 1,175,685**	Ps. 1,056,581
Increase for additions of passive infrastructure	**91,840**	145,430
Redemptions	**(27,301)**	(26,326)
Utilized	**-**	-
Balance as at 31 December	**Ps. 1,240,224**	Ps. 1,175,685

As at 31 December 2023 and 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		2023	2022
Issuance of structured notes (*"certificados bursátiles"*)	Long-term	**Ps. 20,227,508**	Ps. 19,785,918
Amortized cost		**(18,902)**	(23,133)
Total of structured notes		**20,208,606**	19,762,785
Bank loan – Bank of America	Long-term	**395,504**	-
Total long-term debt		**Ps. 20,604,110**	Ps. 19,762,785

b) Analysis of short-term debt and interest:

Breakdown of debt		2023	2022
Bank loan – Bank of America	Short-term	**Ps. -**	Ps. 458,700
		Ps. -	Ps. 458,700
Interest payable on structured notes (*"certificados bursátiles"*)	Short-term	**Ps. 559,984**	Ps. 547,257
Interest payable on bank loans – Bank of America	Short-term	**2,038**	1,785
Total interest payable		**562,022**	549,042
Total short-term debt and interest		**Ps. 562,022**	Ps. 1,007,742

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 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%.

An analysis of the historical amounts and the outstanding accrued interest under the long-term structured notes as at 31 December 2023 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. 122,321**
4OSM-15R Mexican pesos series 1	23 July 2025	**3,710,000**	**130,595**
OSM-15 2R Mexican pesos series 1	23 July 2025	**2,500,000**	**88,002**
OSM-15U UDIs series 3	17 July 2030	**10,517,508**	**219,066**
		Ps. 20,227,508	**Ps. 559,984**

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
4OSM-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

As at 31 December 2023 and 2022, the value of one UDI was Ps. 7.9816 pesos and Ps. 7.6468 pesos, respectively. As at 21 April 2024, the date of issue of these consolidated financial statements, the value of the UDI was Ps. 8.1286 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 long-term bank loans as at 31 December 2023 is as follows:

Currency	Item	Rate	Maturity date	Long-term debt	Interest payable
Mexican pesos	Bank of America, N.A. (i)	5.60%	1 March 2028	**Ps. 395,504**	**Ps. 2,038**
	Total debt			**Ps. 395,504**	**Ps. 2,038**

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

(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.

(ii) On 1 March 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, which sets the new maturity date at 1 March 2028.

11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

An analysis of the Company's financial assets and financial liabilities as at 31 December 2023 and 2022 is as follows:

	2023 Carrying amount	**2023** Fair value	2022 Carrying amount	2022 Fair value
Long-term debt	**Ps. 20,604,110**	**Ps. 19,350,926**	Ps. 19,762,785	Ps. 18,795,984

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.	17,106,658	Ps.	20,835	Ps.	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		19,376,885		15,891		19,392,776
Additions and reclassifications		**1,321,857**		**1,761**		**1,323,618**
Depreciation		**(2,296,796)**		**(11,082)**		**(2,307,878)**
As at 31 December 2023	**Ps.**	**18,401,946**	**Ps.**	**6,570**	**Ps.**	**18,408,516**

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

		2023		2022
As at 1 January 2022	**Ps.**	**21,567,400**	Ps.	18,262,010
Additions		**1,323,618**		4,437,305
Accretion of interest		**1,853,342**		1,832,264
Lease payments		**(3,136,310)**		(2,964,179)
As at 31 December 2023	**Ps.**	**21,608,050**	Ps.	21,567,400

The following are the amounts recognized in profit or loss:

		2023		2022
Depreciation of right-of-use assets	**Ps.**	**2,307,878**	Ps.	2,172,022
Lease interest		**1,853,342**		1,832,264
Total amount recognized in the statement of comprehensive income	**Ps.**	**4,161,219**	Ps.	4,004,286

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 2023 and 2022 is as follows:

a) Net periodic benefit expense

			2023			
		Retirement benefits		Termination benefits		Total
Analysis of net periodic benefit expense:						
Current-year service cost	**Ps.**	**679**	**Ps.**	**674**	**Ps.**	**1,353**
Interest cost		**734**		**578**		**1,312**
Net periodic benefit expense	**Ps.**	**1,413**	**Ps.**	**1,252**	**Ps.**	**2,665**

			2022			
		Retirement benefits		Termination benefits		Total
Analysis of net periodic benefit expense:						
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

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 2021	Ps.	7,698	Ps.	5,682	Ps.	13,380
Remeasurements for the year		-		-		-
Current-year service cost		(192)		923		731
Interest cost		-		-		-
Charges to the reserve		-		(549)		(549)
Actuarial gain		(799)		(822)		(1,624)
Net defined benefit obligation as at 31 December 2022		6,707		5,230		11,937
Remeasurements for the year		-		-		-
Current-year service cost		**1,608**		**1,137**		**2,745**
Interest cost		**-**		**-**		**-**
Charges to the reserve		**-**		**-**		**-**
Actuarial gain		**(280)**		**32**		**(248)**
Net defined benefit obligation as at 31 December 2023	**Ps.**	**8,035**	**Ps.**	**6,399**	**Ps.**	**14,434**

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

		2023				
		Retirement benefits		Termination benefits		Total
Provisions for:						
Vested benefit obligation	**Ps.**	**8,035**	**Ps.**	**6,399**	**Ps.**	**14,434**
Net defined benefit obligation:	**Ps.**	**8,035**	**Ps.**	**6,399**	**Ps.**	**14,434**

		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

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

	2023	2022
Financial assumptions		
Discount rate	**9.24%**	10.07%
Expected salary increase rate	**7.50%**	7.50%
Inflation rate	**3.75%**	3.75%
Biometric assumptions		
Mortality rate	**EMSSA 2009 Dynamic**	EMSSA 2009 Dynamic
Disability rate	**IMSS 97**	IMSS 97

As at 31 December 2023 and 2022, the Company has no significant contingent liabilities from employee benefits.

14. EMPLOYEE BENEFITS

As at 31 December 2023 and 2022, the Company has recognized accrued liabilities for short-term employee benefits. An analysis is as follows:

		As at 31 December 2021		Arising during the year		Utilized		As at 31 December 2022		Arising during the year		Utilized		As at 31 December 2023
Paid annual leave	Ps.	3,137	Ps.	4,019	Ps.	(4,317)	Ps.	2,839	**Ps.**	**5,995**	**Ps.**	**(6,509)**	**Ps.**	**2,325**
Vacation premium		2,227		8,312		(5,638)		4,901		**6,447**		**(6,664)**		**4,684**
Bonuses		11,247		19,617		(12,694)		18,170		**36,623**		**(38,442)**		**16,351**
Employee profit sharing		27,233		18,127		(21,110)		24,250		**21,666**		**(21,804)**		**24,112**
	Ps.	43,844	Ps.	50,075	Ps.	(43,759)	Ps.	50,160	**Ps.**	**70,731**	**Ps.**	**(73,419)**	**Ps.**	**47,472**

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

		2023		2022
Suppliers and accounts payable	**Ps.**	**105,462**	Ps.	107,305
Provisions and accrued liabilities		**81,697**		61,836
Total	**Ps.**	**187,159**	Ps.	169,141

The above-mentioned provisions represent expenses incurred in 2023 and 2022 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 2023 and 2022 is as follows:

		2023	2022
Series	Share capital	Shares	Shares
A-1	Minimum, variable	**3,300,000**	3,300,000
		3,300,000	3,300,000

b) The Company's share capital is variable, with an authorized fixed minimum of Ps. 23,358, 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 2023, the Company had treasury shares comprised of 113,590,000 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 2023 and 2022, 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) Through resolutions adopted at a regular shareholders' meeting held on 28 April 2023, the shareholders declared a cash dividend of Ps. 0.50 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 2023.

g) 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.

17. INCOME TAX

a) Income tax
The Mexican Income Tax Law (MITL) establishes a corporate income tax rate of 30% for fiscal years 2023 and 2022.

b) An analysis of income tax recognized in profit or loss for the years ended 31 December 2023 and 2022 is as follows:

		2023		2022
Current income tax	**Ps.**	**987,738**	Ps.	901,521
Deferred income tax		**(239,212)**		(250,483)
Total income tax	**Ps.**	**748,526**	Ps.	651,038

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

		2023		2022
As at 1 January	**Ps.**	**(4,022,821)**	Ps.	(4,267,059)
Deferred income tax recognized in profit or loss		**239,212**		250,483
Deferred income tax in other comprehensive income		**7,395**		(6,245)
Deferred income tax reclassified to retained earnings		**-**		-
As at 31 December	**Ps.**	**(3,776,214)**	Ps.	(4,022,821)

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:

	2023	2022
Statutory income tax rate	**30%**	30%
Effect of reconciling items:		
Taxable effects of inflation	**16**	55
Property and equipment, net	**(5)**	(30)
Non-deductible items	**-**	1
Provisions	**-**	2
Reversal of provisions	**-**	3
Leases	**9**	18
Share of (loss)/profit of trust	**(2)**	3
Effective income tax rate	**48%**	82%

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

		2023		2022
Deferred tax assets:				
Provisions and accrued liabilities	**Ps.**	**15,003**	Ps.	18,724
Employee benefits		**15,859**		7,676
Retirement benefits		**4,330**		3,581
Total deferred tax assets		**35,192**		29,981
Deferred tax liabilities:				
Property and equipment, net		**24,898**		17,163
Surplus on revaluation of assets		**3,781,852**		4,029,691
Amortized cost		**1,042**		761
Prepaid expenses		**3,614**		5,187
Total deferred tax liabilities		**3,811,406**		4,052,802
Deferred tax liability, net	**Ps.**	**(3,776,214)**	Ps.	(4,022,821)

f) For the years ended 31 December 2023 and 2022, the Company reported taxable profit of Ps. 3,292,460 and Ps. 3,005,070, respectively, on which income tax payable was Ps. 987,738 and Ps. 901,520, respectively.

g) As at 31 December 2023 and 2022, the Company has the following tax balances:

		2023		2022
Restated contributed capital account (CUCA)	Ps.	**30,362**	Ps.	29,329
Net taxed profits account (CUFIN)		**22,842,165**		21,209,264

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 2023 and 2022, the Trust determined taxable profit of Ps. 1,874,765 and Ps. 1,497,707, respectively, in accordance with the Tax Regime for FIBRAs.

Pursuant to Articles 187 and 188 of the MITL, Rules 3.21.2.1. and 3.21.2.2. of the 2023 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 3.21.2.4., 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 1 January 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.

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 not deemed to be material.

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 2023 and will be valid from 1º January to 31 December 2024. 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 1 January 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:

		2023			2022		
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. **516,639**	Ps. **130,883**	Ps. **174,817**	Ps. 459,909	Ps. 122,171	Ps. 172,798
2	Sinaloa and Sonora	**774,190**	**144,571**	**282,292**	691,448	135,521	278,623
3	Chihuahua and Durango	**670,540**	**97,765**	**487,995**	596,545	90,884	248,191
4	Nuevo León, Tamaulipas and Coahuila	**1,345,102**	**224,835**	**431,022**	1,204,026	210,514	424,878
5	Jalisco, Michoacán, Colima and Nayarit	**1,471,991**	**258,968**	**518,487**	1,310,664	240,922	512,433
6	Querétaro, Guanajuato, San Luis Potosí, Aguascalientes and Zacatecas	**1,368,987**	**259,795**	**468,000**	1,222,533	246,269	461,948
7	Puebla, Veracruz, Oaxaca and Guerrero	**1,945,926**	**361,454**	**630,370**	1,747,197	338,907	621,751
8	Yucatán, Campeche, Tabasco, Chiapas and Quintana Roo	**1,395,697**	**241,490**	**437,472**	1,254,683	227,363	429,769
9	Hidalgo, Morelos and Mexico City	**2,145,623**	**567,203**	**665,594**	1,932,746	535,380	653,755
	Total	Ps. **11,634,695**	Ps. **2,286,964**	Ps. **4,096,049**	Ps. 10,419,751	Ps. 2,147,931	Ps. 3,804,146
	Other foreign sites						
1	Costa Rica	Ps. **116,985**	Ps. **20,819**	Ps. **27,200**	Ps. 125,575	Ps. 24,091	Ps. 25,921
	Total foreign sites	**116,985**	**20,819**	**27,200**	125,575	24,091	25,921
	Total	Ps. **11,751,680**	Ps. **2,307,783**	Ps. **4,123,249**	Ps. 10,545,326	Ps. Ps. 2,172,022	Ps. 3,830,067

20. SUBSEQUENT EVENTS

i) In January 2023, the Company paid interest of Ps. 391,243 and Ps. 255,759 on its OSM- 5 Mexican peso structured notes and OSM- 15U UDI structured notes, respectively.

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STOCK INFORMATION

The series A1 of Operadora de Sites Mexicanos, S.A.B. de C.V. is listed on the Mexican Stock Exchange under the symbol "SITES1."

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