

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the Offering Memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS. THE SECURITIES DESCRIBED IN THE OFFERING MEMORANDUM ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “EU MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF EU MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

PROHIBITION OF SALES TO UK RETAIL INVESTORS. THE SECURITIES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM (“UK”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (“EUWA”); OR (II) A CUSTOMER WITHIN THE MEANING OF

THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA WHICH WERE RELIED ON IMMEDIATELY BEFORE EXIT DAY TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

IN ADDITION, IN THE UK, THE OFFERING MEMORANDUM AND ANY OTHER MATERIAL RELATING TO THE SECURITIES DESCRIBED HEREIN ARE ONLY BEING DISTRIBUTED TO, AND ARE DIRECTED ONLY AT, (I) PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”), OR (II) PERSONS WHO FALL WITHIN ARTICLE 43(2)(B) OF THE ORDER, OR (III) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (IV) PERSONS TO WHOM IT WOULD OTHERWISE BE LAWFUL TO DISTRIBUTE THEM (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THE SECURITIES ARE ONLY AVAILABLE TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE THE SECURITIES WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. THE OFFERING MEMORANDUM AND ITS CONTENTS ARE CONFIDENTIAL AND SHOULD NOT BE DISTRIBUTED, PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) OR DISCLOSED BY ANY RECIPIENTS TO ANY OTHER PERSON IN THE UK ANY PERSON IN THE UK THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THE OFFERING MEMORANDUM OR ITS CONTENTS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the notes, investors must be either (1) QIBs (within the meaning of Rule 144A under the Securities Act) or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act). This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs (within the meaning of Rule 144A under the Securities Act) or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act), and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

This Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the initial purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.



Sitios Latinoamérica, S.A.B. de C.V.

U.S.\$650,000,000 6.000% Senior Notes due 2029

Sitios Latinoamérica, S.A.B. de C.V. (the “Issuer”) is offering U.S.\$650,000,000 aggregate principal amount of its 6.000% Senior Notes due 2029 (the “notes”). Interest on the notes will accrue at a rate of 6.000% per year from November 25, 2024. Interest on the notes will be payable on May 25 and November 25 of each year, beginning on May 25, 2025. The notes will mature on November 25, 2029.

Prior to October 25, 2029 (the date that is one month prior to the maturity date of the notes), the Issuer may, at its option, redeem the notes, in whole or in part, by paying the greater of the principal amount of the notes to be redeemed and a “make-whole” amount, plus accrued and unpaid interest and any additional interest thereon. On or after October 25, 2029, the Issuer may, at its option, redeem the notes, in whole or in part, by paying 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest and any additional interest thereon. See “Description of the Notes—Redemption—Optional Redemption With “Make-Whole” Amount or at Par.” In addition, in the event of certain changes in the applicable rate of withholding taxes, the Issuer may redeem the notes, in whole but not in part, at a price equal to 100% of their principal amount, plus accrued and unpaid interest thereon. See “Description of the Notes—Optional Redemption—Tax Redemption.”

The notes will rank equally in right of payment with all of the Issuer’s other unsecured and unsubordinated debt obligations from time to time outstanding (subject to certain statutory preferences under local law, including tax, social security and labor claims). See “Description of the Notes—General—Ranking of the Notes.” The notes will be guaranteed by Torres Latinoamérica, S.A. de C.V. (“Torres Latinoamérica”) and Torres do Brasil S.A. (“Torres do Brasil”) and, together with Toms Latinoamérica, the “guarantors”). See “Description of the Notes—Guarantees.”

There is currently no public market for the notes. We expect to apply to list the notes on the Official List of the Luxembourg Stock Exchange (the “LuxSE”) and to have the notes admitted to trading on the Euro MTF Market of the LuxSE (the “Euro MTF”). The Euro MTF is not a regulated market as defined by Article 4, paragraph 1, point 21 of the Markets in Financial Instruments Directive (Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (recast)). Once approved by the LuxSE this offering memorandum will constitute a prospectus for the purposes of Part IV of the Luxembourg law on prospectus for securities dated July 16, 2019, as amended. No assurance can be given that this application will be accepted, or if accepted, that the notes will remain listed on the Official List of the LuxSE and admitted to trading on the Euro MTF. The listing on the Official List and the admission to trading on the Euro MTF are not to be taken as an indication of the merits of the Issuer, the guarantors or the notes. Notices required to be given to the holders of the notes shall be given (so long as the notes are listed on the LuxSE and the rules of that stock exchange so require) on the website of the LuxSE (www.luxse.com).

Investing in the notes involves risks. See the “Risk Factors” beginning on page 17 of this offering memorandum.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*, OR THE “RNV”) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISIÓN NACIONAL BANCARIA Y DE VALORES*, OR THE “CNBV”), AND MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO OR OTHERWISE BE SUBJECT TO BROKERAGE ACTIVITIES IN MEXICO. THE NOTES MAY BE OFFERED AND SOLD IN MEXICO, ON A PRIVATE PLACEMENT BASIS, SOLELY TO INVESTORS THAT QUALIFY AS INSTITUTIONAL OR QUALIFIED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (*LEY DEL MERCADO DE VALORES*, OR THE “LMV”) AND REGULATIONS THEREUNDER. THE ISSUER WILL NOTIFY THE CNBV OF THE OFFERING AND ISSUANCE OF THE NOTES OUTSIDE OF MEXICO AND OF THE MAIN TERMS AND CONDITIONS OF THE NOTES, IN ORDER TO COMPLY WITH THE LMV AND REGULATIONS THEREUNDER FOR INFORMATIONAL PURPOSES ONLY. THE DELIVERY TO, OR RECEIPT BY, THE CNBV OF SUCH NOTICE DOES NOT CONSTITUTE OR IMPLY A CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES, OF THE SOLVENCY, LIQUIDITY OR CREDIT QUALITY OF THE ISSUER OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS OFFERING MEMORANDUM. THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM IS SOLELY THE RESPONSIBILITY OF THE ISSUER AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO. IN MAKING AN INVESTMENT DECISION, ALL INVESTORS, INCLUDING ANY MEXICAN INVESTOR, WHO MAY ACQUIRE NOTES FROM TIME TO TIME, MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THIS OFFERING AND THE NOTES, INCLUDING THE MERITS AND RISKS INVOLVED.

The notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction, and are being offered only (1) to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act and (2) outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. For certain restrictions on the transfer of the notes, see “Transfer Restrictions.”

Issue Price: 99.659% plus accrued interest, if any, from November 25, 2024

The notes will be delivered in book entry form only through the facilities of The Depository Trust Company (“DTC”) for the accounts of its direct and indirect participants including Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, S.A. (“Clearstream”), on or about November 25, 2024.

Global Coordinators and Joint Bookrunners

BofA Securities

Citigroup

Joint Bookrunners

Barclays

Scotiabank

The date of this offering memorandum is November 20, 2024

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In this offering memorandum, the terms “Sitios,” the “Issuer,” “we,” “us” and “our” refer to Sitios Latinoamérica, S.A.B. de C.V. and its consolidated subsidiaries, in each case unless the context otherwise requires.

The Issuer is responsible for the information contained in this offering memorandum. Neither we nor the initial purchasers have authorized any person to give you any other information, and neither we nor the initial purchasers take any responsibility for any other information that others may give you. This document may only be used where it is legal to sell the notes. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date hereof. Our business, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this offering memorandum nor any sale made under it implies that there has been no change in our affairs or that the information in this offering memorandum is correct as of any date after the date of this offering memorandum.

You should carefully review the entire offering memorandum before making an investment decision. Neither we nor the initial purchasers have authorized anyone to provide you with different information. The Issuer is offering to sell, and is seeking offers to buy, the notes only in jurisdictions where offers and sales are permitted. This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

This offering memorandum has been prepared by the Issuer solely for use in connection with the placement of the notes. The Issuer and the initial purchasers reserve the right to reject any offer to purchase for any reason.

None of the U.S. Securities and Exchange Commission (the “SEC”), the CNBV, any state securities commission nor any other regulatory authority has approved or disapproved the offering of the notes; nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

You must:

- comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes; and
- obtain any consent, approval or permission required to be obtained by you for the purchase, offer or sale by you of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales; and neither we nor the initial purchasers shall have any responsibility therefor.

See “Plan of Distribution” and “Transfer Restrictions” for information on transfer restrictions applicable to the notes.

You acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;
- you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision; and
- no person has been authorized to give any information or to make any representation concerning us or the notes, other than as contained in this offering memorandum and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer or the initial purchaser.

The notes may not be transferred or resold, except as permitted under the indenture pursuant to which the notes are issued, the Securities Act and applicable U.S. state securities laws. You may be required to bear the financial risks of this investment for an indefinite period of time.

The Issuer has taken reasonable care to ensure that the information contained in this offering memorandum is true and correct in all material respects and is not misleading in any material respect as of the date of this offering memorandum, and that there has been no omission of information that, in the context of the issuance of the notes, would make any statement of material fact in this offering memorandum misleading in any material respect, in light of the circumstances existing as of the date of this offering memorandum. The Issuer accepts responsibility accordingly.

No representation or warranty, express or implied, is made or given by the initial purchasers or the trustee as to the accuracy, completeness or sufficiency of the information contained in this offering memorandum, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise, representation or warranty by the initial purchasers or the trustee. To the fullest extent permitted by law, neither the initial purchasers nor the trustee accept any responsibility for the contents of this offering memorandum or for any other statement made or purported to be made by the initial purchasers or the trustee or on their behalf in connection with the Issuer or the issuance and offering of the notes. The initial purchasers and the trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this offering memorandum or any such statement. This offering memorandum is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by us, the initial purchasers, the trustee or any other person that any recipient of this offering memorandum should purchase the notes. Each potential purchaser of the notes should determine for

itself the relevance of the information contained in this offering memorandum and its purchase of the notes should be based upon such investigations with its own tax, legal, business and financial advisors as it deems necessary. The initial purchasers assume no obligation, responsibility or liability to update the information contained herein, or to inform investors of any change of the information or any issues that come to its attention.

In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. See “Risk Factors” in this offering memorandum for a discussion of certain factors to be considered in connection with an investment in the notes. Each person receiving this offering memorandum acknowledges that such person has not relied on the initial purchaser, the trustee or any person affiliated with any of such persons in connection with its investigation of the accuracy of such information or its investment decision. By purchasing the notes, you will be deemed to have acknowledged that you have made certain acknowledgments, representation and agreements as set forth above and under “Transfer Restrictions.”

Neither we nor the initial purchaser, nor any of our or its respective representatives, nor the trustee, are making any representation to you regarding the legality of an investment in the notes. You should consult with your own advisors as to legal, tax, business, financial, regulatory and related aspects of an investment in the notes. You must comply with all laws applicable in any place in which you buy, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain all applicable consents and approvals. Neither we nor the initial purchaser, nor any of our or its respective representatives shall have any responsibility for any of the foregoing legal requirements.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of notes in any member state of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended or superseded, the “Prospectus Regulation”) from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

In the EEA, this offering memorandum is only for distribution to, and it is only directed at, non-retail investors (being persons who are not “retail investors” as defined in this section titled “Notices to Prospective Investors in the European Economic Area”) and any investment or investment activity to which this offering memorandum relates is available only to, and will be engaged in only with, non-retail investors. Any person in the EEA who is a “retail investor” should not act or rely on this offering memorandum or its contents. Each person in the EEA who purchases any of the notes will be deemed to have represented and warranted that they are a non-retail investor.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of assimilated law by virtue of the European Union (Withdrawal) Act 2018 (as amended, and together with any statutory instruments made in exercise of the powers conferred by such Act, the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of assimilated law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of assimilated law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or

otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of notes in the UK will be made pursuant to an exemption from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of UK law.

In the UK, this offering memorandum is for distribution only to non-retail investors (being persons who are not retail investors as defined in this section titled “Notice to Prospective Investors in the United Kingdom”) who are also: (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (c) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order; or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Each person in the UK who purchases any of the notes will be deemed to have represented and warranted that they are a relevant person.

References in this section titled “United Kingdom” to UK legislation include any successor legislation to that legislation.

NOTICE TO RESIDENTS OF MEXICO

The notes have not been and will not be registered with the RNV maintained by the CNBV and may not be offered or sold publicly in Mexico or otherwise subject to brokerage activities in Mexico. The notes may be offered and sold in Mexico, on a private placement basis, solely to investors that qualify as institutional or qualified investors pursuant to the private placement exemption set forth in Article 8 of the LMV and regulations thereunder. The Issuer will notify the CNBV of the offering and issuance of the notes outside of Mexico and the main terms and conditions of the notes, in order to comply with the LMV and regulations thereunder for informational purposes only. The delivery to, or receipt by, the CNBV of such notice does not constitute or imply a certification as to the investment quality of the notes, of the solvency, liquidity or credit quality of the Issuer or the accuracy or completeness of the information set forth in this offering memorandum. The information contained in this offering memorandum is solely the responsibility of the Issuer and has not been reviewed or authorized by the CNBV and may not be publicly distributed in Mexico. In making an investment decision, all investor, including any Mexican investor, who may acquire notes from time to time, must rely on their own examination of the Issuer and the terms of this offering and the notes, including the merits and risks involved.

ENFORCEABILITY OF CIVIL LIABILITIES

Sitios is a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) incorporated under the laws of Mexico, with its principal place of business (*domicilio social*) in Mexico City, Mexico. Torres do Brasil is a privately held corporation (*sociedade anônima de capital fechado*) incorporated under the laws of Brazil, with its principal place of business (*sede social*) in the city of São Paulo, Brazil. Torres Latinoamérica is a variable stock corporation (*sociedad anónima de capital variable*) incorporated under the laws of Mexico, with its principal place of business (*domicilio social*) in Mexico City, Mexico. In addition, most of the directors, officers and controlling persons of the Issuer, Torres do Brasil and Torres Latinoamérica, as well as certain experts named in this offering memorandum, reside outside the United States, and all or a substantial portion of the assets of such companies and persons are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States or outside Mexico or Brazil, as applicable, upon these companies or persons or to enforce against them, either inside or outside the United States, judgments obtained against these companies or persons in U.S. courts or elsewhere, or to enforce in U.S. courts or elsewhere judgments obtained against these companies and persons in courts in jurisdictions inside or outside the United States, in each case, in any action predicated upon civil liabilities under the laws of jurisdictions other Mexico or Brazil, including judgments predicated upon civil liabilities under the U.S. federal securities laws or other laws of the United States.

Mexico

We have been advised by our Mexican counsel, Aziz & Kaye Abogados, S.C., that no treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country. Generally, Mexican courts would enforce final judgments rendered in the United States if certain requirements are met, including the review in Mexico of the U.S. judgment to ascertain compliance with certain basic principles of due process and the non-violation of Mexican law or public policy (*orden público*), provided that U.S. courts would grant reciprocal treatment to Mexican judgments. Additionally, there is doubt as to the enforceability against Sitios and Torres Latinoamérica of any of their respective obligations under the notes or the New York law-governed indenture pursuant to which the notes will be issued in original actions in Mexican courts or in actions for enforcement of judgments obtained in courts of jurisdictions outside Mexico, of liabilities predicated, in whole or in part, on U.S. federal securities laws or similar laws of any jurisdiction outside Mexico and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated on the civil liability provisions of U.S. federal securities laws or under the notes or the indenture. See “Risk Factors—Risks Relating to the Notes and the Guarantees—Holders of the notes may not be able to enforce civil liabilities against the Issuer, the guarantors or their respective directors and officers.” We have appointed CT Corporation System, located at 28 Liberty Street, New York, New York 10005, as our authorized agent upon which process may be served in any action which may be instituted in any U.S. federal or New York state court located in The Borough of Manhattan, The City of New York arising out of or based upon the notes or the indenture governing the notes.

Although our obligations to pay U.S. dollars outside Mexico are valid, in the event that proceedings are brought in Mexico seeking to enforce our or Torres Latinoamérica’s obligations in respect of the guarantees, we and Torres Latinoamérica would not be required to discharge such obligations in a currency other than the Mexican peso. Pursuant to Mexican law, an obligation in a currency other than the Mexican peso, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payment is made. Such rate of exchange is currently determined by the Mexican Central Bank (*Banco de México*) each business day in Mexico and published the following banking-business day in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*).

Brazil

We have also been advised by our Brazilian counsel, Veirano Advogados, that any final and conclusive judgment for a determined sum of money obtained against Torres do Brasil in any foreign court having jurisdiction in respect of any suit, action or proceeding against Torres do Brasil for the enforcement of its obligations under the notes would, upon request, be enforceable in Brazil without reconsideration of the merits, but only upon confirmation of that judgment by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). That confirmation, generally, will only occur if the foreign judgment:

- fulfills all formalities required for its enforceability under the laws of the country where such foreign judgment has been issued;
- is issued by a competent court after proper service of process is made on the parties, which service must be in accordance with Brazilian law, if made in Brazil;
- is final and therefore not subject to appeal;
- is authenticated by a Brazilian consular office with jurisdiction over the location of the foreign court that has issued the judgment or apostilled, as applicable, and is accompanied by a sworn translation into Portuguese; and
- is not against Brazilian public policy, sovereignty, human dignity or good morals.

The confirmation process may be time-consuming and may also give rise to difficulties in enforcing the foreign judgment in Brazil. Additionally, we cannot assure you that confirmation will be obtained or that the process described above will be conducted in a timely manner.

We have also been advised by our Brazilian counsel that the ability of a creditor to satisfy a judgment by attaching certain assets of a defendant in Brazil is governed and limited by provisions of Brazilian law.

We have been advised that, if the notes or the indenture were to be declared void by a court applying the laws of the State of New York, a judgment obtained outside Brazil seeking to enforce the guarantee of Torres do Brasil may not be ratified by the Superior Court of Justice in Brazil.

WHERE YOU CAN FIND MORE INFORMATION

Under the terms of the indenture pursuant to which the notes will be issued, we will agree that for so long as any of the notes remain outstanding, we will furnish to the trustee and holders of the notes the information specified therein. You should rely only upon the information provided in this offering memorandum. Neither we nor the initial purchasers have authorized anyone to provide you with different information. You should not assume that the information in this offering memorandum is accurate as of any date other than the date on the cover of this offering memorandum.

In addition, for so long as the notes are listed on the LuxSE, copies of the following items will be available in physical form at the offices of Sitios located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico:

- this offering memorandum;
- a copy of the Mexican and Brazilian equivalents of the by-laws of the Issuer and each guarantor; and
- a copy of the indenture pursuant to which the notes and the guarantees will be issued.

GLOSSARY OF CERTAIN DEFINED TERMS

Active Infrastructure	Components of telecommunications or broadcasting networks that emit, process, receive or transmit texts, images, sounds, signals, or any other type of data
Build-to-suit.....	Arrangements under which we build tower structures for wireless service providers at locations that they have identified and under which we retain ownership of the Passive Infrastructure and the exclusive right to co-locate additional tenants
Individual site agreement.....	Lease agreement for space in a tower on which to place Active Infrastructure, as the same may be amended, supplemented or replaced including in connection with the placement of additional equipment outside the original agreed space
Passive Infrastructure.....	Non-electronic elements of telecommunications networks, including primarily: (i) physical space on properties (or portions thereof) held under any legal title; (ii) the towers, masts and other structures that support broadcasting antennas and other Active Infrastructure; and (iii) civil engineering works, conduits, frames, ducts, access controls and other accessories and physical elements available on-site and which may prove useful for the installation, support and operation of broadcasting equipment and other Active Infrastructure
Sites.....	Telecommunications towers and other associated Passive Infrastructure
Tenancy ratio.....	Average number of customers per site divided by the total number of Sites

FORWARD-LOOKING STATEMENTS

This offering memorandum includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements.” These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this offering memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, position in the market and the industry in which we operate.

Statements contained in this offering memorandum that are not purely historical are forward-looking statements and may include, but are not limited to, management’s expectations of competition; market share; revenues, margin, expenses and other operating results and ratios; economic conditions; vendor terms and conditions; pricing strategies; customer terms and conditions; organizational changes and related restructuring, integration costs; cost reduction measures and related restructuring costs; process and efficiency enhancements; our ability to take advantage of market trends; our international expansion; macroeconomic conditions; cost-savings; cash flows; working capital levels; capital expenditures; liquidity; capital requirements; effective tax rates; acquisitions and integration costs and the benefits to our business of any such transactions; operating models; exchange rate fluctuations and related currency gains or losses; resolution of contingencies; our competitive advantages; seasonality; interest rates and expenses; and rates of return, as well as other statements regarding our future operations, financial condition and prospects, and business strategy.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described under “Risk Factors.” Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this offering memorandum. Among the risks and uncertainties that may significantly impact us are, without limitation, risks associated with:

- information about expected commercial, operating or financial performance, financing, capital structure or other financial items or ratios;
- statements regarding plans, objectives or goals, including those relating to acquisitions, competition and rates;
- statements concerning regulation or regulatory developments;
- the impact of public health crises;
- conditions in the global economy and global capital markets, including economic factors, such as inflation, deflation and fluctuations in currency exchange rates, interest rates and commodity prices, as well as regulatory requirements;
- potential economic and political instability in Latin America and depreciation and volatility of currencies in which we conduct business;
- the impact of business disruptions, including supply chain disruptions, and security threats, regardless of cause, including acts of sabotage, cyber-attacks, terrorism or war, weather events and natural disasters;
- systemic bank failures and the impact on markets, liquidity and economic conditions;
- the competition our products and services face and our ability to adapt to industry and market changes;
- statements about future economic performance, as well as statements regarding economic, regulatory and political risks;

- competitive developments in the telecommunications sector and fluctuations in the telecommunications industry that could adversely affect end-market customers;
- other factors and trends affecting the telecommunications industry generally, and our financial condition in particular, including changes in market demand for telecommunications products generally, and for our products in particular;
- acquisitions and divestitures by our competitors;
- changes in financial and telecommunications regulation;
- our financing efforts; and
- statements of assumptions underlying the foregoing statements.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition, liquidity, prospects, growth, strategies, position in the market and the development of the industry in which we operate may differ materially from those described in or suggested by the forward-looking statements contained in this offering memorandum.

In addition, even if our results of operations, financial condition, liquidity, prospects, growth, strategies, position in the market and the development of the industry in which we operate are consistent with the forward-looking statements contained in this offering memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements that we make in this offering memorandum speak only as of the date of those statements, and we undertake no obligation to update those statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise specified, references herein to “Mexican peso,” “Mexican pesos” or “Ps.” are to Mexican peso, the legal currency of Mexico; references to “Brazilian real” or “Brazilian reais” are to Brazilian real, the legal currency of Brazil; references to “Chilean pesos” or “Chilean peso” are to Chilean peso, the legal currency of Chile; references to “Peruvian sol,” “Peruvian soles” or “S/” are to Peruvian sol, the legal currency of Peru; references to “Colombian peso” or “Colombian pesos” are to Colombian peso, the legal currency of Colombia; and references to “U.S. dollar,” “U.S. dollars” or “U.S.\$” are to United States dollar, the legal currency of the United States.

Sitios’ functional and reporting currency is the Mexican peso. Operations outside Mexico are generally measured using the local currency of the relevant jurisdiction as the functional currency. Assets and liabilities of these operations are translated into Mexican pesos at end-of-period exchange rates and income and expenses are translated using the average exchange rates for the reporting period, except for Argentina, which operates in a hyperinflationary environment, where end of period exchange rates are used to translate income and expenses.

This offering memorandum contains the audited consolidated financial statements of Sitios as of December 31, 2023 and 2022, for the twelve months ended December 31, 2023 and for the period from August 8 to December 31, 2022 (the “audited financial statements”). We refer to the period from August 8 to December 31, 2022 herein as the “2022 Stub Period.” The audited financial statements, including the audit report delivered by Mancera, S.C., a member firm of Ernst & Young Global Limited (“EY Mexico”) in connection with the preparation thereof have been prepared in accordance with International Financial Reporting Standards (*Normas Internacionales de Información Financiera*) (“IFRS”) as issued by the International Accounting Standards Board (the “Sitios audited consolidated financial statements”). This offering memorandum also contains the unaudited interim consolidated financial statements of Sitios as of and for the nine months ended September 30, 2024 and 2023 (the “unaudited interim consolidated financial statements”). The unaudited interim consolidated financial statements are unaudited and may not include certain disclosures included in audited consolidated financial statements.

The EY Mexico audit report covering the audited financial statements contains a qualification related to the recognition of certain gains in connection with the revaluation of Passive Infrastructure of our wireless telecommunications towers in Peru and the Dominican Republic (the “Revaluation”), as the same relates to the application of IFRS 13 Fair Value Measurement and IAS 16 Property, Plant and Equipment. As a result of the Revaluation, the Company recognized a revaluation surplus in shareholders’ equity of approximately Ps.3,960 million, net of deferred taxes. The qualification paragraph states that the elements and assumptions considered by our management in determining the revaluation were not sufficient to obtain adequate audit evidence that would have allowed EY Mexico to evaluate the appropriate reassessment of the long-lived assets located in these countries. The statements of financial position in our unaudited interim condensed consolidated financial statements reflect the valuation of these assets following the Revaluation and the effect of the related revaluation surplus in shareholders’ equity as of September 30, 2024. Galaz Yamazaki, Ruiz Urquiza, an affiliate of a Member Firm of Deloitte Touche Tohmatsu Limited (“Deloitte”), has performed a review, in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information by the Independent Auditor of the Entity, of our unaudited interim condensed consolidated financial statements. As stated in Deloitte’s review report, a review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that it would become aware of all significant matters that might be identified in an audit. Accordingly, Deloitte does not express an audit opinion. Although Deloitte’s report includes an emphasis paragraph with respect to the qualification in EY Mexico’s audit report, their review report expresses an unqualified conclusion on the unaudited interim condensed consolidated financial statements in that respect. However, our unaudited interim condensed consolidated financial statements have been prepared assuming that we will continue to operate as a going concern, which assumes that we can meet our payment obligations and our operating continuity. We discuss below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Going Concern” and in Note 2c to our unaudited interim condensed consolidated financial statements, the circumstances that have caused Deloitte to include a going concern paragraph in their report included in our unaudited interim condensed consolidated financial statements and the concrete actions we are taking to remediate this condition, improve our capital structure and strengthen our ability to continue operating. We continue operating as a going concern, and our unaudited interim condensed consolidated financial statements do not contain any adjustments that might result from the outcome of this uncertainty. See “Capitalization” for additional information regarding our expected capitalization after giving effect to the Capital

Increase (as defined herein). Upon consummation of the Capital Increase, our share capital will no longer trigger the possibility of dissolution pursuant to Mexican law as described below. See “Summary—Recent Developments—Going Concern Paragraph and Remediation Actions.”

This offering memorandum contains translations of certain Mexican peso amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by the Issuer that the Mexican peso amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated. Unless otherwise indicated, U.S. dollar amounts derived from our statements of financial position as of September 30, 2024 have been translated from Mexican pesos using the exchange rate of Ps.19.6290 to U.S.\$1.00, which was the rate reported by Banco de México for settlement of obligations in foreign currencies on September 30, 2024, as published in the Mexican Official Gazette of the Federation (*Diario Oficial de la Federación*). Unless otherwise indicated, U.S. dollar amounts derived from our statements of financial position as of December 31, 2023 and 2022 have been translated from Mexican pesos using the exchange rate of Ps.16.8935 to U.S.\$1.00, which was the rate reported by Banco de México for settlement of obligations in foreign currencies on December 31, 2023, as published in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*). All other information, including information derived from our statements of comprehensive income for the nine months ended September 30, 2023 and 2024, have been translated from Mexican pesos using the average exchange rate for the nine months ended September 30, 2024, which was Ps.17.7165 to U.S.\$1.00, and for the period from August 8 to December 31, 2022 and the year ended December 31, 2023, at the average exchange rate for the year ended December 31, 2023, which was Ps.17.7540 to U.S.\$1.00, unless otherwise stated.

Certain figures included in this offering memorandum have been rounded for ease of presentation. Percentage figures included in this offering memorandum have been calculated on the basis of such amounts prior to rounding, not on the basis of rounded figures. For this reason, percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in our financial statements. Certain numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them due to rounding.

Use of Non-IFRS Financial Measures

To supplement our financial information presented in accordance with IFRS, we use EBITDA, EBITDAaL and EBITDAaL margin, which are non-IFRS financial measures to clarify and enhance an understanding of our performance. For our purposes, we calculate (i) “EBITDA” as operating income plus depreciation (which includes both depreciation for right-of-use and depreciation and amortization), (ii) “EBITDAaL” as EBITDA minus income from floor leases, and (iii) “EBITDAaL margin” as the ratio of EBITDAaL to infrastructure lease income. We believe that the presentation of these financial measures enhances an investor’s understanding of our financial performance. We further believe that these financial measures are useful financial metrics to assess our operating performance from period to period by excluding certain items that we believe are not representative of our core business. We use certain of these financial measures for business planning purposes and in measuring our performance relative to that of our competitors.

We believe the EBITDA, EBITDAaL and EBITDAaL margin measures are commonly used by investors to evaluate our performance and that of our competitors. However, our use of the terms EBITDA, EBITDAaL and EBITDAaL margin may vary from that of other companies in the industries in which we operate. These financial measures should not be considered alternatives to income before income taxes, net (loss), or any other performance measures derived in accordance with IFRS as measures of operating performance. See “Summary Financial Data” for a reconciliation of EBITDAaL and EBITDA to operating income and “Risk Factors—Risks Relating to Our Business—EBITDA, EBITDAaL and EBITDAaL margin, as presented by us, may not be comparable to similarly titled measures reported by other companies.”

The adjustments reflected in EBITDAaL are intended to provide additional information on a more comparable basis than would be if provided without such adjustments, because our revenues from floor lease agreements generally arise from passing on costs for floor leases to customers at cost. Since these revenues and costs are an economic pass-through, we present EBITDAaL because it is a measure of profitability that excludes those revenues and costs that are recognized under IFRS 16, *Leases* as interest expense, depreciation and amortization for right-of-use. EBITDAaL is a measure that should be used in addition to, and not as a substitute for, or superior to,

measures of financial performance prepared in accordance with IFRS. Our non-IFRS metrics have limitations as analytical tools, and you should not consider them in isolation.

The non-IFRS financial measures described above are the primary indicators that we use internally to conduct and measure our business and evaluate the performance of our consolidated operations. We believe these non-IFRS financial measures are useful because they provide meaningful comparisons to prior periods. These non-IFRS financial measures are used in addition to, and in conjunction with, results presented in accordance with IFRS. We believe that these non-IFRS financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our IFRS results and the accompanying reconciliations to corresponding IFRS financial measures, provide a more complete understanding of factors and trends affecting our business. A material limitation associated with these non-IFRS financial measures, as compared to the corresponding IFRS financial measures, is that they may not be comparable to other companies with similarly titled measures, since those other companies may calculate and/or present such similarly titled measures differently. The non-IFRS financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with IFRS.

SUMMARY

This summary highlights key information described in greater detail in this offering memorandum. Because this is a summary, it may not contain all of the information that may be important to you in making a decision to invest in the notes. You should read carefully this entire offering memorandum, including the information set forth under “Risk Factors,” before making an investment decision.

Sitios

Sitios Latinoamérica, S.A.B. de C.V. was incorporated on August 8, 2022 in connection with the consummation of a spin-off of certain Passive Infrastructure from América Móvil, S.A.B. de C.V. (“América Móvil”), pursuant to which América Móvil transferred to Sitios 29,090 wireless telecommunications towers in Argentina, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Puerto Rico and Uruguay (the “Sitios Spin-off”), making Sitios one of the largest owners, operators and developers of wireless communications Sites in Latin America in terms of size of its Passive Infrastructure portfolio. As of September 30, 2024, Sitios owned 36,201 wireless telecommunications Sites in 16 countries, comprised of Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay.

Sitios is a publicly traded variable stock corporation incorporated under the laws of Mexico, and its shares are listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*) and registered before the RNV. The principal executive offices of Sitios are located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico.

Our Business

Our primary business is the construction, installation, maintenance, operation and commercialization of towers and support structures, physical space and other non-electronic elements of Passive Infrastructure for the installation of our customers’ Active Infrastructure. Our customers are telecommunications and radiocommunications companies that require Passive Infrastructure for the installation and operation of their Active Infrastructure.

We are not engaged in the business of providing Active Infrastructure or any radiocommunications services or other related services to the telecommunications sector. Such Active Infrastructure and services are provided by our customers.

Competitive Strengths

Our Principal Strengths

We believe that we are well positioned as a leading independent owner, operator and developer of wireless communications Sites in Latin America. Our principal existing and expected main competitive strengths include:

New Stand-alone Independent Entity with Single Business Model

Sitios is a public company organized as a result of the Sitios Spin-off to offer investors an opportunity to participate in a new, stand-alone business with separate management, financial and commercial objectives and with an adequate capital structure to satisfy its requirements.

We focus our efforts on a single business model, which provides us with the following benefits:

- *Increased Profitability.* Given that a majority of wireless carriers view Passive Infrastructure sharing as more efficient than incurring installation and management costs, we are able to market our assets to multiple carriers and, consequently, to expand our tenant base and increase the value and profitability of our assets and investments;
- *Opportunity for Growth.* The allocation of our costs and investments to a greater number of wireless carriers will provide such carriers with increased flexibility to focus on the expansion of their

infrastructure to locations where network coverage is currently unavailable, which we anticipate will translate into increased demand for our services;

- *Differentiating Stability.* We operate in an industry characterized by its stability. Because the term of tower space leases is typically 10 years, companies like ours are able to more accurately forecast their long-term revenues and expenses as compared with wireless carriers;
- *Benefits from the Expansion of the Telecommunications Sector.* The ability of existing as well as new telecommunications operators to access and use pre-deployed Passive Infrastructure allows them to more rapidly develop and scale their businesses. This translates into benefits for companies like ours because the demand for our services and the occupancy rates of our Passive Infrastructure will rise as telecommunications operators continue to grow in size and number, which will in turn improve the return on our assets;
- *Superior Operating Efficiencies.* By specializing in the provision of a critical service for the telecommunications sector, our management and employees are able to focus their efforts on improving our operating efficiencies for the benefit of both our customers and the end-users; and
- *Organic and Inorganic Growth Potential.* Since our inception, we have continued to grow our presence in our existing territories and have expanded our presence to new territories by developing new Passive Infrastructure and strategically acquiring existing Passive Infrastructure from other operators in key areas, which has allowed us to grow our presence in the region and engage with additional operators.

Leading Infrastructure Platform in Latin America

We are the leading builder and provider of Passive Infrastructure in Latin America. As of September 30, 2024, we owned 36,201 towers in 16 countries. According to TowerXchange's LATAM Regional Guide 3Q 2024, we are the most geographically diversified provider of Passive Infrastructure in Latin America and one of the leading providers of Passive Infrastructure in at least nine of the countries in which we operate.

Strong and Resilient Demand in Latin America

We believe that Latin America offers us significant opportunities based on the fact that it is comprised of emerging market countries that require ongoing deployment of telecommunications infrastructure to provide coverage to remote regions and to meet the growing demand for quality services in densely populated areas. According to Global System for Mobile Communications' ("GSMA") "The Mobile Economy 2024" report, mobile penetration in Latin America is approximately 72%, well below the estimates for Europe, China and North America. This circumstance offers significant market penetration opportunities for companies like us specializing in the provision of Passive Infrastructure for the telecommunications sector.

Leading Position in Countries with Sustained Requirements for Site Construction and Sharing Arrangements

As of the date of this offering memorandum, we have built 1,532 new towers in the last twelve months and 232 additional Sites are in advanced stages of construction. The Latin American tower market is in its early development stages, and we believe that the quality of our Passive Infrastructure solidly positions us to address the needs of this market as it continues to grow. We believe that the commercialization of Passive Infrastructure in Latin America also offers significant growth opportunities as compared with more mature markets such as the United States and some European countries.

Solid Growth Platform

Our growth platform is supported by contracts that are generally indexed to inflation in the relevant jurisdiction, and by our new constructions and the expansion of our customers. In addition, as a stand-alone company we are able to increase the utilization capacity of our Sites by housing more than one tenant per site.

Attractive Financial Profile

We believe that we have opportunities to increase our margins and to generate cash flows in amounts sufficient to service our debt, including the notes. For the nine months ended September 30, 2024, we had an operating income of Ps.3,928 million and EBITDAaL of Ps.6,020 million, representing an EBITDAaL margin of 89%. For the twelve-month period ended December 31, 2023, we had an operating income of Ps.4,015 million and an EBITDAaL of Ps.6,571 million, representing an EBITDAaL margin of 84%. In addition, we enjoy a geographically diversified source of revenue.

High-Quality and Long-Term Arrangements with América Móvil, our Anchor Tenant, and other Potential High-Quality Customers

The master service agreements between us and subsidiaries of América Móvil provide for access and use of specific spaces and other Passive Infrastructure on our Sites under specific site agreements that have, on average, minimum terms of five or 10 years, with automatic renewals, providing us with a generally predictable stream of revenue. We believe that the benefits of such long-term arrangements are enhanced by the quality of América Móvil as our current principal customer, given the strength of its business model, as well as that of other potential future customers. The wireless communications site infrastructure that we provide is an important component of the operations of América Móvil's customers, which we believe will substantially reduce collection risk.

In furtherance of our business plan, we will seek to enter into additional master service agreements and site agreements with customers covering multiple Sites. We believe that the solid revenue streams and high-quality ratings of customers make the Latin America wireless telecommunications sector a market with attractive potential customers.

Growing Market

We anticipate that data traffic volumes from smart devices will continue to grow exponentially and to drive the demand for additional radiocommunications infrastructure, and that wireless operators will be required to make additional investments in the expansion of their network capacities to keep up with the increase in the demand for data service plans and with the migration of users to 4G and 5G platforms.

High Potential Operating Leverage and Limited Expenditures

We believe that our high potential operating leverage (which we define to be operating expenses divided by operating revenue), together with our effective cost-management policies and relatively low capital expenditures, will enable us to deliver strong cash-flows and EBITDA to enable us to meet our financial obligations.

Operating expenses represented approximately 7.8% of our operating revenue for the year ended December 31, 2023. We believe that the incremental costs and expenses related to additional customers are minimal, supporting our strategy of increasing revenue and profit by adding customers in addition to subsidiaries of América Móvil.

Experienced Management Team

Following the Sitios Spin-off, we have inherited América Móvil's relevant expertise and human resources, which we believe provide us with a significant advantage over other participants in the field, given that América Móvil has been a key participant in the wireless infrastructure, and specifically in the telecommunications tower building field, with sound economic and technical resources. See "Management and Corporate Governance—Management."

Business Strategy

Developing Site Infrastructure Business

Wireless penetration has been lagging in Latin America for a variety of reasons. We believe that the Latin America market will experience an increase in demand for wireless telecommunications services, specifically wireless data services, which require a greater density of site infrastructure in order to provide better service. As such, we are focused on developing our site infrastructure business. Our strategy is based on increasing the number of customers using each of our Sites, increasing the number of Sites and maximizing the efficiency of our operations.

Market Relations

We seek to increase the value of our Passive Infrastructure through a unique, independent approach toward its development, improvement and management in order to make it available to all telecommunications operators, initially in the Latin American countries in which we currently operate, while building solid business and commercial relationships with such operators through the execution of medium- and long-term operation agreements with them.

Efficiencies

We believe that our business model will become more efficient as more customers use our Sites. Consequently, the greater number of customers per Site, the greater our revenues and EBITDA. Additionally, we believe that such efficiencies and growth will translate into improved operating and financial margins that will, in turn, increase profitability. We have a site portfolio with ample coverage on a national and regional level that we believe will be attractive to potential clients as they seek to expand their network coverage, as well as new entrants to the market as a result of recent regulatory changes in Latin America.

Optimization of Profitability

We intend to employ a multi-pronged strategy to increase our profitability directly and through our subsidiaries. This includes reducing our costs through the effective management of our resources, optimizing the operation and maintenance of our Sites, anticipating the need for new Sites, anticipating the demand from wireless carriers and their technological requirements, adequately managing our contractual relationships with our customers and vendors, introducing enhanced customer service platforms for our tenants and improving our construction processes on an ongoing basis.

Organic Growth Potential and Room for Tenant Growth by Serving other Operators

Our investment strategy will depend on full business and financial due diligence to determine the most suitable locations for our communications Sites in order to meet our customers' network requirements. We expect that we will expand the number and locations of our Sites to continue to support the needs of our principal customers, subsidiaries of América Móvil and, potentially new customers as well.

Our strategy also includes the use of a salesforce dedicated to previously underutilized site assets, which we believe, combined with our existing premium locations and favorable market conditions in Latin America, will support tenant growth.

Experienced Management Team with Strategic Focus

To accomplish our strategy, we have assembled a management team with experience in the industry that will be dedicated to implementing our strategy with a focus on maximizing medium- and long-term growth.

Recent Developments

Going Concern Paragraph and Remediation Actions

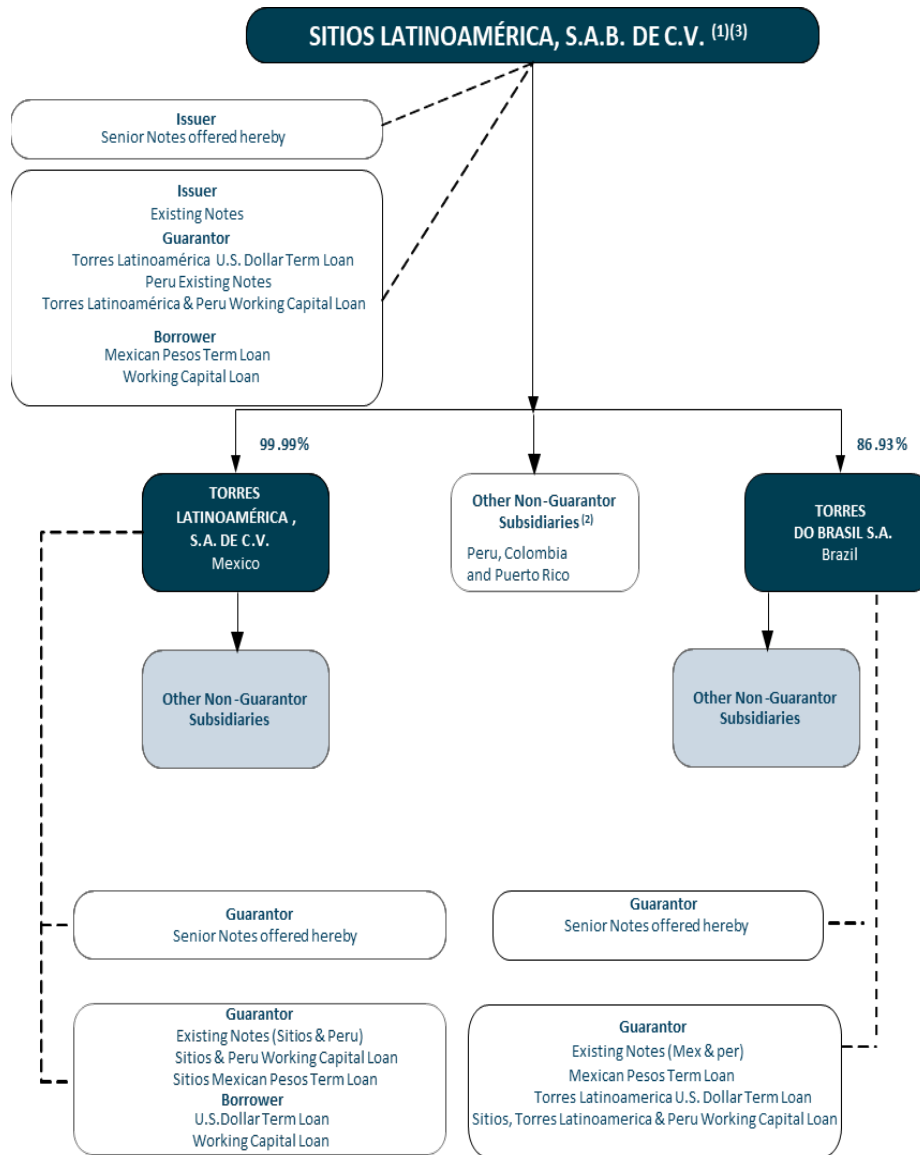
Our unaudited interim condensed consolidated financial statements included in this offering memorandum have been prepared assuming that we will continue to operate as a going concern, which assumes that we can meet our payment obligations and our operating continuity. As discussed in Note 2c to our unaudited interim condensed consolidated financial statements, as of September 30, 2024, our current liabilities exceeded our current assets by Ps.4,185 million (U.S.\$213.2 million), and as of the date hereof we have fallen below the minimum share capital required under Mexican law, which could be a cause for our dissolution upon the request of an interested third party.

To remediate this condition, at a meeting held on October 18, 2024, our shareholders authorized a capital increase of Ps.3 billion (U.S.\$153 million) (the "Capital Increase"). On November 14, 2024, we announced that the period for our shareholders to exercise their preemptive rights with respect to the Capital Increase will begin on November 15, 2024 and will remain open for 15 calendar days, concluding on November 29, 2024. Subject to certain customary formalities, we expect the Capital Increase to be completed during the first week of December of 2024. We intend to use the proceeds of the Capital Increase to repay a portion of the principal and accrued interest due under the

Mexican Pesos Term Loan. See “Capitalization” for additional information regarding our expected capitalization after giving effect to the Capital Increase. Upon consummation of the Capital Increase, we will no longer fall below the required threshold for share capital, which will address the circumstances that gave rise to the possible cause for dissolution described herein. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Going Concern” for additional information regarding the concrete actions we are taking to remediate this condition, improve our capital structure and strengthen our ability to continue operating.

CORPORATE STRUCTURE

The following chart summarizes our corporate structure and principal indebtedness as of September 30, 2024. This chart is provided for illustrative purposes only and does not represent all legal entities affiliated with, or all obligations of, Sitios, the Issuer or any of their affiliates.



(1) On the issue date, the notes will be guaranteed on a senior basis by each of Torres do Brasil and Torres Latinoamérica.

(2) For the nine months ended September 30, 2024, our non-guarantor subsidiaries represented a approximately 8.5% of our total revenues, 9.7% of our operating income, 2.3% of our net profit (loss), and a approximately 8.6% and 9.7% of our EBITDA and EBITDAaL, respectively. As of September 30, 2024, our non-guarantor subsidiaries

represented approximately 11% of our total assets (excluding intercompany receivables and investments in subsidiaries) and approximately 10% of our total liabilities (excluding intercompany payables).

- ⁽³⁾ Sitios had total direct and indirect indebtedness of Ps.58,637 million (U.S.\$2,987 million) as of September 30, 2024, comprising the amounts outstanding under the Existing USD Notes, the Mexican Pesos Term Loan and the Sitios Working Capital Loan, the guarantees in respect of the U.S. Dollar Term Loan and the Torres Latinoamérica Working Capital Loan (each as defined herein) and the Existing Sol Notes. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Existing Indebtedness” for a description of these debt obligations.

THE OFFERING

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete description of the terms and conditions of the notes, see "Description of the Notes."

Issuer	Sitios Latinoamérica, S.A.B. de C.V.
Guarantors	Torres Latinoamérica, S.A. de C.V. and Torres do Brasil S.A. (the "guarantors").
Notes Offered	U.S.\$650,000,000 aggregate principal amount of 6.000% Senior Notes due 2029 (the "notes").
Issue Price	99.659% of principal amount, plus accrued interest, if any, from November 25, 2024.
Issue Date	The notes will be issued on November 25, 2024.
Maturity Date	The notes will mature on November 25, 2029.
Interest Rate	Interest on the notes will accrue at the rate of 6.000% per year commencing on November 25, 2024.
Interest Payment Dates	Interest on the notes will be payable on May 25 and November 25 of each year, beginning on May 25, 2025.
Ranking	The notes will be unsecured and unsubordinated obligations of the Issuer and will rank equally in right of payment with all of the Issuer's other unsecured and unsubordinated debt (subject to certain statutory preferences under local law, including tax, social security and labor claims). The notes will be effectively subordinated to all of the Issuer's existing and future secured obligations.

The guarantees will be unsecured and unsubordinated obligations of the guarantors and will rank equally in right of payment with all of the guarantors' other unsecured and unsubordinated debt (subject to certain statutory preferences under local law, including tax, social security and labor claims). The guarantees will be effectively subordinated to all of the guarantors' existing and future secured obligations and to all existing and future liabilities of the guarantors' respective subsidiaries (other than the other guarantors and the Issuer). Claims of creditors of the guarantors' subsidiaries (other than the Issuer) that do not guarantee the notes, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of their respective subsidiaries.

The notes do not restrict the ability of the Issuer, the guarantors or the guarantors' subsidiaries to incur additional indebtedness in the future.

As of September 30, 2024, the Issuer had, on an unconsolidated basis (parent company only), unsecured and unsubordinated indebtedness of approximately Ps.41,717 million (U.S.\$2,125 million) excluding guarantees of its subsidiaries' indebtedness. As of September 30, 2024, the Issuer's subsidiaries had

indebtedness (excluding guarantees of indebtedness of Sitios and its other subsidiaries) of approximately Ps.16,920 million (U.S.\$862 million).

Use of Proceeds..... The Issuer intends to use the net proceeds from the sale of the notes to repay the U.S. Dollar Term Loan and the Sitios Working Capital Loan (each as defined herein) in full, and the remainder, if any, to repay the Torres Latinoamérica Working Capital Loan (as defined herein). See “Use of Proceeds.”

Further Issuances..... The Issuer may, from time to time without the consent of holders of the notes, issue additional notes on the same terms and conditions as the notes (except for issue date, issue price and the date from which interest will accrue and, if applicable, the date on which interest will first be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes, provided that if any additional notes are not fungible with the initially issued notes for United States federal income tax purposes, such additional notes will have a separate CUSIP or other identifying number.

Payment of Additional Interest..... All payments of principal, premium, if any, and interest (or any amount deemed as interest) in respect of the notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Mexico, Brazil or any other jurisdiction in which the Issuer or any successor of the Issuer under the indenture is organized or incorporated or doing or deemed to be doing business or the Issuer’s or any successor’s paying agent is located (each, a “Relevant Jurisdiction”) or, in each case, any political subdivision thereof or any authority therein or thereof having power to tax (“Taxes”), unless such withholding or deduction is required by law or by the official interpretation or administration thereof. In the event of any such withholding or deduction of Taxes, the Issuer or the relevant guarantor will pay to holders such additional interest as will result in the payment to each holder of the net amount that would otherwise have been receivable by such holder in the absence of such withholding or deduction. See “Description of the Notes—Payment of Additional Interest.”

Optional Redemption..... Prior to October 25, 2029 (the date that is one month prior to the maturity date of the notes), the Issuer may, redeem the notes at its option, in whole or in part, at any time and from time to time, by paying the greater of the principal amount of the notes to be redeemed and a “make-whole” amount, plus accrued and unpaid interest and any additional interest thereon to, but not including the redemption date. On or after such date, the Issuer may redeem the notes, at any time and from time to time, in whole or in part, at 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest and additional interest thereon to, but not including, the redemption date.

	See “Description of the Notes—Optional Redemption—Optional Redemption With ‘Make-Whole’ Amount or at Par.”
Tax Redemption	The Issuer may, at its option, redeem the notes, in whole but not in part, at 100% of their principal amount, plus accrued and unpaid interest and additional interest, if any, to, but excluding the redemption date, upon the occurrence of specified events relating to Relevant Jurisdiction tax law.
	See “Description of the Notes—Optional Redemption—Tax Redemption.”
Listing	Application is expected to be made to list the notes on the Official List of the LuxSe and to admit the notes for trading on the Euro MTF; however, the notes are not yet listed and the Issuer cannot assure the holders of the notes that they will be approved for listing on the Official List of the LuxSE and admitted to trading on the Euro MTF or that the listing will be maintained.
CUSIP	Rule 144A: 82983P AA1 Regulation S: P87026 AA1
ISIN	Rule 144A: US82983PAA12 Regulation S: USP87026AA16
Form and Denominations	The notes will be issued only in registered form without coupons and in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
	The notes sold in reliance on Rule 144A under the Securities Act will be evidenced by one or more notes in global form (collectively, the “Restricted global note”), which will be deposited with a custodian for, and registered in the name of DTC, as depositary, or its nominee. The notes sold in reliance on Regulation S under the Securities Act will be evidenced by one or more separate notes in global form (collectively, the “Regulation S global note”), which will also be deposited with a custodian for, and registered in the name of, DTC, as depositary, or its nominee, for the accounts of its direct and indirect participants, including Euroclear and Clearstream. Transfers of beneficial interests between the Restricted global note and the Regulation S global note.
Transfer Restrictions	The notes have not been, and will not be, registered under the Securities Act and, accordingly, are subject to limitations on transferability and resale. See “Transfer Restrictions” and “Plan of Distribution.”
	As required under Article 7 of the Mexican Securities Market Law (<i>Ley del Mercado de Valores</i>) and regulations thereunder, we will notify the CNBV of this offering and issuance of the notes outside of Mexico and the main terms and conditions of the notes for informational purposes only. The notes may be offered and sold in Mexico, on a private placement basis, to investors in Mexico that qualify as an institutional investor (“ <i>inversionista institucional</i> ”) or a qualified investor (“ <i>inversionista calificado</i> ”) pursuant to the private offering exemption set forth in Article 8

of the Mexican Securities Market Law and regulations thereunder. The notes have not been and will not be registered with the RNV maintained by the CNBV and may not be offered or sold publicly in Mexico or otherwise subject to brokerage activities in Mexico.

Trustee, Paying Agent, Registrar and Transfer Agent.....

Citibank, N.A.

Governing Law.....

The indenture pursuant to which the notes will be issued, the notes and the guarantees will be governed by the laws of the State of New York.

Taxation.....

See “Tax Considerations” for a summary of certain income tax considerations of an investment in the notes.

Risk Factors.....

Before making an investment decision, prospective purchasers of the notes should consider carefully all of the information included in this offering memorandum, including, in particular, the information set forth under “Risk Factors” in this offering memorandum.

SUMMARY FINANCIAL DATA

Each of the audited consolidated financial statements and the unaudited interim consolidated financial statements have been prepared in accordance with IFRS.

The information in this section is only a summary and should be read in conjunction with “Forward-Looking Statements,” “Presentation of Financial Information,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited consolidated financial statements and the unaudited interim consolidated financial statements included elsewhere in this offering memorandum.

The unaudited interim consolidated financial statements are not necessarily indicative of the financial results that will be obtained for the full twelve months ended December 31, 2024 and should not be viewed as indicative of the results of operations or financial position of Sitios in future periods.

The following tables set forth summary financial information for the periods and dates indicated:

Consolidated Statements of Comprehensive Income	For the nine months ended September 30,			For the year ended December 31,		For the period from August 8 to December 31,
	2024		2023	2023		2022
	Unaudited			Audited		
	(in millions of Ps.)	(in millions of U.S.\$) ⁽¹⁾	(in millions of Ps.)	(in millions of Ps.)	(in millions of U.S.\$) ⁽²⁾	(in millions of Ps.)
Operating income:						
Infrastructure leases	6,802	384	6,041	7,834	441	3,480
Floor leases	4,174	236	3,949	5,298	298	1,730
Other income	-	-	-	112	6	52
	10,976	620	9,990	13,245	746	5,262
Operating costs and expenses:						
Depreciation and amortization ..	3,121	176	2,671	3,839	216	1,068
Depreciation for right of use	3,145	178	3,013	4,015	226	1,460
Service costs	137	8	263	346	20	141
Operating expenses	645	36	714	1,029	58	310
Operating income	3,928	222	3,329	4,015	226	2,283
Financing result:						
Interest income	195	11	173	299	17	30
Lease interest	(1,129)	(64)	(794)	(1,570)	(88)	(243)
Other financial costs and income	42	2	(148)	1,164	66	1,103
Interest expense	(3,591)	(203)	(3,394)	(4,571)	(257)	(1,826)
Foreign exchange (loss) income, net	(1,874)	(106)	790	29	2	(705)
	(6,357)	(359)	(3,373)	(4,649)	(262)	(1,642)
(Loss) income before income taxes	(2,429)	(137)	(44)	(635)	(36)	641
Income taxes	1,319	74	892	1,121	63	346
Net (loss) income for the year	(3,748)	(212)	(936)	(1,756)	(99)	295
Attributable to:						
Controlling entity owners	(3,968)	(224)	(1,119)	(1,994)	(112)	275
Non-controlling interest	220	12	183	238	13	21
	(3,748)	(212)	(936)	(1,756)	(99)	295

⁽¹⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars using the average exchange rate for the nine months ended September 30, 2024 of Ps.17.7165 to U.S.\$1.00.

⁽²⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars using the average exchange rate for the year ended December 31, 2023 of Ps.17.7540 to U.S.\$1.00.

Consolidated Statements of Financial Position

	As of September 30, 2024		As of December 31, 2023	
	Unaudited		Audited	
	(in millions of Ps.)	(in millions of U.S.\$) ⁽¹⁾	(in millions of Ps.)	(in millions of U.S.\$) ⁽²⁾
Assets				
Current assets:				
Cash and cash equivalents.....	1,609	82	1,567	93
Accounts receivable.....	302	15	372	22
Recoverable taxes.....	2,023	103	2,001	118
Prepaid expenses.....	376	19	350	21
Related parties.....	1,228	63	1,659	98
Total current assets.....	5,538	282	5,950	352
Non-current assets:				
Property and equipment, net.....	80,056	4,078	71,064	4,207
Right-of-use assets.....	18,902	963	19,149	1,134
Other assets.....	10	1	13	-
Total non-current assets.....	98,968	5,042	90,226	5,341
Total assets.....	104,506	5,324	96,176	5,693
Liabilities and shareholders' equity				
Current liabilities:				
Short-term debt.....	3,738	190	3,042	180
Liabilities related to rights of use.....	2,827	144	1,763	104
Accounts payable and accrued liabilities.....	2,644	135	2,105	125
Taxes and contributions payable.....	420	21	529	31
Related parties.....	94	5	277	16
Total current liabilities.....	9,723	495	7,717	457
Long-term debt.....	54,899	2,797	50,114	2,966
Deferred tax liabilities.....	13,200	672	12,644	748
Liabilities related to rights of use.....	17,269	880	18,408	1,090
Asset retirement obligation.....	7,127	363	6,088	360
Total non-current liabilities.....	92,495	4,712	87,255	5,165
Total liabilities.....	102,218	5,207	94,971	5,622
Shareholders' equity:				
Shareholders' equity.....	1,002	51	1,002	59
Retained earnings:				
Retained earnings.....	(28,408)	(1,447)	(26,620)	(1,576)
Asset revaluation surplus.....	34,047	1,735	31,907	1,889
Income (loss) for the year.....	(3,968)	(202)	(1,994)	(118)
Total retained earnings (loss).....	1,671	85	3,293	195
Other comprehensive loss (loss) items.....	(1,049)	(53)	(3,505)	(207)
Shareholders' equity attributable to owners of the controlling interest.....	1,624	83	790	47
Non-controlling interest.....	664	34	416	25
Total shareholders' equity.....	2,288	117	1,205	71
Total liabilities and shareholders' equity.....	104,506	5,324	96,176	5,693

⁽¹⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars at the September 30, 2024 exchange rate of Ps.19.6290 to U.S.\$1.00.

⁽²⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars at the December 31, 2023 exchange rate of Ps.16.8935 to U.S.\$1.00.

Reconciliation	For the nine months ended September 30,		For the year ended		For the	
	2024	2023	December 31,		period from	
			2023		August 8 to	
					December	
	Unaudited		Audited		31,	
	(in millions of Ps.)	(in millions of U.S.\$) ⁽¹⁾	(in millions of Ps.)	(in millions of Ps.)	(in millions of U.S.\$) ⁽²⁾	2022
Operating income	3,928	222	3,329	4,015	226	2,283
<i>Plus</i> depreciation for right-of-use	3,145	178	3,013	4,015	226	1,460
<i>Plus</i> depreciation and amortization	3,121	176	2,671	3,839	216	1,068
EBITDA	10,194	576	9,013	11,869	668	4,811
<i>Less</i> floor lease income.....	(4,174)	(236)	(3,949)	(5,298)	(298)	(1,730)
EBITDAaL	6,020	340	5,064	6,571	370	3,081
Infrastructure lease income	6,802		6,041	7,834		3,480
EBITDAaL margin	89%		84%	84%		89%

⁽¹⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars using the average exchange rate for the nine months ended September 30, 2024 of Ps.17.7165 to U.S.\$1.00.

⁽²⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars using the average exchange rate for the year ended December 31, 2023 of Ps.17.7540 to U.S.\$1.00.

RISK FACTORS

You should consider carefully the following risks and all the information set forth in this offering memorandum before investing in the notes. The following risk factors are not the only risks we face, and any of the risk factors described below could significantly and adversely affect our business, results of operations or financial condition, as well as the Issuer's ability to satisfy its obligations under the notes.

In this "Risk Factors" section, the terms "we," "us" and "our" refer to Sitios and its consolidated subsidiaries, taken as a group, unless the context otherwise requires.

Unless the context otherwise requires, references to the "Sites" in this section will be deemed to refer to the telecommunications towers and other associated Passive Infrastructure.

Risks Relating to Our Business

We were organized only recently and, accordingly, our operating history, track record, historical financial information and business strategies are limited, which makes our future performance difficult to predict

We were organized only recently and have a limited operating history on which to base an assessment of our business and prospects. We are subject to the risks and uncertainties inherent to any new business, including the risk of not being able to achieve our operating objectives or to implement our business strategy. Accordingly, we have only limited operating results based on which to demonstrate our ability to operate our business. The financial condition and results of operations reflected in the audited consolidated financial statements and the unaudited consolidated interim financial statements may not be indicative of our future performance or the performance of other providers of telecommunications infrastructure. Our limited operating history exacerbates the risks and uncertainties inherent to any investment in the notes, and our lack of historical information may make it difficult to predict long-term trends in our business.

Our unaudited condensed interim consolidated financial statements have been prepared on the assumption that we will continue to operate as a going concern

Our unaudited condensed interim consolidated financial statements have been prepared on the assumption that we will continue to operate as a going concern. As of September 30, 2024, our current liabilities exceeded our current assets by Ps.4,185 million (U.S.\$213.2 million), and we have fallen below the minimum share capital required under Mexican law, which could be a cause for our dissolution upon the request of an interested third party. Our financial statements do not include any adjustments that might result from the outcome of that uncertainty. If the actions we are taking to improve our capital structure, which are described in detail under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Going Concern" are not successful, we may not be able to continue operating as a going concern.

A decrease in the demand for Passive Infrastructure could adversely affect our results of operations, and we have no control over such demand

A significant reduction in demand for Passive Infrastructure could materially and adversely affect our business, results of operations and financial condition. Factors that may affect such demand include:

- increased use of network sharing among governments or providers of radiocommunications services, including roaming services;
- increased mergers or consolidations that reduce the number of radiocommunications operators, or adverse changes in the financial condition of radiocommunications operators;
- governmental restriction or limitation of spectrum concessions or licenses of radiocommunications operators;
- zoning, environmental, health, tax or other government regulations or changes in the application and enforcement thereof;

- governmental licensing of spectrum or restriction or revocation of our tenants' spectrum concessions or licenses;
- decreased demand for radiocommunications services, including due to general economic conditions, disruption in the financial and credit markets or global social, political or health crises on the global economy and markets;
- the ability and willingness of radiocommunications operators to maintain or increase capital expenditures on network infrastructure;
- the costs associated with the development of radiocommunications infrastructure;
- shortages or decreased supply of radiocommunications equipment or components therefor, including chips;
- our ability to efficiently fulfill service requests from our customers;
- the financial condition and growth strategies of our existing and future customers;
- delays or changes in the deployment of new technologies, including as a result of the amount or type of infrastructure or communications locations required for the provision of radio communications services in certain locations, or impairments in the existing wireless networks; and
- technological changes that could reduce the need for tower-based wireless services transmission and reception and emergence of alternative technologies, such as satellite-based wireless services.

Any economic recession or disruption in the financial and credit markets could adversely affect the demand for wireless services. Consumer spending on airtime or data applications usage could decrease significantly or fall below expectations, which could have a material adverse effect on the demand for Passive Infrastructure and, accordingly, on our business, financial condition and results of operations.

If our customers share Passive Infrastructure to a significant degree or merge or consolidate, our growth, revenues and ability to generate positive cash flows could be materially affected

If radiocommunications operators share Passive Infrastructure instead of deploying their own networks or enter into roaming agreements with other operators as an alternative to our services, our revenues and growth could be materially and adversely affected. For example, in the United States, certain combined companies have rationalized or announced plans for the rationalization of duplicative parts of their networks. We expect the same to occur in Latin America if certain radiocommunications operators consolidate. In addition, certain combined companies have modernized or are in the process of modernizing their networks and may decide not to renew their agreements with us. Our revenues from our existing agreements and our future results of operations could be adversely affected if a significant number of these agreements are not renewed.

We may fail to realize the benefits from future acquisitions of telecommunications towers by our operating subsidiaries

A key element of our growth strategy is the expansion of our telecommunications towers portfolio. We rely on our real estate analysis capabilities and on the representations and financial records of our landlords and third parties to anticipate our profit, expenses and capacity from the integration of towers to ensure compliance with our internal policies. Failure to analyze and verify any information regarding titles, possession and other issues with respect to the land under our towers could mean that we fail to realize some of the benefits of our acquisition of towers and could materially impact our business, financial condition and results of operations.

Adverse changes in the financial condition or results of operations of our customers could have an adverse effect on our business

Our performance depends to a large extent on our ability to collect our site access and usage fees from our customers, all of whom are subject to risks relating to the wireless communications industry, including:

- an intensely competitive environment;
- government or regulatory intervention in the wireless telecommunications sector, including the development of new legal frameworks for the regulation of telecommunications in the jurisdictions in which they operate;
- special regulations for preponderant or dominant operators;
- the pace and success of our customers' roll out of 5G and other new or developing technologies;
- the ongoing need for network upgrades and additional spectrum to expand their clients' portfolios and maintain the quality of their services;
- the fixed-term nature of their concessions and licenses and their inability to negotiate the imposition of specific terms for their renewal;
- technological changes that affect their operations;
- system failures that result in delays or interruptions of service; and
- cybersecurity incidents and other breaches of network security.

If one or more of our customers were to experience an adverse change in its operations or financial strength, its ability to fulfill its obligations to us when due could be affected, which could have an adverse effect on our business, financial condition and results of operations.

We may not be able to renew existing agreements or enter into new agreements for the Sites on which our Passive Infrastructure is located, and we may not be able to maintain our current rates, which could result in an adverse impact on our result of operations

We can give no assurance that the existing agreements for the Sites on which our Passive Infrastructure is located will be renewed upon expiration or that we will enter into new agreements at rates no lower than our current rates, on terms no less favorable than our current terms, or at all. As part of our growth strategy, we expect to continue to develop and acquire Sites for our Passive Infrastructure. To the extent that any of the Passive Infrastructure capacity of our operating subsidiaries remains unused for an extended period of time, our revenues may decrease, or we may not earn revenues at all from the relevant site, which could adversely affect our financial condition and results of operations.

Our agreements for the use of Sites on which our Passive Infrastructure is located may prevent us from earning revenues from a particular site if all or part of such site becomes damaged. If all or part of any of the Sites on which our Passive Infrastructure is located becomes damaged as a result of certain events, including natural disasters or civil unrest, our ability to continue earning revenues from such site could be diminished, which could result in a material adverse impact on our financial condition and results of operations.

We are subject to risks relating to the development, maintenance and expansion of our Passive Infrastructure, including the need for ongoing capital expenditures

Our ability to maintain our quality-of-service standards depends on our ability to develop, maintain and expand our Passive Infrastructure assets. This requires significant amounts of capital and involves a number of expenses over an extended period of time and depends on our ability to assess the condition of our Passive Infrastructure assets. We also require significant amounts of capital to finance our development and expansion plans.

Each of our towers is comprised of a large number of elements with different economic useful lives and it may be difficult to accurately estimate the economic useful lives of our Passive Infrastructure assets. We expect our capital expenditures on the maintenance of our Passive Infrastructure to be relatively stable. However, such expenditures may vary from time to time in response to factors such as the cost of machinery, construction and connection to the power grid. We may also need to incur additional capital expenditures to provide new types of services or implement new Passive Infrastructure technologies. A material increase in our capital requirements could adversely affect our profitability and our ability to meet our obligations.

In connection with our service agreements with América Móvil, under certain limited circumstances, we may be required to incur certain capital expenditures in connection with the improvement of existing Sites occupied by carriers that are subsidiaries of América Móvil. We expect to finance our future capital requirements through various sources, including our operating cash flows and/or third-party financings. The amount and timing of our future capital requirements could differ from those we expect as a result of various factors, including unanticipated delays in or cost overruns as a result of the adoption of measures in response to changes in regulation, unanticipated expenses, changes in engineering and design, or technological changes, including unexpected technology phase-outs. We can give no assurance as to the future availability of external financing at competitive rates or in the amounts necessary to address our requirements in connection with these matters.

Our inability to secure financing to fund our capital expenditures could limit our ability to maintain our current operations, build new Sites for our customers, respond to regulatory or technological changes and expand our operations, any of which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks relating to the development of new Sites

We are subject to risks relating to the development of Passive Infrastructure that could adversely affect our business, financial condition and results of operations. These risks include, among others:

- our potential inability to realize returns on our investment in the exploration, assessment and valuation of development opportunities that we may potentially abandon or that fail to materialize;
- our potential inability to install Sites in adequate locations;
- increased land use costs, which could cause our operations to be less profitable than expected;
- our potential inability to acquire or reconfigure on schedule, and within budget, the facilities we require, or to secure the requisite licenses, authorizations or permits for such acquisitions or reconfigurations;
- our feasibility studies for the development of new Sites proving incorrect when attempting to implement them;
- development costs that exceed our estimates;
- damage to our Sites as a result of natural disasters or civil unrest that could prevent us from completing them on schedule;
- our inability to find customers for our new Sites; and
- our inability to collect site access and usage fees from new customers.

These risks may result in unanticipated and significant delays or expenses, under certain circumstances, or may prevent us from completing projects that are already in progress, any of which could adversely affect our business, financial condition and results of operations.

We may be unable to implement our growth strategy successfully or manage our growth efficiently

We intend to grow our business through the construction of additional Passive Infrastructure and the development of new Passive Infrastructure services to cater to the needs of a growing number of customers. We may also pursue strategic acquisition opportunities in markets in which we are already present and in new markets.

Our ability to compete in the infrastructure leasing market and grow our lease portfolio could be affected by a number of factors over which we have no control, including but not limited to, as described in this offering memorandum. We can give no assurance as to our future ability to expand our customer portfolio or enter into new leases in a timely fashion or on profitable terms.

Additionally, our future revenues and cash flows will depend on our customers' commitments to retain our services as a basis for the construction of build-to-suit Sites for such customers. Our ability to complete the construction of build-to-suit Sites on schedule and within budget, achieve our revenue targets or realize acceptable returns from such Sites, is subject to a number of risks as a result of factors over which we have no control, including the need for regulatory approvals, the availability of equipment and labor, equipment breakdowns or accidents, adverse weather conditions, social unrest, unforeseen or uncontrollable cost increases and other risks associated with the deployment of new build-to-suit Sites on schedule and within budget. If we fail to deliver these Sites to our customers according to schedule, we may incur penalties pursuant to our underlying agreements with such customers.

We can give no assurance as to the commercial viability of any of our build-to-suit Sites or our ability to overcome any obstacles we may encounter during their construction or to complete them according to the relevant customer's specifications, or as to our ability to finance our capital expenditures in connection with such Sites. Our customers could cancel their plans for the deployment of build-to-suit Sites, which could adversely affect our ability to expand our site portfolio. If we are unable to fulfill our obligations under our build-to-suit commitments to our customers, or if we fail to achieve the expected results from the implementation of such commitments, our revenues could be materially and adversely affected.

Our ability to grow through strategic acquisitions is also subject to a number of factors beyond our control, including our ability to identify available and adequate Sites at acceptable prices, negotiate commercially reasonable terms with our counterparties, secure financing to consummate our acquisitions or investments, or, in some instances, the willingness of wireless carriers to commit to the acquisition of Sites from us on terms that are consistent with our investment criteria.

As we continue to acquire and build new Sites, we are subject to a number of risks and uncertainties, including the incurrence of increased indebtedness to finance such acquisitions and constructions, not meeting our return on investment criteria and financial objectives, potential difficulties to integrate new site portfolios efficiently, increased costs, assumed liabilities, regulatory issues associated with the telecommunications industry, and the diversion of managerial attention.

Achieving the benefits of an acquisition depends in part on timely and efficient integration of operations, infrastructure assets and personnel. Integration may be difficult and unpredictable for many reasons, including, among others, differing systems, cultural differences, customary commercial practices and conflicting policies, procedures and operations. The realization of the benefits of a given acquisition may require a prolonged period of time and we can give no assurance that a given acquisition will produce the expected benefits or effects. For example, there is no assurance that the integration of Sites will not create operational challenges. In addition, integration may significantly burden management and internal resources, including through the potential loss or unavailability of key personnel.

We may acquire minority stakes in other companies or enter into joint ventures in the future. We may fail to realize our expected returns on the acquisition of minority stakes in other companies or our expected benefits from the formation of alliances or joint ventures as a result of our lack of control over the relevant investment vehicle. This could occur if the interest of other shareholders is different from our interest or as a result of impairments in the value of our investment due to the underlying business's failure to perform as expected or other unforeseen developments.

As a result, our expansion initiatives may not proceed as planned, which could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to expand our operations into new markets successfully

We constantly evaluate business, expansion and investment opportunities both in markets in which we are already present and in new markets. If the opportunity arises, we may expand our operations into new markets. Operating and expanding into new markets involves risks in addition to those that apply to our ongoing operations due to our lack of familiarity with market dynamics and conditions in new jurisdictions, which could adversely affect our operations and growth. A strong demand for our infrastructure may fail to develop, resulting in a negative impact on our profitability. We may also be unable to realize the expected returns on our future investments in new markets as a result of adverse market conditions and other factors, or to complete our planned projects on schedule for reasons beyond our control.

Expanding into new markets requires authorizations and permits for the operation of our business and the construction and operation of our infrastructure. Our inability to secure, maintain or renew such authorizations and permits could have an adverse effect on our financial condition, results of operations and prospects.

Currently, we have no operating experience in countries outside Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay. Consequently, we may be unable to develop constructive relationships with the local authorities and with our customers and employees in our current or in other new jurisdictions.

Further, we may be subject to risks that are specific to each new country or market into which we venture, and that could affect our overall performance, such as changes in interest rates, fluctuations in foreign exchange rates, trade barriers, inflation, changes in consumers' habits, political and social instability, and varying legal and taxation regimes, among others. Although we constantly pursue opportunities for the acquisition of additional Sites and have completed site acquisitions in various jurisdictions, we can give no assurance that future economic conditions in the countries into which we venture, which conditions are beyond our control, would not adversely affect our operations.

Significant cost increases or our inability to achieve our expected cost savings and efficiencies could adversely affect our profit margins

Our principal costs consist of real estate leasing costs and operating costs and expenses, which include maintenance, overhead and other operating costs and expenses.

Our real estate leasing costs include the rent we pay to landowners in order to be able to install telecommunications infrastructure on their properties. Real estate leasing costs constitute our single largest cost item and, accordingly, present us with the greatest opportunity for efficiencies. The renewal of a significant number of real estate leases within the same year could require us to incur material expenses in advanced rent payments in anticipation of such renewal, which would reduce of operating cash flow for that specific renewal period.

Our other costs include maintenance, overhead and other operating costs and expenses. In most of the countries in which we operate, we are required to incur maintenance expenses as a result of the long-term nature of the service agreements between our local operating subsidiaries and for example, América Móvil, as our current principal customer, and also in connection with any of our longer-term agreements with other customers.

While our cost baseline includes a fixed component, it also includes certain costs that increase by reference to inflation and we are subject to the risk of our variable costs increasing faster than expected or of having to renegotiate some of our fixed-cost arrangements upon their expiration. We can provide no assurance that our costs will not increase in the future or that we will be able to pass on to our customers any increase in our costs. In particular, any cost increase that exceeds the maximum inflation-based increase in rates allowed under our service agreements with América Móvil, and our agreements with our customers could reduce our operating margins and cash flows and could have a material adverse effect on our financial condition or results of operations.

Additionally, as part of our strategy, we plan on seeking to improve our margins by reducing the number of real properties we lease from third parties and our maintenance and energy costs. We have taken preliminary steps to establish a third-party land-lease optimization program that is aimed at reducing our leasing costs through selective acquisitions of the land on which some of our Sites are located or the acquisition of long-term rights to use such land or other properties in order to increase our margins by reducing costs. As we currently do not own any land on which

our Passive Infrastructure is located, we anticipate that a land-lease optimization program will increase the appeal of our Sites by reducing our long-term costs and securing land-ownership rights in the long term. However, we can offer to assurance of the success of these programs.

Our failure or inability to implement these measures and increase our cost efficiencies, the unexpected increase in the costs associated with the implementation of such measures or our inability to achieve our projected cost reductions or other economic benefits from such efficiencies, could have a material adverse effect on our margins, financial condition or results of operations.

New technologies or changes in our customers' business models could make our Passive Infrastructure business less desirable or less profitable and have a negative impact on our business

The development and implementation of new technologies could reduce the need for site-based wireless services transmission and reception and, accordingly, decrease the demand for space at our Sites. Examples of these technologies include the use of a single antenna to operate in multiple frequencies and with multiple technologies in each frequency, which could relieve a portion of our customers' capacity needs and, as a result, could reduce the demand for tower-based space for the installation of additional antennas by wireless carriers in certain locations. Moreover, the emergence of alternative technologies, such as satellite-based wireless services, could reduce the need for tower-based wireless services transmission and reception.

While we continuously seek to expand our service portfolio and constantly monitor technological developments in the telecommunications sector, our failure to rapidly identify or adapt to technological changes or to develop the knowledge and skills necessary to address the changing needs of our customers could cause us to lose customers or result in decreased revenues, profitability and cash flows, which could have a material adverse effect on our business, financial condition and results of operations.

Delays or changes in the deployment or adoption of new technologies, or the failure of such technologies to gain acceptance among consumers, could have a material adverse effect on our growth

There is no assurance that the deployment and adoption of new 4G, 5G and other technologies will occur as rapidly as planned or otherwise as anticipated, and new technologies may take time or fail to gain acceptance by consumers subsequent to their deployment. If customer needs shift resulting in a higher demand for Passive Infrastructure supporting new technologies and we fail to deploy such new technologies in an efficient and timely manner, the demand for our Passive Infrastructure might be impacted, which could have a material adverse effect on our growth.

Our costs could increase and our revenues could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated

Public perception of possible health risks associated with cellular and other wireless communications technology could slow the growth of wireless companies. In particular, negative public perception of, and regulations regarding, these perceived health risks could undermine the market acceptance of wireless communications services and increase opposition to the development of Passive Infrastructure. The potential link between radio emissions and certain adverse effects on human health and the environment have been the subject matter of various studies by the scientific community in recent years, and lawsuits have been filed against certain wireless carriers and manufacturers of wireless handsets. If a scientific study or court decision resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact wireless carriers and the market for wireless and other related services, which could materially and adversely affect our business, financial condition and results of operations.

Customers' perceptions of our services may place us at a disadvantage compared to our competitors

Maintaining a favorable reputation among our customers is critical to operating in the highly competitive markets in which we operate. The ability to predict and respond to the changing needs and demands of customers affects our competitive position relative to other telecommunications companies, and our ability to capture value from the digital transformation process. Failure to maintain favorable perceptions among our customers could have an adverse effect on our business, financial condition, results of operations or cash flows.

Insurance coverage or proceeds thereof may not be sufficient to cover our actual damages and a material increase in insurance premiums could adversely affect our business, financial condition or results of operations

We cannot give any assurance that our insurance coverage or proceeds thereof may not be sufficient to cover our actual damages if the amount of such damages exceeds our coverage limits, and we could suffer damages that are not covered by our insurance policies. We cannot provide any assurance as to our ability to maintain our existing levels of coverage or to purchase new or additional insurance at the same cost. In addition, global climate and geopolitical events could give rise to a material increase in insurance premiums. Any of those circumstances could result in significant unanticipated expenses that could have an adverse impact on our business, financial condition or results of operations.

We are subject to risks derived from transactions with derivative financial instruments

We may use derivative financial instruments to manage the risk profile associated with interest rates and currency exposure, reduce financing costs, access alternative sources of financing or hedge, manage and mitigate certain business risks. The use of derivative financial instruments may require us to make cash payments or post cash as collateral. We may also need to record fair value losses in respect of such instruments. In addition, the creditworthiness of counterparties to any such transaction may deteriorate significantly. This could prevent our counterparties from honoring their obligations to us, which could expose us to market risks and could have a material adverse effect on us.

Increasing competition within the telecommunications and radiocommunications infrastructure industries may adversely affect our revenues and profitability

We face substantial competition and expect that competition within the industries in which we operate will intensify in the future as a result of the entry of new competitors, the development of new technologies, products and services and convergence.

These industries are highly competitive and our customers have numerous alternatives in leasing Passive Infrastructure assets. Competition due to pricing from peers could materially and adversely affect our lease rates and service revenues. We may also not be able to renew existing customer leases as they expire or enter into new customer leases, resulting in a material adverse impact on our results of operations and growth rate.

We also expect consolidation in the telecommunications industry, as companies respond to the need for cost reduction. This trend may result in larger competitors with greater financial, technical, promotional and other resources to compete with our businesses, in which case our revenues and the profitability of our operations could be adversely affected.

Competition can lead us to reduce prices for our services. These developments may lead to lower operating margins, greater choices for customers and increasing movement of customers among competitors, which may make it difficult for us to retain or add new customers. The cost of adding new customers may also continue to increase, reducing profitability, even if customer growth continues. Our ability to compete successfully will depend in part on our ability to anticipate and respond to various competitive factors affecting the industries in which we operate, including new services and technologies, changes in consumer preferences, demographic trends, economic conditions and discount pricing strategies by competitors, some of whom may be larger than us or have greater financial resources than we do. Additionally, some telecommunications carriers may choose to deploy proprietary Passive Infrastructure over entering into service agreements with us. Asset prices, coupled with competitive pressures on the price of our Passive Infrastructure leases, could result in diminished returns on our investments, which could impact our business, financial condition and results of operations.

Competition for assets could adversely affect our ability to achieve our return on investment criteria

We may experience increased competition for the acquisition of assets or contracts to build new Sites for customers, which could make the acquisition of high-quality assets significantly more costly or prohibitive or cause us to lose contracts to build new Sites. Some of our competitors are larger and may have greater financial resources than we do, while other competitors may apply less stringent investment criteria than we do. In addition, we may not anticipate increased competition entering a particular market or competing for the same assets. Higher prices for assets

or the failure to add new assets to our portfolio could make it more difficult to achieve our anticipated returns on investment or future growth, which could materially and adversely affect our business, financial condition or results of operations. Asset prices, competitive pressures on such prices, or the regulation of the rates we charge for the use of our Sites could have a material adverse effect on our business, financial condition or results of operations.

If we incur significant levels of indebtedness, our results of operations and ability to take advantage of business opportunities could be materially and adversely affected

As of September 30, 2024, we had Ps.58,637 million (U.S.\$2,987 million) of indebtedness outstanding. The indenture pursuant to which the notes will be issued will not limit our ability to incur additional indebtedness.

In the future, we may incur additional indebtedness, which could directly or indirectly:

- limit our ability to satisfy our obligations under our debt securities (including the notes);
- increase our vulnerability to adverse industry or regional economic conditions;
- require us to allocate a portion of our operating cash flows to service our debt, which could place us at disadvantage in comparison with other competitors who are not as leveraged as we are;
- limit our ability to take action in response to changes in our business or industry;
- limit our ability to take advantage of market opportunities;
- limit our ability to secure additional financing; and/or
- increase our cost of financing.

Our ability to generate cash flows in an amount sufficient to fulfill our current and future payment obligations will depend on our operating performance, which may be affected by prevailing economic, financial and business conditions and other factors, many of which are beyond our control. If we are unable to sustain our level of indebtedness, we could be forced to adopt alternative strategies that may include the reduction or deferral of our capital expenditures, sales of assets, debt restructurings, refinancings or raising capital through the issuance of shares. We may not be able to implement these strategies on favorable terms or at all.

In the future, we may from time to time incur significant indebtedness. In such event, our exposure to the aforementioned risks could become exacerbated. For more information on the constraints we are exposed to due to our capital structure, see “Risk Factors—Risks Relating to Our Business—Our unaudited condensed interim consolidated financial statements have been prepared on the assumption that we will continue to operate as a going concern.”

If we are unable to protect our rights to the land on which our Passive Infrastructure is located, our business and operating results could be adversely affected

Our real property interests relating to our Passive Infrastructure consist primarily of leasehold and sub-leasehold interests and usufruct grants, a majority of which are denominated in the local currencies of the countries in which we operate. A loss of these interests at a significant number of Passive Infrastructure Sites may interfere with our ability to operate our telecommunications towers and other elements of our Passive Infrastructure and to generate revenues.

For various reasons, we may not always have the ability to access, analyze and verify all information regarding titles or possession prior to entering into a lease or other arrangement that creates an interest on the land on which a tower will be situated, which may result in uncertainty as to the sufficiency and protection of our rights to such land or may affect our rights to access and operate a site. We may also experience disputes with landowners and/or government authorities regarding the terms of leases or the land on which our Passive Infrastructure is located, which could adversely affect our ability to access and operate certain Sites and could result in our losing possession of land on which we have installed Passive Infrastructure.

Additionally, our rights to the land on which our Passive Infrastructure is located may not be enforceable against third parties and we may be unable to defend such rights against others claiming to have preemptive rights to such land. Further, for various reasons, landowners may not want to renew our leases. The terms of our existing leases range from five to ten years and we actively seek to increase the average term of our leases. Our inability to protect our rights to the land on which our Passive Infrastructure is located may have a material adverse effect on our business, financial condition or results of operations.

Our rights to the land on which our Passive Infrastructure is located may expire ahead of our site access agreements

The terms of some of our rights to the land on which our Passive Infrastructure is located may be shorter than the terms of the Passive Infrastructure sharing agreements between us and our customers. We will use our best efforts to renew the relevant agreements or, in the alternative, we may offer to relocate the relevant customers to other points of access to our Passive Infrastructure. We can give no assurance that our customers and landlords would agree to alternative arrangements rather than terminating their site access agreements with us, which could have a material adverse effect on our business, financial condition and results of operations.

Some of the leases for the land on which our Passive Infrastructure is located could be terminated, not be renewed or be renewed in terms which are less favorable to us or become the subject of disputes

While we operate all of our Passive Infrastructure, a significant number of our Passive Infrastructure is located on properties that we operate pursuant to lease, licensing or administrative concession arrangements with third parties or public authorities. Although we typically enter into these arrangements for a specified period of time, the landowners could be unwilling to renew them upon their expiration or may demand rent increases as a condition for their renewal. In addition, because some of our leases were assigned to us by América Móvil, following the Sitios Spin-off, we may have to renegotiate the terms of some of those leases. As part of the renegotiation of such leases, some of our landlords could demand rent increases or a change of term. In some countries, we may be required to renegotiate our leases if we install new additional infrastructure on a given site, including infrastructure for the provision of 5G coverage, and if, as a result of such installation, the amount of infrastructure located on such site exceeds the thresholds established in the original lease. Our inability to pass on any increase in our leasing costs to our customers would have a negative impact on our margins. Further, landowners may lose their rights to the land or transfer their land interests to third parties, including floor lease aggregators that could take advantage of their size to negotiate terms which are less favorable to us, which could adversely affect our ability to renew floor lease agreements on commercially viable terms.

Some of our subsidiaries and affiliates have experienced disputes with landowners in the past, and may in the future experience disputes with landowners that may disrupt our operations at certain Sites or force us to build new Sites in order to continue to service our customers. For example, we may experience disputes with landowners with respect to specific terms of our leases, including those relating to access to a site or our ability to sublease or increase the amount of equipment installed or our volume of operations at a specific site. In addition, following the Sitios Spin-off, the leases for certain Sites were assigned to our subsidiaries without the express consent of the landowners. Some of these landowners could challenge such assignments or engage in disputes with respect to the terms of their arrangements with América Móvil or its subsidiaries with respect to such Sites.

Our inability to renew floor leases on commercially viable terms or to protect our rights to the land under our towers could result in increased lease costs and/or loss of access to certain Sites. Our loss of access to certain Sites could result in disruptions to our ability to service our customers or in increased capital expenditures or construction costs to provide new, alternative Sites to our customers. If any of these events occur to any significant degree, we could incur reputational damage in the countries in which we operate, and our margins and financial condition could be materially adversely affected.

Our Sites or support locations, including the Passive Infrastructure on those Sites, could become damaged as a result of natural disasters, events of force majeure or acts of God, acts of violence or other unforeseen developments

Our Sites, Passive Infrastructure, centers for the provision of sharing services and other facilities are subject to risks associated with natural disasters, extreme weather conditions and other catastrophic events such as lightning strikes, ice storms, snowstorms, windstorms, rainstorms, tropical storms, solar flares, hurricanes, tornadoes, floods,

avalanches, mudslides, earthquakes, tsunamis, sinkholes, blackouts, telecommunications failures, computer network failures, vandalism, terrorist acts, theft, fuel shortages and other unforeseeable events or damages. Further, as a result of changes in the global climate, these events and conditions may intensify and/or occur more frequently.

Our operating procedures could prove inadequate to substantially limit the damages suffered as a result of unforeseeable events. Any damage to or the destruction of all or part of any of our Sites, elements of our Passive Infrastructure or databases, or support facilities as a result of these or other unforeseeable developments could have a negative impact on our ability to operate as usual and to continue to service our customers. Further, we cannot provide any assurance that our insurance proceeds will be sufficient to cover our repair costs or that our recovery plans will be fully effective in respect of any unforeseeable event that may occur. Moreover, in addition to limiting our ability to service our customers, the occurrence of an unforeseen event could result in reputational damages to us and, consequently, in a loss of customers. The occurrence of any of the aforementioned events could have a material adverse effect on our business, financial condition and results of operations.

The total or partial collapse, inadequate operation or other incident involving any of our Sites could result in property damages, personal injury or death, any of which could result in liability, damage our reputation and have a negative impact on our business, financial condition and results of operations

The total or partial collapse, inadequate operation or other incident involving any of our Sites, including without limitation, workplace accidents associated with working at height and electrical incidents, could result in property damages or injury or death of our employees, subcontractors, customers or members of the public. Any such occurrence could expose us or our senior management to liability for damages and criminal penalties under applicable law. In addition, any such occurrence could result in reputational damage to us, impair our ability to attract or serve new customers or hire personnel or increase the risk of local community opposition to the operation of our existing Sites or the construction of new Sites. Although we have not suffered any such total or partial collapse, any such occurrence could have a material adverse effect on our business, financial condition and results of operations.

Our results of operations could be adversely affected by the occurrence of severe disruptions, catastrophic events or disease

The wireless communications industry is subject to external risks such as natural disasters, earthquakes, fires, floods, power outages, hurricanes, adverse economic conditions and unforeseen threats to public health (including pandemics, epidemics and other instance of highly contagious disease, such as the global pandemic of COVID-19). Further, as a result of changes in the global climate, these events and conditions may intensify and/or occur more frequently. These events could disrupt or impede our operating or financial capabilities and could adversely affect our business and results of operations.

Natural disasters, increases in crime rates or outbreaks of disease, such as the COVID-19 pandemic, could have a negative impact on the telecommunications sector in the countries in which we operate, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

Any new public health emergency could have a negative impact on our business, our operational capabilities could become impaired or we could be forced to seek additional financing (through issuances of debt or equity securities) in terms that could be less favorable than those which were available prior to such public health emergency. Depending on the spread and impact of new pandemics, epidemics and public health crises, we may be forced to adopt a series of measures to ensure our business continuity and preserve our working capital.

We outsource a number of services from third parties and any disruption in the provision of such services could affect our ability to meet the expectations of our customers or to adequately maintain our infrastructure

We and our subsidiaries and affiliates outsource certain construction, administration, maintenance and security services in respect of our Sites and the access thereto. We also retain operation and management services from third parties. As a result, we are subject to the risk of the services outsourced to third parties not being satisfactory or failing to meet our quality standards and operating specifications or those of our customers. In such event, our customers could become dissatisfied with our services and could demand that we provide them with additional concessions or remedies. If the performance of such third parties results in our customers' dissatisfaction, we could

suffer reputational damage and our business, financial condition and results of operations could be materially adversely affected.

Additionally, if such third parties are unable to continue providing certain key services in a timely and reliable manner or at all, we could experience disruptions in our own ability to provide services in respect of our Sites to our customers. If we are required to provide ourselves the services that we currently outsource to third parties, our management would be forced to devote additional time and attention to such services, resulting in increased operating costs while we work to normalize our operations and in potential adverse impacts to our business, financial condition and results of operations.

We rely on key employees

We believe that our senior management team contributes significant expertise toward our operations and growth. We rely on the efforts of our senior management for the success of our operations and for our ability to implement our business strategy. We cannot give any assurance as to our ability to promptly replace any one or more of these key individuals with qualified and capable successors if our employment relationship with such individual or individuals were to end for any reason. A prolonged delay in replacing any of these individuals could have a material adverse effect on our operations and on public perceptions about the strength of our business. Our success will also depend on our ability to recruit, hire, train and retain competent and committed personnel in the future. As we continue to grow, we will need to recruit additional employees with varying degrees of training, skill and experience. The market for highly skilled executives and technical personnel in Latin America is extremely competitive and we may be unable to recruit and retain a sufficient number of capable and motivated employees. Our inability to retain these employees could have a material adverse effect on our business and operations.

The deterioration of our relations with our unionized employees could damage our reputation and affect our business

As of September 30, 2024, all of our employees in Brazil (representing approximately 29% of our entire workforce) were members of a labor union. We endeavor to maintain good relationships with our employees, unions, workers' representatives and other stakeholders as a basis for the success of our operations. In some of the countries in which we operate, we are or could in the future be required to enter into collective bargaining agreements or arrangements with labor unions or other labor organizations.

The deterioration of our relations with our employees, strikes, work stoppages and similar disputes could have an adverse impact on our operations. Additionally, as our collective bargaining agreements expire or become due for renegotiation, we may be unable to enter into new agreements on terms and conditions that we believe are reasonable or without experiencing strikes, work stoppages or similar disputes. A strike, work stoppage or other form of labor unrest could disrupt our operations, damage our reputation and have a negative impact on our relationships with our customers, any of which could materially and adversely affect our business, financial condition and results of operations.

Our existing and future collective bargaining agreements may contain provisions that limit our flexibility to make certain personnel decisions or to implement corporate restructurings, reorganizations and other similar measures in a timely manner or at all. For example, in some of the countries in which we operate, in addition to the standard protections afforded to all workers by applicable labor laws, some of our employees benefit from special protections against termination pursuant to certain commitments contained in our collective bargaining agreements that impose additional restrictions on the termination of such employees without cause.

In addition to the foregoing, any corporate restructuring or reorganization we may wish to implement could give rise to tensions in our relations with our employees and their representatives, which could later make it more difficult to renegotiate, renew or expand our collective bargaining agreements in a timely manner and on favorable terms. We could also be required to enter into additional bargaining agreements, which could result in increased operating costs. Our inability to negotiate fair and reasonable salaries and other key employment terms in order to prevent the occurrence of labor disputes could have a material adverse effect on our business, financial condition or results of operations.

We may be unable to renew our service agreements on terms which are no less favorable to us or at all, or such agreements could be terminated or become the subject of disputes

The initial terms of our service agreements are between five and ten years and such agreements are renewed automatically upon expiration on identical additional terms, subject to the relevant customer's right to not renew its agreement.

Customers may terminate their agreements by written notice to us in certain limited circumstances, including our failure to obtain, deliver and maintain in effect the requisite bonds and insurance, in the event of our liquidation, insolvency or bankruptcy or if we provide false information or fail to comply with our hold-harmless and/or indemnification obligations. In addition, customers may terminate their agreements if we incur in a material default with our obligations thereunder. If a customer elects to terminate or not to renew one of more service agreements that represent, individually or in the aggregate, a substantial portion of our revenues, or exercises its right to abandon a significant number of Sites, our revenues could experience a material decline and our business, financial condition or results of operations could be materially and adversely affected.

Further, if one of our principal customers elects to terminate its service agreements with one of our subsidiaries or abandons a significant number of Sites, the revenues of the relevant subsidiary would experience a sharp decline, resulting in a negative impact on the value of our investment in and the amount of dividends paid to us by such subsidiary.

Our investments in our Sites could prove illiquid, in which case our ability to sell our Sites on favorable terms or at all would depend on factors over which we have no control

Our investments in our Sites could prove illiquid, which could limit our flexibility to make adjustments in the Passive Infrastructure of our subsidiaries in response to changes in market conditions. If we were to need to sell any of the towers comprised in the Passive Infrastructure of our subsidiaries to obtain liquidity, we could be forced to price them below market and would incur tax liabilities and other expenses, which could adversely affect our business, financial condition and results of operations.

Our ability to sell any Passive Infrastructure on favorable terms or at all will depend on factors over which we have no control, including competition conditions, the demand from potential buyers, the ability of potential buyers to secure financing at attractive rates and prevailing prices in the region in which the relevant Sites are located. We cannot predict the conditions that will prevail at any given point in time and that may affect our investments in our Sites. Given the uncertain nature of the market conditions that could affect future sales of our Sites, we can give no assurance as to our ability to sell any of the assets of our subsidiaries at a profit or within a short period of time.

Environmental regulations and their application have increased in recent years and we expect that this trend will continue and will accelerate in the years to come, which could have an adverse effect on our financial condition and results of operations

We are subject to a number of laws and regulations relating to the protection of the environment and human health and safety, including the laws and regulations that govern the management and disposal of hazardous waste. Environmental regulations and their application have increased in recent years and we expect that this trend will continue and will accelerate in the years to come. Observed changes in natural resources and climate may result in new or updated laws and regulations imposing new requirements, which could force us to incur in additional expenditure to comply with such laws and regulations.

Any laws or regulations relating to climate change or which are aimed at regulating greenhouse gas emissions could have a direct and indirect impact on our business by increasing our cost of complying with permitted volumes of emissions, or the price of the energy resources and/or fuels necessary to supply energy to our Passive Infrastructure and to adequately service our customers and tenants as required by our contractual arrangements.

Although we have adopted a series of internal policies and procedures to ensure that we remain compliant at all times with all applicable laws, regulations and permits, failure to comply with applicable environmental laws and regulations in the countries in which we operate could result in the imposition of administrative penalties, including fines, the temporary or permanent closure of all or part of our facilities and, possibly, criminal sanctions, which could

have an adverse effect on our financial condition or results of operations. See “Our Business and Properties—Environmental, Social and Governance Matters.”

Increased taxation, surcharges and the costs associated with the transition to low-carbon economies, including the need for additional investments to comply with environmental regulation in each of the countries in which we operate could have an adverse effect on our financial condition and results of operations

Potential increases in the costs associated with energy sources and fuels as a result of the adoption of measures focused on the reduction of greenhouse gas effects, particularly in markets with non-existent or unreliable power grids where the use of generators and plants fueled by diesel and other similar fuels, could have an adverse effect on our financial condition and results of operations.

While we are unable to predict or control the demand for energy in each of the facilities or towers that we use to provide services to our customers, or the effect, if any, of the enactment of additional or more stringent environmental laws or regulations, we constantly evaluate potential improvements to our efficiency, strategies, energy resources and available technologies that may enable us to reduce our energy usage and the level of emissions associated with climate change by investing in efficiencies and renewable energy. If we are unable to respond readily and efficiently to any such changes, our financial condition or results of operations could be materially impacted.

EBITDA, EBITDAaL and EBITDAaL margin, as presented by us, may not be comparable to similarly titled measures reported by other companies

EBITDA, EBITDAaL and EBITDAaL margin are not measures recognized by IFRS and do not have a standard definition. These measures are not audited or reviewed by independent auditors. Because all companies do not calculate such measures identically, the presentation may not be comparable to similarly entitled measures of other companies. You are cautioned not to put undue reliance on such financial information.

For our purposes, we calculate (i) “EBITDA” as operating income plus depreciation (which includes both depreciation for right-of-use and depreciation and amortization), (ii) “EBITDAaL” as EBITDA minus income from floor leases, and (iii) “EBITDAaL margin” as the ratio of EBITDAaL to infrastructure lease income. Our income from floor lease agreements generally arise from passing on costs for floor leases to customers at cost. Since these are an economic pass-through, we present EBITDAaL because it is a measure of profitability that excludes those revenues and also excludes all the amounts we recognize under IFRS 16, *Leases* as interest expense and depreciation expense.

We present our EBITDA, EBITDAaL and EBITDAaL margin in this offering memorandum because we believe they may be useful to some investors as supplemental measures of our financial performance and ability to repay our debt and fund our capital expenditures. EBITDA, EBITDAaL and EBITDAaL margin are not measures of our liquidity or financial performance under IFRS and should not be construed as alternatives to our net profit, cash flows from operating activities or other measures under IFRS. EBITDA, EBITDAaL and EBITDAaL margin, as presented by us, may not be comparable to similarly titled measures presented by other companies in Latin America generally or other jurisdictions.

The unaudited interim consolidated financial statements included in this offering memorandum have not been audited, may be subject to change, and may not be comparable with our future financial results

The unaudited interim consolidated financial statements were prepared in accordance with IFRS, which requires the use of estimates that affect the valuation of certain items. Such unaudited interim financial information may not reveal matters of significance to an investor regarding the Issuer’s financial condition or results of operations. Investors should therefore not place undue reliance on such unaudited interim financial statements. The unaudited interim financial statements are not necessarily indicative of the financial results that will be obtained for the full twelve months ended December 31, 2024 and should not be viewed as indicative of the results of operations or financial position of the Issuer in future periods. In addition, the unaudited interim financial statements have not been audited and are subject to change. The outcome of any audit or other similar assessment could give rise to significant changes in the financial information included herein. See “Risk Factors—Risks Relating to Our Business—Our unaudited condensed interim consolidated financial statements have been prepared on the assumption that we will continue to operate as a going concern.”

Risks Relating to Our Relationship with América Móvil

We derive a significant portion of our revenues from entities controlled by América Móvil, and we anticipate that we will continue to rely on these entities as customers in the future

During the nine months ended September 30, 2024, we derived 84% of our tower lease revenues from subsidiaries or affiliates of América Móvil and the remaining 16% from unrelated customers, such as TIM S.A., VIVO S.A., Millicom International Cellular S.A., Telefónica S.A., Empresa Nacional de Telecomunicaciones S.A. Even if we are able to expand our customer portfolio, we anticipate that we will continue to rely on entities controlled by América Móvil and derive a significant portion of our revenues from a limited number of customers. Consequently, if América Móvil's subsidiaries end their business relationships with our operating subsidiaries, in favor of our competitors, or enter our market through the development of their own Passive Infrastructure, our business, financial condition and results of operations could be significantly impacted.

The occurrence or a concurrence of certain events, including a decrease in the demand for Passive Infrastructure sharing arrangements, a decrease in the capital investments of our customers or the unwillingness or inability of América Móvil's subsidiaries to perform their financial or other obligations under their agreements with our operating subsidiaries could have a material and adverse effect on our business, financial condition, results of operations and growth projections.

Our relationship with América Móvil may give rise to potential conflicts of interest and terms that are unfavorable to us

In the ordinary course of our business, we enter into a number of transactions with América Móvil and its subsidiaries and affiliates, which are our principal customers. These transactions may give rise to potential conflicts of interest and may be on terms less favorable to us than those we could obtain from unrelated parties.

Our agreements with América Móvil, including those relating to the Sitios Spin-off, were negotiated within the context of a relationship among affiliates

Our master service agreements, site agreements and support, supply and other material agreements with América Móvil, as well as our policies and procedures regarding related party transactions, were negotiated by individuals who at the time were employees of América Móvil. While we believe that these agreements are on terms comparable to those that could be obtained for similar transactions if negotiated on an arm's length basis between unaffiliated third parties, including as to fees, performance criteria, contractual or fiduciary duties, conflicts of interest, limitations on liability, indemnities and termination, such terms may not be as favorable to us as those we could have obtained had they been negotiated with unrelated third parties from the outset.

We engage in related party transactions which may present conflicts of interest

In the ordinary course of our business, we engage and will continue to engage in transactions with related parties, such as América Móvil, Grupo Financiero Inbursa, S.A.B. de C.V., Carso Infraestructura y Construcción, S.A. de C.V., Grupo Carso, S.A.B. de C.V., Operadora CICSA, S.A. de C.V. and their respective subsidiaries. We have implemented procedures to ensure that all of our transactions with related parties are entered into on an arm's length basis, at prevailing market prices and otherwise in compliance with applicable law and, where necessary, will commission transfer pricing analyses of such transactions. Notwithstanding the above, we can give no assurance that our transactions with related parties may not, from time to time, present conflicts of interest.

Risks Relating to Accounting, Legal, Tax, Regulatory and Other Issues in the Countries in Which We Operate

We are subject to anti-bribery, anticorruption and anti-money laundering laws and regulations in the countries in which we operate, and our failure to comply with any of these laws and regulations could damage our reputation and could materially and adversely affect our financial condition and results of operations

We are subject to anti-bribery, anti-corruption and anti-money laundering laws and regulations in the countries in which we operate, as well as to international conventions on those matters. In addition, we are subject to government decisions relating to the imposition of economic sanctions that limit our ability to do business with certain

governments, entities and individuals. We can give no assurance that our internal policies and procedures will be sufficient to prevent or detect improper practices, frauds, unlawful conducts or breaches of our internal policies and procedures by our subsidiaries, affiliates, employees, associates, directors, officers, partners, agents or service providers. Our failure to comply with anti-bribery, anti-corruption or anti-trust laws and regulations or with economic sanctions could damage our reputation and could have a material adverse effect on our business, financial condition or results of operations.

We are subject to the general risk of litigation

We are exposed on an ongoing basis to the risk of litigation arising in the ordinary course of business or otherwise. Litigation may include class actions involving customers, shareholders, employees, tax authorities or injured persons, and claims related to commercial, labor, employment, antitrust, securities, tax or other matters, including matters relating to the enactment of new laws or regulations, such as the Honduran Regulations. See “— Many of our subsidiaries are organized under the laws of foreign jurisdictions and are subject to regulation and oversight by the competent authorities of their respective jurisdictions”.

Moreover, the process of litigating disputes may be costly even if we are successful. These actions could also expose us to a diverse publicity, which might adversely affect our brands and reputation and customer preference for our services. Furthermore, there may be claims or expenses which are denied insurance coverage by our insurance carriers, not fully covered by our insurance, in excess of the amount of our insurance coverage or not insurable at all. Litigation trends, expenses and outcomes cannot be predicted with certainty and adverse litigation trends, expenses and outcomes could have a material adverse effect on our business, financial condition and results of operations.

Unanticipated changes in taxation may adversely affect us

Tax reforms enacted and implemented in the countries in which we operate could have an adverse impact on our business. We cannot predict with any degree of accuracy whether the tax authorities will enact tax reforms, whether such reforms will include new taxes, increase the rates at which our investments or services are taxed or subject additional persons to taxation, any of which could adversely affect our financial condition or the financial condition of our customers.

Application of existing tax laws, rules and regulations is subject to interpretation by taxing authorities

We may be subject to certain taxes in numerous jurisdictions. While we may rely on consultations with outside accounting and tax experts in computing our obligations under tax laws, rules and regulations, we are required to take various tax accounting and reporting positions on complex matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We are also subject to intercompany transfer pricing laws, including those relating to the flow of funds among our companies pursuant to agreements or other arrangements between our companies.

Tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, such as the tax treatment or characterization of our indebtedness, existing and future intercompany loans and guarantees or the deduction of interest expenses. Although we believe our tax positions are reasonable, we cannot assure you that the applicable taxing authorities will agree with our positions.

If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our intercompany transactions, it could result in the disallowance of deductions, a limitation on our ability to deduct interest expenses, the imposition of withholding taxes, the application of penalties and accrued interest on intercompany loans or internal deemed transfers or other consequences that could have a material and adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the notes and the guarantees or cause the market price of the notes to decline.

Many of our subsidiaries are organized under the laws of foreign jurisdictions and are subject to regulation and oversight by the competent authorities of their respective jurisdictions

Many of our subsidiaries are organized under the laws of foreign jurisdictions and are subject to the laws and regulations of, and to regulation and oversight by, the competent authorities of such jurisdictions. Government actions and policies and applicable laws, regulations and statutes in the countries in which we operate, or changes thereto, including changes relating to industries other than ours, could give rise to increased operating costs and force us to implement operational changes that could result in disruptions to or interruptions in our operations.

We are also exposed to a significant degree of intervention on the part of tax, regulatory and other authorities, as well as to administrative proceedings, in each of the countries in which we operate. If we are found by government authorities or others to be out of compliance with applicable laws and regulations, we could be subject to civil penalties, including fines and injunctions, administrative sanctions, potential criminal sanctions, injunctions that prevent us from engaging in or conditions for the performance of specific activities, including increased capitalization requirements, or additional taxes or substantially larger amounts of taxes and other payments to such authorities.

Our operations are subject to extensive government regulation and can be adversely affected by changes in law, regulation or regulatory policy. The construction, operation, sale, resale and interconnection arrangements of telecommunications systems in Latin America and elsewhere are regulated to varying degrees by government or regulatory authorities. Any of these authorities having jurisdiction over our businesses could adopt or change regulations or take other actions that could adversely affect our operations. In particular, the regulation of the construction, leasing and commercialization of Passive Infrastructure, including the regulation relating to renewable energies, climate change and other environmental matters, could have a material adverse effect by reducing our profit margins. In addition, changes in political administrations could lead to new regulations and the adoption of policies that could adversely affect our operations, including those concerning competition and taxation of communications services.

We cannot anticipate the effect of an amendment to existing regulations, or the imposition of new ones, on our results or operations in the countries in which we are present. In many of those countries, we could also face policies such as preferences for local over foreign ownership of communications assets or for government over private ownership, which could make it more cumbersome or impossible for us to continue to develop our businesses. Moreover, the regulations that govern the operations of companies providing Passive Infrastructure and other participants in the wireless telecommunications sector generally, including those relating to special taxes, fees, contributions and other similar charges, could have an adverse effect on financial activity and on our overall business.

In Honduras, the Honduran Regulations for Network Use and Access Sharing became effective on December 18, 2022 (the “Honduran Regulations”). Under the Honduran Regulations, any individual or entity engaged in the provision of infrastructure services to telecommunications carriers is required to register as a network provider. This would include Sites Honduras, S.A. de C.V. (“Sites Honduras”). Upon such registration, Sites Honduras would become subject to regulation by the Honduran regulator of the telecommunications sector, *Comisión Nacional de Telecomunicaciones* (“CONATEL”), notwithstanding that it is not a provider of public telecommunications services and is not engaged in the operation or commercialization of radiant equipment for the transmission of electromagnetic signals, in each case within the meaning of the Legal Framework for the Telecommunications Sector (*Ley Marco del Sector Telecomunicaciones*).

The Honduran Regulations could affect Sites Honduras in the following ways:

- by being subject to the regulatory principles applicable to telecommunications carriers, it could be declared a “network provider with substantial market power”;
- as with respect to its assets and business, the Honduran Regulations authorize CONATEL to determine that some of the former constitute critical resources and, accordingly, to regulate the process for the negotiation of the lease of such assets, and to participate in negotiations with respect to the latter and apply a long-term incremental cost model to determine the amount of economic benefits to be received;
- it could become subject to penalties, be ordered to share its access to and the use of such assets and be required to adopt pre-approved reference terms in connection therewith; and

- subsequent to its registration as a provider of networks, it would be required to file with CONATEL detailed information about its assets, costs and revenues and disclose the names of the telecommunications carriers with whom it does business.

Notwithstanding the foregoing, Sites Honduras is pursuing all legal avenues to have the Honduran Regulations overturned and to render its effects null and void, based on the argument that its provisions infringe upon Sites Honduras' subjective rights. On February 13, 2023, Sites Honduras filed an administrative complaint and annulment request before the competent courts in Honduras.

Although our operations in Honduras are not material to our business, if one or more other jurisdictions implement similar regulations, such similar regulations either individually or in the aggregate could materially and adversely affect our financial condition and results of operations.

A government authority's failure or refusal to issue or delay in the issuance of the requisite permits and licenses for the operation and expansion of the Passive Infrastructure of our operating subsidiaries could have a material adverse effect on our business, financial condition and results of operations

In some of the countries in which we operate, the legal regime relating to the granting of permits, authorizations and licenses for the installation of radiocommunications Sites and to the determination of applicable fees does not provide legal certainty with respect to such matters. Federal, local and municipal authorities often impose varying requirements for the issuance of specific authorizations, sometimes within the same geographic jurisdiction, and our ability to implement our expansion plans on schedule or at all may be impaired if we are unable to secure the authorizations required from the competent authorities at different government levels. A government authority's failure or refusal to issue or delay in the issuance of the authorizations required to maintain and expand our network could impair our ability to install or maintain radiocommunications Sites and could have a material adverse effect on our financial condition or results of operations.

The adoption of new accounting pronouncements could have a material adverse effect on our future results of operations

The International Accounting Standards Board has issued a number of accounting standards and/or amendments that are applicable to all periods beginning after January 1, 2022. We have not applied all of those standards in preparing the audited consolidated financial statements or the unaudited interim consolidated financial statements. As a result, such financial statements may not be comparable with previous periods if we do not adopt a retrospective presentation method that takes into consideration the new accounting standards. We are assessing the potential effect of such accounting standards on our operations, and we cannot provide any assurance that the initial adoption of new accounting standards will not have a material adverse impact on our financial conditions and results of operations. In addition, we may adopt accounting standards that differ from the accounting standards previously adopted by América Móvil, which could give rise to significant variations between actual amounts and the amounts shown in the Sitios unaudited interim consolidated financial statements included in this offering memorandum.

Cybersecurity incidents and other breaches of network or information technology security could have an adverse effect on our business

Cybersecurity incidents and other tactics designed to disrupt the networks and systems of companies, including the delivery of computer viruses and malware, denial-of-service attacks and other breaches and unauthorized accesses, have been increasing in sophistication, scope and occurrence in recent years. While we employ a number of measures to reduce the risk of cybersecurity incidents and to protect our network and information, such measures may not be sufficient to prevent a major cybersecurity incident in the future. The costs associated with a major cybersecurity incident involving our systems could include increased expenditures on the reinforcement of our cybersecurity measures and could result in damage to our reputation and lead to financial losses from service interruptions and litigation.

Cybersecurity incidents and other breaches of network or information technology security could result in equipment failures or interruptions to our business operations. Equipment failures, however brief, could result in material losses. Potential losses from cybersecurity incidents and network disruptions could exceed the limits of our insurance coverage against such occurrences.

In addition, cybersecurity incidents could result in the unauthorized release of sensitive financial or other confidential information of our customers and business.

Our operations are subject to economic, political and other risks that could affect our revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates

Our commercial operations and our potential expansion into new markets in the future expose us to potential adverse financial and operational problems. Accordingly, our business is subject to risks associated with doing business internationally, including:

- uncertain, inconsistent or changing laws, regulations, rulings or methodologies impacting our existing and future international operations, commissions, duties, fees or other requirements directed specifically at the ownership and operation of communications Sites, any of which laws, commissions, duties, fees or requirements may be applied retroactively or with significant delay;
- expropriation resulting in government takeover of customer operations or governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- laws or regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes in a specific country's or region's political or economic conditions, including inflation or currency devaluation;
- changes to zoning regulations or construction laws, which could be applied retroactively to our existing communications Sites;
- actions restricting or revoking our customers' spectrum concessions or licenses, or alterations or interpretations thereof, or suspending or terminating business under prior licenses;
- failure to comply with anti-bribery laws such as the U.S. Foreign Corrupt Practices Act or similar local anti-bribery laws, or the Office of Foreign Assets Control requirements;
- failure to comply with data privacy laws or other protections of employee health and personal information;
- material site issues related to security, fuel availability and reliability of electrical grids;
- significant increases in, or implementation of new, license surcharges on our revenue;
- loss of key personnel, including expatriates, in markets where talent is difficult or expensive to acquire; and
- price-setting or other similar laws or regulations for the sharing of Passive Infrastructure.

Economic, political and social conditions in Latin America, the United States, the Caribbean and Europe may adversely affect our business

Our financial performance may be significantly affected by economic, political and social conditions in the markets where we operate. Our business and operating results could also be affected both directly and indirectly by economic, political and social conditions in Latin America, the United States, the Caribbean and Europe.

Many countries in Latin America and the Caribbean, including Mexico, Peru, Brazil and Argentina, have undergone significant economic, political and social crises in the past, and these events may occur again in the future across the different countries of the region, including those in which we have operations. We cannot predict whether changes in political administrations will result in changes in governmental policy and whether such changes will affect our business. Factors related to economic, political and social conditions that could affect our performance include:

- significant governmental influence over local economies;
- substantial fluctuations in economic growth;
- high domestic interest rates;
- price controls;
- changes in governmental economic, tax, labor or other policies;
- imposition of trade barriers;
- changes in law or regulation; and
- overall political, social and economic instability.

Adverse economic, political or social conditions in Latin America or the Caribbean could inhibit the demand for telecommunications services, give rise to uncertainty about our operating environment, impair our ability to obtain extensions of our permits or to maintain or increase our profitability or market share, or hinder our efforts in connection with future acquisitions, all or any of which could have a material adverse effect on us.

For example, in recent years several of the countries in which we operate have held presidential elections, which have in the past led, and could in the future lead, to changes in economic and social policies. Our operations could be particularly affected by conditions in Mexico, where Sitios is headquartered, and Brazil, the largest market for wireless communications in the region. We cannot predict the outcome of any political elections in the countries in which we operate or any proposals or debates, or their economic, political and social implications on the region, and, in turn, on our business, financial condition or results of operations, if any.

We cannot predict what changes in policy will be adopted by future administrations or the manner in which any such change would affect our operations. Additionally, in Mexico, economic conditions are strongly impacted by those of the United States. There is continuing uncertainty regarding U.S. policies with respect to matters of importance to Mexico and its economy, particularly with respect to trade and migration, and may have economic implications in other Latin American countries in which we have operations.

Likewise, in Mexico, presidential, congressional and other governmental elections were held on June 2, 2024, and Ms. Claudia Sheinbaum of the ruling National Regeneration Movement (*Movimiento de Regeneración Nacional*), or Morena coalition, was elected president. President Sheinbaum, the former mayor of Mexico City and former Secretary of the Environment of Mexico City, is expected to continue the social and economic policies of her predecessor, Mr. López Obrador. The Morena coalition holds a qualified two-thirds majority in the house of representatives and close to a qualified majority in the senate. This new political configuration has given and is likely to continue to give the Morena coalition substantial authority to implement significant changes to the Constitution, laws, policies and regulations of Mexico, which could affect the Mexican economy and our business. We cannot predict the extent, impact or timing of these policy changes.

On February 5, 2024, the Mexican President proposed 20 constitutional reforms relating, among other things, to (i) administrative simplification (“Simplification Reform”), and (ii) judicial system reform (“Judicial Reform,” and together with Simplification Reform, “Constitutional Reforms”).

On September 15, 2024, the Judicial Reform overhauling the judicial system in Mexico was published in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*), making it effective. This constitutional reform includes a new composition of the Supreme Court (*Suprema Corte de Justicia de la Nación*), reducing both the number of justices and their term. Pursuant to the Judicial Reform, all federal judges, magistrates and justices will be elected by popular vote, with the first election of federal judges expected to take place in 2025. Additionally, the Federal Judiciary Council (*Consejo de la Judicatura Federal*) will be replaced by a new administrative body and a Disciplinary Tribunal (*Tribunal de Disciplina Judicial*) will be created.

The Simplification Reform seeks to streamline the public sector. Such proposal eliminates constitutionally autonomous governmental bodies, such as the National Institute for Transparency, Access to Information, and Personal Data Protection (INAI), the National Council for the Evaluation of Social Development Policy (Coneval), the Federal Economic Competition Commission (COFECE), the Federal Telecommunications Institute (IFT), the National Commission for the Continuous Improvement of Education (MEJOREDU), the Energy Regulation Commission (CRE), the National Hydrocarbon Commission (CNH) and the National Center of Energy Control (CENACE), and transferring the functions currently performed by these autonomous governmental agencies to Mexican Government agencies or to the National Institute of Statistics and Geography (INEGI). If enacted, the proposal will become effective the day after its publication in the Federal Gazette (*Diario Oficial de la Federación*); from such date, the *Cámara de Diputados* and the *Cámara de Senadores* must pass the necessary legislation to implement the reform within 90 days.

We cannot assure you that the Constitutional Reforms, or others pursued by the current Mexican administration, will not have a negative impact on our business, financial condition and results of operations.

Changes in exchange rates could adversely affect our financial condition and results of operations

We are affected by fluctuations in the value of the currencies in which we conduct operations, compared to the currencies in which our indebtedness is denominated. Such changes may result in exchange losses or gains on our net indebtedness and accounts payable. During the twelve months ended December 31, 2023, such fluctuations led us to report a foreign exchange gain, net, of Ps.29 million. The effect of these fluctuations could vary significantly as a result of future material changes in foreign exchange rates or changes in our leverage structure, revenues or costs and could affect our accounting policies, including our definition of functional currency.

For the nine months ended September 30, 2024, 47.1% of our revenues were denominated in U.S. dollars, 36.4% were denominated in Brazilian reais, 8.9% were denominated in Chilean pesos converted into inflation-adjusted units called *unidades de fomento*, and 7.4% were denominated in Peruvian soles, and 0.2% were denominated in Colombian pesos. A weakening of any or all of these currencies against the Mexican peso or the U.S. dollar would have a material adverse effect on our revenues, financial condition and results of operations. The appreciation of the Mexican peso against the currencies of our non-Mexican subsidiaries, including the U.S. dollar, could result in an apparent decrease in revenues attributable to the effect of foreign currency translations.

In addition, currency fluctuations between the Mexican peso and the currencies of our non-Mexican subsidiaries may affect our results as reported in Mexican pesos. Currency fluctuations are expected to continue to affect our financial income and expense.

We also face risks associated with changes in foreign currency exchange rates, including those arising from our operations, investments and financing transactions related to our business. Volatility in foreign currency exchange rates has increased recently as a result of uncertainties associated with the high inflationary environment and the global geo-political climate, which can affect our ability to plan, forecast and budget for our operations and expansion efforts.

Major depreciation of the currencies in which we conduct operations could cause governments to impose exchange controls that could limit our ability to transfer funds between us and our subsidiaries

Major depreciation of the currencies in which we conduct operations may result in disruption of the international foreign exchange markets and may limit our ability to transfer or to convert such currencies into Mexican pesos and other currencies for the purpose of making timely payments of interest and principal on our indebtedness.

For example, while the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert pesos to foreign currencies, including U.S. dollars, and has not currently applied exchange control practices and there has been a free market for trading currencies in the country, it has done so in the past and could do so again in the future. Similarly, the Brazilian government may impose temporary restrictions on the conversion of Brazilian reais into foreign currencies and on the remittance to foreign investors of proceeds from investments in Brazil whenever there is a serious imbalance in Brazil's balance of payments or a reason to foresee a serious imbalance. In the past, the government of Argentina has adopted various measures to restrict access to the foreign exchange markets and to transfer foreign currencies out of Argentina, and it could in the future impose

exchange controls and restrictions on the movement of capital or take other measures in response to capital flight and the significant depreciation of the Argentine peso.

Risks Relating to the Notes and the Guarantees

Certain defined terms used in the following Risk Factors bear the meanings ascribed to those terms in the “Description of the Notes” section.

Exchange controls could adversely affect the exchange rate of the Mexican peso or Brazilian real, Chilean peso, Peruvian sol and/or Colombian peso, which could affect the Issuer’s or the guarantors’ ability to make payments on the notes

Any exchange rate controls implemented by a government of the relevant jurisdiction could result in a reduced yield payable to you, a possible loss on the notes and a possible impact on the market value of the notes.

The Brazilian real has suffered frequent depreciations and appreciations in relation to the U.S. dollar and other foreign currencies during the past decades. The Brazilian government has in the past utilized different economic plans and exchange rate regimes, including sudden devaluations, periodic mini devaluations (during which the frequency of adjustments has ranged from daily to monthly), a floating exchange rate system, exchange controls and dual exchange rate markets. From time to time, there have been significant fluctuations in the exchange rate between the Brazilian real and the U.S. dollar and other currencies. Furthermore, Brazilian law provides that, whenever there is a serious imbalance in Brazil’s balance of payments or there are substantial reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad.

In the past, the Mexican economy has experienced balance of payments deficits and shortages in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican pesos to foreign currencies, including U.S. dollars, it has done so in the past and could do so again in the future.

If the Central Bank of Mexico or Brazil or another governmental entity in such jurisdictions were to reduce or eliminate our ability to remit U.S. dollars outside Mexico or Brazil, respectively, we may be limited in our ability, or unable, to meet our payment obligations under the notes or, if applicable, the guarantees. In addition, the imposition of exchange controls could cause the Mexican peso or the Brazilian real to depreciate which, in turn, could adversely affect our financial condition, our results of operations, the amount of U.S. dollars payable on the notes or, if applicable, under the guarantees and our ability to make payments under the notes or the guarantees.

The Issuer and the guarantors may incur additional debt ranking equally to the notes or secured debt

The indenture pursuant to which the notes will be issued will not limit the ability of the Issuer or the guarantors to incur additional debt that ranks on an equal and ratable basis with the notes and the guarantees. If we or the guarantors incur any additional debt that ranks on an equal and ratable basis with the notes and the guarantees, the holders of that debt will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of the Issuer subject to satisfaction of certain debt limitations. This may have the effect of reducing the amount of proceeds paid to you.

Furthermore, after the offering of the notes hereby, we may incur additional indebtedness. If we, any of the guarantors, or our other subsidiaries incur additional debt, the risks that we and they face as a result of our existing indebtedness could further intensify. Our ability to generate sufficient cash to satisfy our and its outstanding and future debt obligations depends on our and its operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing indebtedness, or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

Subject to certain limitations, we also have the ability to incur secured debt and such debt would be effectively senior to the notes to the extent of such collateral. See “Description of the Notes—Covenants—Limitation on Liens.”

Creditors of the subsidiaries of the guarantors will have priority over the holders of the notes in claims to assets of the subsidiaries of the guarantors

Torres Latinoamérica and Torres do Brasil, subsidiaries of Sitios, will guarantee the Issuer's obligations under the notes. The guarantees will be obligations of the guarantors and not any of their respective subsidiaries. Torres Latinoamérica conducts substantially all of its business and holds substantially all of its assets through subsidiaries. Claims of creditors of the guarantors' subsidiaries that do not guarantee the notes, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of its subsidiaries. The guarantors' ability to meet their obligations, including under their guarantee, will depend, in significant part, on its receipt of cash dividends, advances and other payments from its subsidiaries.

The notes will rank equally in right of payment with all of the Issuer's other unsecured and unsubordinated debt obligations from time to time outstanding (subject to certain statutory preferences under Mexican and Brazilian law, including tax, social security and labor claims). See "Description of the Notes—General—Ranking of the Notes." The guarantees will rank equally in right of payment with all of the guarantors' other unsecured and unsubordinated debt obligations from time to time outstanding (subject to certain statutory preferences under Mexican and Brazilian law, including tax, social security and labor claims). See "Description of the Notes—Guarantees." The notes are not secured by any of the Issuer's or the guarantors' assets. Any future claims of secured lenders with respect to assets securing their loans will be prior to any claim of the holders of the notes with respect to those assets.

The guarantees may not be enforceable

The notes will be fully and unconditionally guaranteed by Torres Latinoamérica and Torres do Brasil. Although such guarantees provide a basis for a direct claim against each of the guarantors, it is possible that the guarantees may not be enforceable under applicable law.

While Mexican law does not prohibit the giving of guarantees and, as a result, it does not prevent the guarantees of the notes from being valid, binding and enforceable against the relevant guarantors, in the event that a guarantor becomes subject to a bankruptcy reorganization (*concurso mercantil*) or to a liquidation (*quiebra*), its guarantee may be deemed to have been a fraudulent transfer and may be declared void based upon the guarantor being deemed not to have received fair consideration in exchange for such guarantee. If any such event were to occur, the creditworthiness of the notes, and the market value of the notes in the secondary market may be materially and adversely affected.

Judgments of Mexican and Brazilian courts enforcing the guarantors' obligations under their respective guarantees would be payable only in local currencies

If proceedings were brought in Mexico or Brazil seeking to enforce the applicable guarantor's obligations in respect of their respective guarantees, such guarantor would be required to discharge its obligations in its local currency (being pesos in Mexico and reais in Brazil).

Under the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), an obligation denominated in a currency other than Mexican pesos that is payable in Mexico may be satisfied in Mexican pesos at the rate of exchange in effect on the date of payment. This rate is currently determined by the Mexican Central Bank and published in the Mexican Official Gazette of the Federation.

Any judgment obtained in Brazilian courts in respect of any payment obligations under the guarantee shall be paid in Brazil and will be expressed in Brazilian reais equivalent to the U.S. dollar amount of such payment at the exchange rate published by the Brazilian Central Bank either (i) on the date of the actual payment (which is currently the position in the majority of judgments in Brazil), or (ii) on the date on which the judicial proceeding was filed, in which case the amount due in Brazilian reais would be subject to a monetary adjustment as determined by the relevant court.

As a result, the amount paid by any of the guarantors in Mexican pesos or Brazilian reais to holders of notes may not be readily convertible into the amount of U.S. dollars. In addition, the guarantors' obligation to indemnify these holders against exchange losses may be unenforceable in Mexico and Brazil.

The collection of interest on interest is not enforceable in Mexico

Mexican law does not permit the collection of interest on interest and, therefore, the accrual of default interest on past due ordinary interest accrued in respect of the notes may be unenforceable in Mexico.

Different disclosure principles in Mexico and the United States may provide you with different or less information about the Issuer than you expect

Securities disclosure requirements in Mexico differ from those applicable in the United States. Accordingly, the information about the Issuer and/or Sitios available to you may not be the same as the information available to security holders of a U.S. company or a foreign private issuer that is subject to the reporting requirements of the Exchange Act. There may be less publicly available information about the Issuer than is regularly published about companies in the U.S. and certain other jurisdictions. The Issuer will not be subject to the periodic reporting requirements of the Exchange Act and, therefore, will not be required to comply with the information disclosure requirements that it imposes. Under the indenture pursuant to which the notes will be issued, the Issuer will be required to provide certain financial statements to the trustee, but will not be required to provide or comply with periodic reporting requirements under the Exchange Act. See “Description of the Notes—Covenants—Provision of Information.”

The Issuer’s and the guarantors’ obligations under the notes will be subordinated to certain statutory liabilities under applicable law

Under Brazilian law, Torres do Brasil’s guarantee obligations under the notes are subordinated to certain statutory preferences. In the event of a liquidation, bankruptcy or court reorganization of Torres do Brasil such statutory preferences, including certain post-petition claims, claims for salaries, wages, social security, taxes and court fees, among others, will have preference over any other claims, including claims by any investor in respect of notes. In such event, enforcement of the notes guarantee may be unsuccessful, and the holders of notes may be unable to collect amounts that would be due under the notes.

Under the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*), if either Sitios or Torres Latinoamérica was declared insolvent (*en concurso*), Sitios’ or Torres Latinoamérica’s obligations under the notes or its guarantee, as applicable:

- would be converted into Mexican pesos and then from Mexican pesos into inflation-adjusted units, called *Unidades de Inversión*;
- would be satisfied at the time claims of all creditors of Sitios or Torres Latinoamérica are satisfied;
- would be subject to the outcome of, and priorities recognized in, the relevant proceedings, which differ from those in other jurisdictions, such as the United States;
- would cease to accrue interest from the date the *concurso mercantil* is declared;
- would not be adjusted to take into account any depreciation of the Mexican peso against the U.S. dollar or other currency occurring after such declaration; and
- would be subject to certain statutory preferences, including tax, social security and labor claims, and claims of secured creditors (up to the value of the collateral provided to such creditors).

There is also limited legal precedent in the event of bankruptcy in Mexico in relation to guarantees. For such reasons, the ability of the holders of the notes to effectively collect payments due under the notes against Sitios and/or Torres Latinoamérica may be compromised or subject to delay.

Brazilian insolvency laws may be less favorable to investors than insolvency laws in other jurisdictions and Torres do Brasil's guarantee obligations would be converted in the event of bankruptcy

If Torres do Brasil is unable to pay when due its obligations as guarantor of the notes, Torres do Brasil may become subject to voluntary or involuntary insolvency proceedings in Brazil which may affect its guarantee obligations under the notes. Insolvency proceedings in Brazil may be less favorable to creditors than those of certain other jurisdictions. Technicalities may undermine the ability of the holders of the notes to directly participate or otherwise receive distributions in such insolvency proceedings. In case of bankruptcy, a court may order that each noteholder file an individual claim (as opposed to a single claim filed by the trustee for the benefit of the noteholders), for which noteholders may need to engage local counsel. In the latter scenario, the trustee may be unable to remit distributions to the noteholders.

The Issuer may redeem the notes at its option, which may adversely affect your return on the notes

The notes are redeemable at the option of the Issuer, and the Issuer may, therefore, choose to redeem all or part of the notes prior to their maturity date, including at times when prevailing interest rates are relatively low. In the event that the Issuer redeems the notes prior to maturity, you may not be able to reinvest the proceeds you receive from the redemption in a comparable security at an effective interest rate as high as the interest rate on your notes being redeemed.

An active trading market for the notes may fail to develop, which could adversely affect the market prices and liquidity of the notes

Currently, there is no established trading market for the notes. Although we intend to apply for the listing of the notes on the Official List of the LuxSE and the admission to trading on the Euro MTF, we cannot provide you with any assurances that the notes will be or remain listed. Even if the notes become listed on such exchange, the Issuer may delist the notes from such exchange. If the notes fail to, or cease to, be listed on the LuxSE, certain investors may not invest in, or continue to hold or invest in, the notes. A trading market for the notes may not develop, or if a market for the notes were to develop, the notes may trade at a discount from their initial offering price, depending upon many factors, including prevailing interest rates, the market for similar securities, general economic conditions and the financial condition and business prospects of the Issuer. The initial purchasers are not under any obligation to make a market with respect to the notes, and we cannot assure you that trading markets will develop or be maintained. Accordingly, we cannot assure you as to the development or liquidity of any trading market for the notes. If an active market for the notes does not develop or is interrupted, the market price and liquidity of the notes may be adversely affected.

Developments in other countries may affect the market price of our securities and adversely affect our ability to raise additional financing

The market value of securities of Mexican companies is, to varying degrees, affected by economic and market conditions in other countries, including the United States, the European Union and emerging market countries. Although economic conditions in such countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Mexican issuers. Crises in the United States, the European Union and emerging market countries may diminish investor interest in securities of Mexican issuers. Any such crises could materially and adversely affect the market price of the Issuer's securities, including the notes, and could also make it more difficult for the Issuer to access the capital markets and finance its operations in the future on acceptable terms or at all.

The notes are subject to certain transfer restrictions

The notes have not been and will not be registered under the Securities Act or any U.S. state or other securities laws, and the Issuer is not required to make and currently does not plan on making any such registration in the immediate future. Accordingly, the notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state or other securities laws, as applicable.

For a discussion of certain restrictions on resale and transfer, see “Plan of Distribution” and “Transfer Restrictions.” Consequently, a holder of notes and an owner of beneficial interests in those notes may be required to bear the financial risks of an investment in the notes for the term of the notes.

Our credit ratings may change and depend on factors including factors beyond our control

Credit ratings are an assessment by the rating agencies of an issuer’s ability to pay its debts as they mature. Consequently, actual or anticipated changes in the Issuer’s credit ratings generally affect the market value of the notes. The ratings do not constitute a recommendation to buy, sell or hold securities and may be revised or withdrawn at any time by the rating agency. The Issuer’s credit rating from each rating agency should be evaluated independently of ratings by any other rating agencies.

The Issuer’s current credit ratings and rating outlooks depend, in part, on economic conditions and other factors that affect credit risk and are outside its control, as well as assessments of the creditworthiness of Mexico. Credit ratings agencies’ assessment of Mexico’s creditworthiness may affect Sitios’ credit ratings in the future.

There is no assurance that a credit rating of the Issuer will remain for any given period of time or that a credit rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances so warrant. In the event that a credit rating assigned to the notes, the Issuer is subsequently lowered for any reason, no person or entity is obligated to provide any additional support or credit enhancement with respect to the notes, and the market value of the notes is likely to be adversely affected.

Our credit ratings do not reflect all risks of investing in the notes

Our credit ratings are an assessment by the rating agencies of our ability to pay our debts as they mature, but do not reflect all risks of investing in the notes. For example, they do not reflect potential changes in the interest rate environment, which could adversely impact the trading prices of the notes.

We expect that the trading price of the notes will depend on a variety of factors, each of which could change substantially at any time

We expect that the trading price of the notes will depend on a variety of factors, including, without limitation, the interest rate environment. If interest rates, or expected future interest rates, rise during the terms of the notes, the price of the notes will likely decrease. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the trading price of the notes. Because interest rates and interest rate expectations are influenced by a wide variety of factors, many of which are beyond our control, we cannot assure you that changes in interest rates or interest rate expectations will not adversely affect the trading price of the notes.

Holders of the notes may not be able to enforce civil liabilities against the Issuer, the guarantors or their respective directors and officers

The Issuer is a publicly traded variable stock corporation incorporated under the laws of Mexico. Torres do Brasil is a privately held corporation incorporated under the laws of Brazil. Torres Latinoamérica is a variable stock corporation incorporated under the laws of Mexico. In addition, their respective directors and officers, reside outside the United States, and all or a substantial portion of their assets are located outside of the United States.

As a result, it may not be possible for holders of the notes to effect service of process outside Mexico or Brazil, as applicable, upon these companies or their respective directors or officers, or to enforce against such parties judgments of courts located outside Mexico and Brazil predicated upon civil liabilities under the laws of jurisdictions other than Mexico or Brazil, respectively, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States.

See “Enforceability of Civil Liabilities” for a more detailed description of these difficulties in enforcing judgments.

USE OF PROCEEDS

The proceeds from the sale of the notes, before payment of the initial purchasers' discount and estimated transaction expenses, are expected to be approximately U.S.\$647,783,500. The Issuer intends to use the net proceeds from the sale of the notes to repay the U.S. Dollar Term Loan and the Sitios Working Capital Loan (each as defined herein) in full, and the remainder, if any, to repay the Torres Latinoamérica Working Capital Loan (as defined herein). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Existing Indebtedness." Affiliates of Citigroup Global Markets Inc. and Scotia Capital (USA) Inc. are lenders under the U.S. Dollar Term Loan. See "Plan of Distribution—Other Relationships."

CAPITALIZATION

The following table sets forth the capitalization of the Issuer in accordance with IFRS as of September 30, 2024, (i) on an actual basis, (ii) as adjusted to give effect to the Capital Increase and application of the proceeds thereof and (iii) as further adjusted to give effect to the offering of the notes and the intended use of proceeds thereof.

This table should be read in conjunction with the information presented under the captions “Summary Financial Data,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the Sitios unaudited interim condensed consolidated financial statements and the Sitios consolidated financial statements, included elsewhere in this offering memorandum.

	As of September 30, 2024					
	Actual		As adjusted		As further adjusted ⁽¹⁾	
	(in millions of Ps.)	(in millions of U.S.\$) ⁽²⁾	(in millions of Ps.)	(in millions of U.S.\$) ⁽²⁾	(in millions of Ps.)	(in millions of U.S.\$) ⁽²⁾
Cash and cash equivalents.....	1,609	82	1,609	82	1,559	79
Debt:						
Existing USD Notes ⁽³⁾	19,629	1,000	19,629	1,000	19,629	1,000
Mexican Pesos Term Loan ⁽⁴⁾	20,559	1,047	17,559	895	17,109	872
U.S. Dollar Term Loan ⁽⁵⁾	10,109	515	10,109	515	-	-
Existing Sol Notes ⁽⁶⁾	4,604	235	4,604	235	4,604	235
6.000% Senior Notes due 2029 offered hereby ⁽⁷⁾	-	-	-	-	12,665	645
Sitios Working Capital Loan ⁽⁸⁾	928	47	928	47	-	-
Torres Latinoamérica Working Capital Loan ⁽⁹⁾	1,178	60	1,178	60	-	-
Peruvian Working Capital Loan ⁽¹⁰⁾	946	48	946	48	946	48
Total Debt⁽¹¹⁾.....	57,953	2,952	54,953	2,800	54,953	2,800
Stockholders’ Equity:						
Total Equity.....	2,288	117	5,288	269	5,288	269
Total Capitalization⁽¹²⁾.....	60,241	3,069	60,241	3,069	60,241	3,069

⁽¹⁾ Unless otherwise disclosed in the footnotes to this table, the numbers in the “As further adjusted” column give effect to the offering of the notes and the intended use of proceeds thereof as described under the “Use of Proceeds.”

⁽²⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars at the September 30, 2024 exchange rate of Ps.19.6290 to U.S.\$1.00.

⁽³⁾ Reflects the approximate Mexican peso-equivalent of the aggregate principal amount of the Existing USD Notes.

⁽⁴⁾ Reflects the approximate Mexican peso-equivalent of the aggregate principal amount of the Mexican Pesos Term Loan.

⁽⁵⁾ Reflects the approximate Mexican peso-equivalent of the aggregate principal amount of the U.S. Dollar Term Loan.

⁽⁶⁾ Reflects the approximate Mexican peso-equivalent of the aggregate principal amount of the Existing Sol Notes.

⁽⁷⁾ Represents the approximate Mexican peso-equivalent of the aggregate principal amount of the notes offered hereby and does not reflect the initial purchasers’ discount or estimated fees and expenses related to this offering.

⁽⁸⁾ Represents the approximate Mexican peso-equivalent of the aggregate principal amount of the Sitios Working Capital Loan.

⁽⁹⁾ Represents the approximate Mexican peso-equivalent of the aggregate principal amount of the Torres Latinoamérica Working Capital Loan.

⁽¹⁰⁾ Represents the approximate Mexican peso-equivalent of the aggregate principal amount of the Peruvian Working Capital Loan.

⁽¹¹⁾ Total debt is equal to short-term debt plus long-term debt, excluding accrued interest.

⁽¹²⁾ Total capitalization is equal to total debt plus total equity.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis has been prepared, and should be read, in conjunction with the audited consolidated financial statements and the unaudited interim consolidated financial statements included elsewhere herein, and provides a narrative of our results of operations and financial condition for the periods set forth below. Unless otherwise indicated, all the financial information included herein is presented in Mexican pesos. Our financial information has been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed under "Forward-Looking Statements" and "Risk Factors." We are not undertaking any obligation to update any forward-looking statements or other statements we may make in the following discussion or elsewhere in this document even though these statements may be affected by events or circumstances occurring after the forward-looking statements or other statements were made. Therefore, you should not rely on these statements being current as of any time other than the date of this offering memorandum.

You should read the following discussion of our financial condition and results of operations together with the information set forth under "Presentation of Financial Information," "Summary—Summary Financial Data" and "Risk Factors" and the audited consolidated financial statements, the Sitios unaudited interim consolidated financial statements and, in each case, the accompanying notes included elsewhere in this offering memorandum, as well as the other financial information included herein. Unless otherwise indicated, the terms "we," "us," "our" and "Sitios" refer to Sitios Latinoamérica, S.A.B. de C.V. and its consolidated subsidiaries.

Overview

Sitios was incorporated on August 8, 2022 in connection with the consummation of the Sitios Spin-off, pursuant to which América Móvil transferred to Sitios 29,090 wireless telecommunications towers in Argentina, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Puerto Rico and Uruguay, making Sitios one of the largest owners, operators and developers of wireless communications Sites in Latin America in terms of size of its Passive Infrastructure portfolio. As of September 30, 2024, Sitios owned 36,201 wireless telecommunications Sites in 16 countries, comprised of Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay, making it the second largest Passive Infrastructure operator in the region and the sixth largest Pureplay independent operator in the world, according to TowerXchange's LATAM Regional Guide 3Q 2024.

Sitios is a publicly traded variable stock corporation incorporated under the laws of Mexico, and its shares are listed on the Mexican Stock Exchange and registered before the RNV. The principal executive offices of Sitios are located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico.

Our primary business is the construction, installation, maintenance, operation and commercialization of towers and support structures, physical space and other non-electronic elements of Passive Infrastructure for the installation of our customers' Active Infrastructure. Our customers are telecommunications and radiocommunications companies that require Passive Infrastructure for the installation and operation of their Active Infrastructure.

We are not engaged in the business of providing Active Infrastructure or any radiocommunications services or other related services to the telecommunications sector. Such Active Infrastructure and services are provided by our customers.

We have operations in 16 countries in which we enter into leases denominated either in local currency or in U.S. dollars, depending on the country. We own telecommunications towers in all 16 of those countries.

For the nine months ended September 30, 2024, 47.1% of our revenues were denominated in U.S. dollars, 36.4% were denominated in Brazilian reais, 8.9% were denominated in Chilean *unidades de fomento*, 7.4% were denominated in Peruvian soles and 0.2% were denominated in Colombian pesos.

During the twelve months ended December 31, 2023, 42.6% of our revenues (excluding other income) were denominated in U.S. dollars, 42.0% were denominated in Brazilian reais, 9.6% were denominated in Chilean *unidades de fomento*, and 5.7% were denominated in Peruvian soles. The operating costs and expenses incurred by each of our subsidiaries are typically denominated in local currency.

The Mexican peso is the functional currency of our subsidiaries in Mexico and is the presentation currency of the Issuer's consolidated financial statements.

Our Argentine subsidiary, Sitios Argentina, S.A., operates in hyperinflationary environment and the effect of inflation is calculated and incorporated into our accounting records on a monthly basis.

Capital investments in the telecommunications industry are now focused on the acquisition of spectrum and the development of new technologies and Active Infrastructure to address growing demand for capacity, speed and quality of service. This shift has been made possible by the fact that telecommunication companies are no longer required to allocate a portion of their capital expenditures to Passive Infrastructure. Companies whose primary business is the construction and commercialization of telecommunication towers, such as the Issuer, are facilitating the digital development of Latin America.

We believe that mobile services will play an increasingly important role in Latin America and the Caribbean given the demand for broadband services in those regions. In particular, the deployment of 4G and 5G technologies may boost the need for the introduction of new networks and expansion of coverage.

Additionally, given that a majority of telecommunications operators consider Passive Infrastructure sharing more efficient than incurring installation and management costs, we are able to market our assets to multiple telecommunications providers due to the recent availability of an existing network. This allows us to expand our tenant base and increase the value and profitability of our assets and investments.

We anticipate that data traffic volumes from smart devices will continue to grow exponentially and to drive the demand for additional telecommunications infrastructure, and that wireless operators will be required to make additional investments in the expansion of their network capacities to keep up with the increase in the demand for data service plans and with the migration of users to 4G and 5G platforms.

In general, Latin America has a variety of services, with 2G and 3G services still operating in some countries, although the vast majority have 4G and 4.5G as their main services. According to the GSMA's "The Mobile Economy Latin America 2024" report, some telecommunications operators have already launched commercial 5G services and several others plan to roll out 5G services in coming years. 5G growth across the region has been driven by investments in 5G infrastructure and an expanding device ecosystem. In countries like Brazil, Chile or the Dominican Republic 5G services are already available to the end customer and in countries like Argentina, Colombia or Guatemala, 5G auctions are happening. The rest of the region will take longer to have such access to 5G. We expect these dynamics to continue in the medium term.

Factors Affecting our Results of Operations

Revenues

Our revenues derive from the monthly site access and usage fees paid by telecommunications carriers under our agreements with them. Our rates vary depending on amount of on-site space required for our customers' equipment, the leasable area required by the customer and the site's location. Cancellations or terminations of existing agreements, as well as damages to, or the destruction or impairment of any of our Sites, could have a negative impact on our revenues. Our site agreements are usually for mandatory terms that range from five to 10 years, but under certain circumstances they may be canceled or terminated upon payment of a termination fee.

We have entered into master service agreements with various telecommunication carriers, which set forth the principal terms and conditions that govern our commercial relationships. Based on such terms and conditions, we enter into individual site agreements that set forth our rates, annual increases and fixed annual fees for allowing the carriers to place a predetermined amount of equipment on our Sites and provide for additional charges if the original site usage capacity is exceeded.

Operating Costs and Expenses

Our operating costs and expenses consist primarily of rent payments made under our leases with the owners of the land on which our Sites are located, and of salaries, tower maintenance costs, administrative expenses and depreciation. We pass on 100% of our floor lease costs for a given site to the customers that use space on the relevant tower, on a pro rata basis. We therefore anticipate that our operating expenses will not increase significantly as a result of the addition of new customers to our existing Sites, and that any additional site agreements would result in increased cash flows in the future. However, we may incur additional costs and expenses in connection with the expansion of our operations in the markets into which we have recently ventured or on which do not rely for the expansion of our portfolio. Accordingly, the addition of new customers to our existing Sites would have a positive impact on our profit margin, although the effect of such impact could become temporarily diluted as a result of our development and growth initiatives.

Net Interest Expense

Our interest expense consists primarily of interest accrued under our financing arrangements.

Net Exchange Gain (Loss)

Our net exchange gain (loss) primarily reflects the gains (or losses) attributable to the depreciation of the Mexican peso against our debt denominated in U.S. dollars.

Income Taxes

The principal component of our tax expense is our income tax. Our income tax consists primarily of current income tax expense and deferred taxes as determined in accordance with IFRS. The principal difference between tax and book value is depreciation, in addition to the interest accrued on our debt.

Consolidated Net Profit (Loss)

We calculate our consolidated net profit (loss) by subtracting our costs and expenses from our total consolidated revenues in the relevant period.

Results of Operations For the Nine Months Ended September 30, 2024 and 2023

The following table was derived from the unaudited interim consolidated financial statements as of and for the nine months ended September 30, 2024 and 2023:

Consolidated Statements of Comprehensive Income	For the nine months ended September 30,	
	2024	2023
	(in millions of Ps.)	
Operating Income:		
Infrastructure leases	6,802	6,041
Floor leases.....	4,174	3,949
Other income.....	-	-
	<u>10,976</u>	<u>9,990</u>
Operating costs and expenses:		
Depreciation and amortization.....	3,121	2,671
Depreciation for right of use.....	3,145	3,013
Service costs.....	137	263
Operating expenses	<u>645</u>	<u>714</u>
Operating income	<u>3,928</u>	<u>3,329</u>
Financing result:		
Interest income.....	195	173
Lease interest	(1,129)	(794)
Other financial costs and income	42	(148)

Interest expense	(3,591)	(3,394)
Foreign exchange (loss) income, net	(1,874)	790
	(6,357)	(3,373)
(Loss) income before income taxes	(2,429)	(44)
Income taxes	1,319	892
Net (loss) income for the year	(3,748)	(936)
Attributable to:		
Controlling entity owners	(3,968)	(1,119)
Non-controlling interest	220	(183)
	(3,748)	(936)

Operating Income

Our operating income for the nine months ended September 30, 2024 was Ps.3,928 million, a 18% increase over our operating income of Ps.3,329 million for the same period in 2023. This growth was primarily attributable to the consolidation of our build-to-suit program, adding more than 1,500 new Sites compared to the same period in 2023.

During the nine months ended September 30, 2024, our tower or infrastructure leasing business accounted for 62.0% of our total revenues, compared with 60.5% during the same period in 2023. The increase in our infrastructure lease revenue base is attributable to the addition of new individual Site agreements, as a result of an increase in the pace of construction and the incorporation of acquired portfolios.

Operating Costs and Expenses

Our operating costs and expenses for the nine months ended September 30, 2024 were Ps.782 million, a 20% decrease over our operating costs and expenses of Ps.977 million for the same period in 2023. This change was primarily attributable to a decrease in costs due to efficiency gains in operating expenses, the completion of a transactional service agreement for the provision of services including legal services, consulting and human resources, and the stabilization of our operations as a separate entity. The decrease was offset by the effect of foreign currency exchanges.

Net Interest Expense

During the nine months ended September 30, 2024, we recorded interest expense, net, of Ps.4,525 million, a 13% increase from our interest expense, net of Ps.4,015 million for the same period in 2023. This change was primarily attributable to an increase in our indebtedness levels in 2023. Our interest expense consisted primarily of interest accrued under our financing arrangements, which amounted to Ps.3,591 million for the nine months ended September 30, 2024, and interest accrued under our right-of-use arrangements, which amounted to Ps.1,129 million for the nine months ended September 30, 2024.

Net Exchange Gain (Loss)

Our net exchange loss for the nine months ended September 30, 2024, was Ps.(1,874) million, a 337% decrease over our net exchange gain of Ps.790 million for the same period in 2023. This change was attributable to the depreciation of the Mexican peso against our debt denominated in U.S. dollars.

Income Taxes

Our income tax expense for the nine months ended September 30, 2024 was Ps.1,319 million, compared with Ps.892 million for the same period in 2023. This change was primarily attributable to the adjustments in depreciation, as well as to increases in net exchange gain.

Consolidated Net Profit (Loss) Attributable to Sitios

Our consolidated net loss attributable to Sitios for the nine months ended September 30, 2024 was Ps.(3,968) million, which represented a 255% increase with respect to our consolidated net loss of Ps.(1,119) million for the same period in 2023. This change was primarily attributable to an increase in the exchange rate of the Mexican peso to the U.S. dollar in 2024 as compared to 2023.

Assets, Liabilities and Stockholders' Equity

As of September 30, 2024, we had total consolidated assets of Ps.104,506 million, of which Ps.80,056 million were property and equipment, net, and Ps.18,902 million were right-of-use assets. As of September 30, 2024, we had total consolidated liabilities of Ps.102,218 million, of which Ps.58,637 million constituted total debt and Ps.20,096 million constituted total lease obligations. Our consolidated net loss for the nine months ended September 30, 2024 was Ps.3,748 million. Our consolidated stockholder's equity as of September 30, 2024 was Ps.2,288 million.

As of December 31, 2023, we had total consolidated assets of Ps.96,176 million, of which Ps.71,064 million were property and equipment, net, and Ps.19,149 million were right-of-use assets. As of December 31, 2023, we had total consolidated liabilities of Ps.94,971 million, of which Ps.53,156 million constituted interest-bearing debt and Ps.20,172 million constituted lease obligations. Sitios' consolidated stockholder's equity as of December 31, 2023 was Ps.1,205 million.

As of September 30, 2024, the amount of our cash and cash equivalents had decreased by 3% as compared to of December 31, 2023, as a result of the repayment of certain indebtedness in connection with the Sitios Spin-off, which also resulted in a reduction in our overall debt.

During the nine months ended September 30, 2024, our consolidated taxes and contributions payable was Ps.420 million compared to Ps.529 million as of December 31, 2023.

Results of Operations For the Twelve Months Ended December 31, 2023

The following table was derived from the Sitios audited consolidated financial statements as of and for the twelve months ended December 31, 2023:

Consolidated statements of comprehensive income	For the year ended December 31, 2023
	Audited
	(in millions of Ps.)
Operating income:	
Infrastructure leases	7,834
Floor leases.....	5,298
Other income.....	112
	<hr/> 13,245 <hr/>
Operating costs and expenses:	
Depreciation and amortization.....	3,839
Depreciation for right of use.....	4,015
Service costs.....	346
Operating expenses	1,029
Operating income.....	<hr/> 4,015 <hr/>
Financing result:	
Interest income.....	299
Lease interest.....	(1,570)
Other financial costs and income.....	1,164
Interest expense.....	(4,571)
Foreign exchange (loss) income, net.....	29
	<hr/> (4,649) <hr/>

(Loss) income before income taxes.....	(635)
Income taxes.....	1,121
Net (loss) income for the year.....	(1,756)
Attributable to:	
Controlling entity owners.....	(1,994)
Non-controlling interest.....	238
	(1,756)

Operating Results

As of December 31, 2023, we held a portfolio of 35,135 Sites: 11,391 located in Brazil; 9,050 in Chile, Colombia, Ecuador, and Peru (Andean Region); 7,758 in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama (Central America); 5,439 in Argentina, Uruguay and Paraguay (AUP Region); and 1,497 in Puerto Rico and the Dominican Republic (Caribbean).

During the twelve months ended December 31, 2023, 842 new Sites began to operate, mainly in Brazil, Ecuador, Peru, El Salvador, and Guatemala. As of December 31, 2023, 218 Sites were in advanced stages of construction, primarily in the Andean region and Central America.

As of December 31, 2023, we had entered into 42,730 individual site agreements and our consolidated tenancy ratio (average number of customers per site divided by the total number of Sites) was 1.22 tenants per tower. Our tenancy ratio reflected a faster recovery than expected, driven by results in the Andean Region and Central America.

As of December 31, 2023, approximately 85% of our tower lease revenue is attributable to subsidiaries or affiliates of América Móvil, while approximately 15% of our tower lease revenue is attributable to unrelated customers. This is the result of an ambitious commercial strategy focused on diversifying our customer base through the closing of new site agreements. We are focused on providing the best possible client experience through fast response times, flexibility, operational efficiency and providing creative solutions to our customers' needs. The countries with highest tenancy ratio are Puerto Rico, Paraguay, Brazil, Uruguay, El Salvador, and Panama.

Financial Results

For the twelve months ended December 31, 2023, our operating income totaled Ps.13,245 million, of which infrastructure lease revenues accounted for Ps.7,834 million, or 59%. Operating income continued to increase during this period primarily as a result of an increase in inflation and of the stabilization of our operations following the Sitios Spin-off, partially offset by the effect of foreign currency conversions.

For the twelve months ended December 31, 2023, we had EBITDAaL of Ps.6,571 million, representing an EBITDAaL margin of 84%. This was primarily attributable to the increase in tower revenues. EBITDAaL showed a good performance across the board, reflecting constant revenue streams and an effective cost control policy.

Operating costs and expenses for this period was influenced primarily by an increase in costs due to inflation, and to our operations as a separate entity beginning to stabilize, offset by the effect of foreign currency translations. Our operating cost and expenses consisted primarily of rent payments made under our leases with the owners of the land on which our Sites are located, and of salaries, tower maintenance costs, administrative expenses and depreciation.

Operating profit during this period was influenced by depreciation adjustments, transition costs and the stabilization of our operations following the Sitios Spin-Off.

For the twelve months ended December 31, 2023, capital expenditures totaled Ps.6,209 million. As of December 31, 2023, our total debt totaled Ps.53,156 million, while our cash and cash equivalents amounted to Ps.1,567 million. We expect that cash generation, as well as recurring long-term cash flows, will allow us to significantly reduce debt in the medium to long term.

Net interest expense increased over this period mainly due to the higher position of debt presented in 2023.

Net exchange gain for the twelve months ended December 31, 2023 was influenced by the depreciation of the Mexican peso against our debt denominated in U.S. dollars. Income tax expense varied mainly due to adjustments in depreciation, and costs and expenses incurred following the Sitios Spin-Off.

Assets, Liabilities and Stockholders' Equity

As of December 31, 2023, we had total consolidated assets of Ps.96,176 million, of which Ps.71,064 million were property and equipment, net, and Ps.19,149 million were right-of-use assets.

As of December 31, 2023, we had total consolidated liabilities of Ps.94,971 million, of which Ps.53,156 million constituted interest-bearing debt and Ps.20,172 million constituted lease obligations. Our consolidated net loss for the twelve months ending December 31, 2023 was Ps.1,756 million. Sitios' consolidated stockholder's equity as of December 31, 2023 was Ps.1,205 million.

Results of Operations For the Period from August 8 to December 31, 2022

The following table was derived from the Sitios audited consolidated financial statements for the period from August 8 to December 31, 2022:

Consolidated statements of comprehensive income	For the period from August 8 to December 31, 2022
	Audited
	(in millions of Ps.)
Operating income:	
Infrastructure leases	3,480
Floor leases.....	1,730
Other income.....	52
	<u>5,262</u>
Operating costs and expenses:	
Depreciation and amortization.....	1,068
Depreciation for right of use.....	1,460
Service costs.....	141
Operating expenses	310
Operating income.....	<u>2,283</u>
Financing result:	
Interest income.....	30
Lease interest.....	(243)
Other financial costs and income.....	1,103
Interest expense.....	(1,826)
Foreign exchange (loss) income, net.....	(705)
	<u>(1,642)</u>
(Loss) income before income taxes.....	641
Income taxes	346
Net (loss) income for the year.....	<u>295</u>
Attributable to:	
Controlling entity owners.....	275
Non-controlling interest.....	21
	<u>295</u>

Operating Results

As of December 31, 2022, we held a portfolio of 29,701 Sites: 11,243 located in Brazil; 5,424 in Chile, Ecuador, and Peru (Andean Region); 7,618 in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama (Central America); 5,416 in Argentina, Uruguay and Paraguay (AUP Region).

For the period from August 8 to December 31, 2022, 191 new Sites began to operate, mainly in Brazil, Ecuador, Peru, El Salvador, and Honduras. As of December 31, 2022, 459 Sites were in advanced stages of construction, primarily in the Andean region and Central America.

As of December 31, 2022, we had entered into 36,326 individual site agreements and our consolidated tenancy ratio (average number of customers per site divided by the total number of Sites) was 1.22 tenants per tower. Our tenancy ratio reflected a faster recovery than expected after the incorporation of our new portfolios. Both the Andean Region and Central America contributed significantly to the recovery of the ratio.

For the 2022 Stub Period, we estimate that approximately 87% of our tower lease revenue is attributable to entities affiliated with the Claro Group, a Mexican-headquartered telecommunications group operating as part of, and affiliated with, América Móvil, while approximately 13% of our tower lease revenue is attributable to unrelated customers. This is the result of an ambitious commercial strategy focused on diversifying our customer base through the closing of new site agreements. We are focused on providing the best possible client experience through fast response times, flexibility, operational efficiency and providing creative solutions to our customers' needs. The countries with highest tenancy ratio are Puerto Rico, Paraguay, Brazil, Uruguay, Chile and Panama.

Financial Results

For the 2022 Stub Period, our operating income totaled Ps.5,262 million, of which infrastructure lease revenues accounted for Ps.3,480 million, or 66%. Revenues increased in this period mainly due to an increase in inflation and the regularization of operations following the Sitios Spin-Off, mitigated by the effect of foreign currency losses. For the 2022 Stub Period, we had EBITDAaL of Ps. 3,081 million, representing an EBITDAaL margin of 89%. This result was mainly due to the increase in tower revenues and an effective cost control policy.

In 2022, operating costs and expenses increased mainly due to the increase in inflationary costs and the beginning of regularization of our operations as an independent entity, mitigated by the effect of foreign currency losses.

For the 2022 Stub Period, capital expenditures totaled Ps.453 million.

As of December 31, 2022, our total debt totaled Ps.50,309 million, while our cash and cash equivalents amounted to Ps.4,107 million. We expect that cash generation, as well as recurring long-term cash flows, will allow us to significantly reduce debt in the medium to long term.

During this period, net interest expense remained low due to our position of debt in 2022. Net exchange gain was driven by the depreciation of local currencies compared to the U.S. dollar. Income tax varied mainly due to adjustments in depreciation, and costs and expenses incurred following the Sitios Spin-Off.

Assets, Liabilities and Stockholders' Equity

As of December 31, 2022, we had total consolidated assets of Ps.90,479 million, of which Ps.69,571 million were property and equipment, net, and Ps.12,985 million were right-of-use assets.

As of December 31, 2022, we had total consolidated liabilities of Ps.86,688 million, of which Ps.50,309 million constituted interest-bearing debt and Ps.13,099 million constituted lease obligations. Our consolidated net profit for the 2022 Stub Period was Ps.295 million. Sitios' consolidated stockholder's equity as of December 31, 2022 was Ps.3,791 million.

Liquidity and Capital Resources

Liquidity

Our primary sources of liquidity are the cash flows we generate internally. We strive to maintain the hedging and leverage ratios stipulated in the documents that govern our indebtedness. In our recurring operations, our accounts receivable do not exceed 60 days. As with respect to floor space leases, particularly, we recognize costs and expenses but do not incur any costs because such costs are passed on to our customers. Accordingly, we receive the same amount in the same period in which we pay it.

Use of proceeds from liquidity resources

The primary source of liquidity for our operating subsidiaries is the rental income generated through the execution of agreements for Passive Infrastructure use and access sharing and the provision of supplemental services to our customers, which include security, access and maintenance services, and we anticipate that these agreements will continue to represent the primary source of liquidity for our operating subsidiaries.

The cash generated by our operating subsidiaries or received by us through our financing sources are used primarily to fund our operating costs and expenses, which consist primarily in rent payments for the land on which our Passive Infrastructure is located, salaries, Passive Infrastructure maintenance costs, the service of our debt, taxes and tower construction costs incurred in connection with our build-to-suit projects.

Going Concern

Our unaudited interim condensed consolidated financial statements have been prepared assuming that we will continue to operate as a going concern, which assumes that we can meet our payment obligations and our operating continuity. As discussed in Note 2c to our unaudited interim condensed consolidated financial statements, as of September 30, 2024, our current liabilities exceeded our current assets by Ps.4,185 million (U.S.\$213.2 million) and as of the date hereof, we have fallen below the minimum share capital required under Mexican law, which could be a cause for our dissolution upon the request of an interested third party. Notwithstanding, as of the date of this offering memorandum, we have positive operating cash flows, and we are implementing strategies to have additional access to capital to fund our liabilities, including through the Capital Increase, through our existing relationships with our current lenders and with the proceeds of this offering. For additional information regarding the Capital Increase, see “Recent Developments.” See “Capitalization” for additional information regarding our expected capitalization after giving effect to the Capital Increase. Upon consummation of the Capital Increase, we will no longer fall below the required threshold for share capital, which will address the circumstances that gave rise to the possible cause for dissolution described herein.

Debt

In addition to the cash flows generated by our operating activities and those of our subsidiaries, we may seek financing in order to satisfy certain operating requirements such as debt restructurings, working capital, capital expenditures or acquisitions of Passive Infrastructure. We seek to enter into financing arrangements for these purposes on terms and conditions that allow us to maintain our credit rating and ability to resort to these types of financings. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Existing Indebtedness” for a more detailed discussion of our currently outstanding indebtedness.

As of September 30, 2024, approximately 55% of our debt was denominated in U.S. dollars, 35% was denominated in Mexican pesos and 10% was denominated in Peruvian soles.

As of September 30, 2024, a approximately 57% of our debt bore interest at floating rates and the remainder at fixed rates.

Treasury

We maintain treasury policies that are consistent with our financial commitments and our working capital requirements, and we maintain our financial resources invested in highly-liquid, non-speculative, low-risk instruments. We hold the proceeds from the collection of our accounts receivable in our treasury, in the currencies in

which we receive them (except where our operations require a change of currency), so as to avoid speculative activity involving foreign currency exchange.

Taxes and contributions payable

As of the twelve months ended December 31, 2023 and for the 2022 Stub Period, taxes and contributions payable were Ps.529 million and Ps.717 million, respectively.

Capital Expenditures

During the twelve months ended December 31, 2023 and for the 2022 Stub Period, capital expenditures totaled Ps.6,209 and Ps.453 million, respectively.

Transactions with Derivative Financial Instruments

As of September 30, 2024 and December 31, 2023, we had not entered into any transaction with derivative financial instruments. However, we may use derivative instruments in the future.

Existing Indebtedness

The following sets forth a summary of certain of our existing financing arrangements. The following summary is not exhaustive and is subject to and qualified in its entirety to all of the provisions of the corresponding financing documentation.

Existing USD Notes

Overview and Structure

On April 4, 2022, América Móvil issued U.S.\$1,000 million (Ps.19,629 million based on the exchange rate as of September 30, 2024) in aggregate principal amount of 5.375% Senior Notes due 2032 (the “Existing USD Notes”). On August 8, 2022, as a consequence of the Sitios Spin-off, Sitios assumed all of the obligations of América Móvil with respect to the Existing USD Notes and all liabilities with respect thereto, and América Móvil was released from all its obligations with respect to the Existing USD Notes.

The Existing USD Notes mature on April 4, 2032 and were issued to refinance certain existing indebtedness of América Móvil and its subsidiaries and for general corporate purposes.

The Existing USD Notes were issued pursuant to an indenture (the “Existing Indenture”) dated April 4, 2022, between América Móvil, as issuer, and Citibank, N.A., a national banking association, as trustee, paying agent, registrar and transfer agent.

Interest Rate

The Existing USD Notes accrue interest at 5.375% per annum. Interest on the Existing USD Notes is payable semi-annually in arrears on April 4 and October 4 of each year, commencing on October 4, 2022.

Payments and Redemptions

At any time prior to January 4, 2032, Sitios may, at its option, redeem the Existing USD Notes, in whole or in part, by paying the greater of the principal amount of the Existing USD Notes to be redeemed and a “make-whole” amount, plus accrued and unpaid interest and any additional interest thereon to, but not including, the redemption date.

At any time on or after January 4, 2032, Sitios may, at its option, redeem the Existing USD Notes, in whole or in part, at 100% of the principal amount thereof, plus accrued and unpaid interest and additional interest thereon to, but not including, the redemption date.

If, due to changes in Mexican laws relating to Mexican withholding taxes, Sitios is obligated to pay additional interest on the Existing USD Notes in excess of the additional interest attributable to a Mexican withholding tax rate

of 4.9%, Sitios may redeem the outstanding Existing USD Notes, in whole but not in part, at any time, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, and any additional interest thereon to, but excluding the date of redemption.

Guarantees

The Existing USD Notes are guaranteed by Torres do Brasil and Torres Latinoamérica on a joint and several basis.

Ranking

The Existing USD Notes and the related guarantees are general unsecured obligations of Sitios and the guarantors thereof and rank equally in right of payment with all of Sitios' other unsecured and unsubordinated debt (subject to certain statutory preferences under Mexican law, including tax, social security and labor claims). The Existing USD Notes are subordinated to all of Sitios' existing and future secured obligations and to all existing and future liabilities of Sitios' subsidiaries, subject to the guarantees.

Certain Covenants

The Existing Indenture contains limited restrictive covenants which, among other things, restrict our ability to:

- incur liens;
- enter into sale and leaseback transactions; and
- consolidate, merge or sell all or substantially all of our assets.

These covenants are subject to a number of important exceptions and qualifications. In addition, these covenants do not limit Sitios' ability to incur indebtedness, require Sitios to make asset sale offers or change in control offers or require Sitios to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Events of Default

The Existing Indenture also contains certain customary events of default.

Governing Law

The Existing USD Notes and the Existing Indenture are governed by the laws of the State of New York.

Mexican Pesos Term Loan

On March 18, 2022, América Móvil and Torres Latinoamérica, as co-borrowers, entered into a term loan credit agreement with the lenders party thereto and BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, as administrative agent for the lenders, providing for a single borrowing of loans in an aggregate principal amount up to Ps.20,559 million (the "Mexican Pesos Term Loan") for the refinancing of certain existing indebtedness of the borrowers, payment of certain transaction costs and general corporate purposes.

On August 8, 2022, as a consequence of the Sitios Spin-off, pursuant to the terms of the Mexican Pesos Term Loan (i) Sitios assumed all of the rights and obligations of América Móvil as co-borrower under the Mexican Pesos Term Loan, (ii) América Móvil was released as a co-borrower and party to the Mexican Pesos Term Loan and (iii) Torres do Brasil guaranteed all of the obligations of the borrowers thereunder. The loans under the Mexican Pesos Term Loan (the "Mexican Pesos Loans") do not have any scheduled amortization payments prior to the maturity date of March 18, 2027. The Mexican Pesos Loans accrue interest at a variable rate calculated with reference to The Interbank Equilibrium Interest Rate (*Tasa de interés interbancaria de equilibrio*) reference rate plus a margin equal to 1.25%.

The borrowers may voluntarily prepay the Mexican Pesos Loans in whole or in part at any time subject to certain minimum amount and notice requirements without premium or penalty. Additionally, the Mexican Pesos Loans must be repaid with 50% of the net proceeds received in connection with any disposition (subject to certain exceptions) with an aggregate book value of less than 15% of our and certain of our material subsidiaries' consolidated net tangible assets and 100% of the net proceeds received in connection with any disposition (subject to certain exceptions) with an aggregate book value equal to or greater than 15% of our and certain of our material subsidiaries' consolidated net tangible assets.

The Mexican Pesos Term Loan contains a number of customary representations and warranties, affirmative and negative covenants and events of default. Such covenants, among other things, restrict, subject to certain exceptions, our ability to:

- create liens on our or certain of our subsidiaries' assets;
- make fundamental changes or dispositions;
- engage in sale-leaseback transactions;
- enter into certain transactions with our affiliates;
- make changes to certain of our material leases; and
- pay dividends and distributions or repurchase common shares.

The Mexican Pesos Term Loan also contains covenants that require that:

- the ratio of our consolidated debt as of the last day of the last concluded fiscal quarter of the borrowers to EBITDAaL for the four fiscal quarter period ended as of the last concluded fiscal quarter of the borrowers, as defined under the Mexican Pesos Term Loan (which may differ from IFRS-derived ratios), at any time, be equal to or less than 8.50 to 1.00;
- the ratio of our consolidated interest expense as of the last day of the last concluded fiscal quarter of the borrowers to EBITDAaL for the four fiscal quarter period ended as of the last concluded fiscal quarter of the borrowers, as defined under the Mexican Pesos Term Loan (which may differ from IFRS-derived ratios), at any time, be equal to or greater than 1.50 to 1.00; and
- the ratio of consolidated debt of all of our subsidiaries (other than Torres Latinoamérica and Torres do Brasil) as of the last day of the last concluded fiscal quarter of the borrowers to our consolidated debt as of the last day of the last concluded fiscal quarter of the borrower, at any time, be equal to or less than 0.20 to 1.00.

If an event of default occurs and is continuing, the lenders under the Mexican Pesos Term Loan will be entitled to take various actions, including declaring the acceleration of amounts due thereunder, subject to customary notice and grace period provisions. Such events of default include, subject to certain exceptions and customary notice and grace period provisions, failure to pay amounts due, inaccuracy of representations or warranties, failure to comply with covenants or other obligations in respect of the Mexican Pesos Term Loan, payment default or acceleration of any of our outstanding debt agreements in an aggregate principal amount in excess of U.S.\$50 million, cessation of effectiveness or enforceability of any loan document, the occurrence of an insolvency or bankruptcy event (in which case the occurrence of an event of default and application of remedies under the Mexican Pesos Term Loan is automatic), entry into an undischarged and final, non-appealable judgment against any of the borrowers or certain of our material subsidiaries in excess of U.S.\$50 million the occurrence of a change of control, the condemnation, seizure, nationalization or appropriation of our substantial property by a governmental authority and termination, cancellation or modification of any material license necessary to our business. During the third quarter of 2023, we were unable to comply with the Interest Coverage Ratio required under the Mexican Pesos Term Loan due to the effects of (i) the acquisitions of 1,388 Sites in the Dominican Republic and 3,204 Sites in Peru and the related increase in our consolidated indebtedness, (ii) the 96 basis point increase to SOFR and 73 basis point increase to the Mexican Interbank Equilibrium Interest Rate during the first nine months of 2023 and (iii) the depreciation of the currencies

of our non-Mexican subsidiaries against the Mexican peso and the appreciation of the Mexican peso against the U.S. dollar. This non-compliance was waived by the lenders thereunder. During the fourth quarter of 2023 and the first quarter of 2024, we were unable to comply with the Interest Coverage Ratio required under the Mexican Pesos Term Loan Due to the hyperinflationary conditions in Argentina and the impact thereof on our consolidated results, which non-compliances were also waived by the lenders thereunder. Other than as described in the preceding sentence, as of the date of this offering memorandum, we were in compliance with all covenants, and no default or event of default has occurred and is continuing.

The Mexican Pesos Term Loan is governed by New York law.

U.S. Dollar Term Loan

On October 7, 2022, Sitios guaranteed, on a joint and several basis with Torres do Brasil, all of the obligations of Torres Latinoamérica as borrower under the term loan credit agreement dated October 7, 2022 by and among Torres Latinoamérica, as borrower, Sitios and Torres do Brasil, as guarantors, the lenders from time to time party thereto and Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, as administrative agent for the lenders, providing for a single borrowing of loans to Torres Latinoamérica in an aggregate principal amount of U.S.\$515 million (Ps.10,109 million based on the exchange rate as of September 30, 2024) (the “U.S. Dollar Term Loan”) for the refinancing of certain of our existing indebtedness and the payment of certain transaction costs in connection with such refinancing.

The loans under the U.S. Dollar Term Loan (the “U.S. Dollar Loans”) do not have any scheduled amortization payments prior to the maturity date of October 7, 2025. We intend to use the proceeds of the notes offered hereby to repay the U.S. Dollar Term Loan in full. See “Use of Proceeds.”

The U.S. Dollar Loans accrue a variable interest rate calculated with reference to the Term Secured Overnight Financing Rate (the “Term SOFR”) reference rate plus a margin equal to 1.25%.

The U.S. Dollar Term Loan contains a number of customary representations and warranties, affirmative and negative covenants and events of default. Such covenants, among other things, restrict, subject to certain exceptions, our ability to:

- create liens on our or certain of our subsidiaries’ assets;
- make fundamental changes or dispositions;
- engage in sale-leaseback transactions;
- enter into certain transactions with our affiliates;
- make changes to certain of our material leases; and
- pay dividends and distributions or repurchase common shares.

The U.S. Dollar Term Loan also contains covenants that require that:

- the ratio of our consolidated debt as of the last day of the last concluded fiscal quarter of the borrowers to EBITDAaL for the four fiscal quarter period ended as of the last concluded fiscal quarter of the borrowers, as defined under the U.S. Dollar Term Loan (which may differ from IFRS-derived ratios), at any time, be equal to or less than 8.50 to 1.00;
- the ratio of our consolidated interest expense as of the last day of the last concluded fiscal quarter of the borrowers to EBITDAaL for the four fiscal quarter period ended as of the last concluded fiscal quarter of the borrowers, as defined under the U.S. Dollar Term Loan (which may differ from IFRS-derived ratios), at any time, be equal to or greater than 1.50 to 1.00; and

- the ratio of consolidated debt of all of our subsidiaries (other than Torres Latinoamérica and Torres do Brasil) as of the last day of the last concluded fiscal quarter of the borrowers to our consolidated debt as of the last day of the last concluded fiscal quarter of the borrower, at any time, be equal to or less than 0.20 to 1.00.

If an event of default occurs and is continuing, the lenders under the U.S. Dollar Term Loan will be entitled to take various actions, including declaring the acceleration of amounts due thereunder, subject to customary notice and grace period provisions. Such events of default include, subject to certain exceptions and customary notice and grace period provisions, failure of Torres Latinoamérica to pay amounts due, inaccuracy of representations or warranties, failure to comply with certain covenants or other of our obligations in respect of the U.S. Dollar Term Loan, payment default or acceleration of any of our outstanding debt agreements in an aggregate principal amount in excess of U.S.\$50 million, cessation of effectiveness or enforceability of any loan document, the occurrence of an insolvency or bankruptcy event (in which case the occurrence of an event of default and application of remedies under the U.S. Dollar Term Loan is automatic), entry into an undischarged and final, non-appealable judgment against us, Torres Latinoamérica or certain of our material subsidiaries in excess of U.S.\$50 million, the occurrence of a change of control, the condemnation, seizure, nationalization or appropriation of our substantial property by a governmental authority and termination, cancellation or modification of any material license necessary to our business. Due to the hyperinflationary conditions in Argentina, we were unable to comply with the Interest Coverage Ratio required under the U.S. Dollar Term Loan for the third and fourth quarters of 2023 and the first quarter of 2024, which non-compliances were waived by the lenders thereunder. Other than as described in the preceding sentence, as of the date of this offering memorandum, we were in compliance with all covenants, and no default or event of default has occurred and is continuing.

The U.S. Dollar Term Loan is governed by New York law.

Sitios Working Capital Loan

On November 7, 2024, Sitios issued a short term promissory note in favor of Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, as lender, in an aggregate principal amount of U.S.\$47 million (Ps.928 million based on the exchange rate as of September 30, 2024), which will mature and become due and payable in full on February 5, 2025 (the “Sitios Working Capital Loan”). Torres Latinoamérica guaranteed all of the obligations of Sitios thereunder. The Sitios Working Capital Loan does not have any scheduled amortization payments prior to its maturity date. The Sitios Working Capital Loan accrues interest at a variable interest rate calculated with reference to the Term SOFR reference rate plus a margin equal to 0.88% (the “Sitios Working Capital Loan Rate”), which is payable in cash monthly in arrears on the 5th day of each month.

Failure to pay any amounts under the Sitios Working Capital Loan when due constitutes the only event of default under the Sitios Working Capital Loan and upon the occurrence of such failure to pay, (i) Sitios will be subject to a late payment fee calculated on the total outstanding balance of the obligations under the Sitios Working Capital Loan at a daily rate equal to the Sitios Working Capital Loan Rate multiplied by three, and (ii) the lender will be entitled to declare acceleration of amounts due thereunder. As of the date of this offering memorandum, we were in compliance with all of our obligations under the Sitios Working Capital Loan.

The Sitios Working Capital Loan is governed by the laws of Mexico.

Torres Latinoamérica Working Capital Loan

On November 7, 2024, Torres Latinoamérica issued a short term promissory note in favor of Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, as lender, in an aggregate principal amount of U.S.\$60 million (Ps.1,177 million based on the exchange rate as of September 30, 2024), which will mature and become due and payable in full on February 5, 2025 (the “Torres Latinoamérica Working Capital Loan”). Sitios guaranteed all of the obligations of Torres Latinoamérica thereunder. The Torres Latinoamérica Working Capital Loan does not have any scheduled amortization payments prior to its maturity date. The Torres Latinoamérica Working Capital Loan accrues interest at a variable interest rate calculated with reference to the Term SOFR reference rate plus a margin equal to 0.88% (the “Torres Latinoamérica Working Capital Loan Rate”), which is payable in cash monthly in arrears on the 5th day of each month.

Failure to pay any amounts under the Torres Latinoamérica Working Capital Loan when due constitutes the only event of default under the Torres Latinoamérica Working Capital Loan and upon the occurrence of such failure to pay, (i) Torres Latinoamérica will be subject to a late payment fee calculated on the total outstanding balance of the obligations under the Torres Latinoamérica Working Capital Loan at a daily rate equal to the Torres Latinoamérica Working Capital Loan Rate multiplied by three, and (ii) the lender will be entitled to declare acceleration of amounts due thereunder. As of the date of this offering memorandum, Torres Latinoamérica was in compliance with all of its obligations under the Torres Latinoamérica Working Capital Loan.

The Torres Latinoamérica Working Capital Loan is governed by the laws of Mexico.

Existing Sol Notes

Overview and Structure

On September 21, 2023, Sites del Perú S.A.C. (“Sites del Perú”), a subsidiary of Sitios, issued S/ 872 million (Ps.4,604 million based on the exchange rate as of September 30, 2024) aggregate principal amount of 9.125% Senior Notes due 2033 (the “Existing Sol Notes”).

The Existing Sol Notes mature on September 21, 2033. The proceeds of the Existing Sol Notes were used to repay a portion of the deferred consideration payable by Sites del Perú S.A.C. in connection with the March 31, 2023 acquisition of 2,980 telecommunications towers from América Móvil Peru S.A.C.

The Existing Sol Notes were issued pursuant to a base indenture dated as of September 21, 2023, as supplemented by a supplemental indenture dated as of September 21, 2023, between Sites del Perú S.A.C., as issuer, The Bank of New York Mellon, as trustee, registrar, transfer agent and calculation agent, and The Bank of New York Mellon, London Branch, as paying agent (the “Existing Sol Indenture”).

Currency of Payment

All payments of principal of and premium, if any, and interest on the Existing Sol Notes, including in connection with any redemption, repurchase, tender, exchange or any other payment of or in respect of the Existing Sol Notes, will be made in U.S. dollars, as calculated by a calculation agent by translating the Peruvian soles amount into U.S. dollars at an average market rate on the applicable determination date as set forth in the Existing Sol Indenture.

Interest Rate

The Existing Sol Notes accrue interest at 9.125% per annum. Interest on the Existing Sol Notes is payable semi-annually in arrears on March 21 and September 21 of each year, beginning on March 21, 2024.

Payments and Redemptions

At any time prior to June 21, 2033, Sites del Perú may, at its option, redeem the Existing Sol Notes, in whole or in part, by paying the greater of the principal amount of the Existing Sol Notes to be redeemed and a “make-whole” amount, plus accrued and unpaid interest and any additional interest thereon to, but not including, the redemption date.

At any time on or after June 21, 2033, Sites del Perú may, at its option, redeem the Existing Sol Notes, in whole or in part, at 100% of the principal amount thereof, plus accrued and unpaid interest and additional interest thereon to, but not including, the redemption date.

If, due to changes in laws (or any rules or regulations thereunder) relating to withholding taxes in Peru, Mexico, Brazil or any other jurisdiction in which the Issuer or any guarantor is organized, doing business or otherwise subject to the power to tax, or any jurisdiction from or through which payments are made by or on behalf of the Issuer or any guarantor (or, in each case, any political subdivision or taxing authority thereof or therein), Sites del Perú or any guarantor, as the case may be, is obligated to pay additional amounts on the Existing Sol Notes in excess of the additional amounts applicable on the issue date of the Existing Sol Notes, Sites del Perú may redeem the outstanding Existing Sol Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, and any additional amounts thereon to, but excluding the date of redemption.

Upon the occurrence of a Change of Control Triggering Event (as defined in the Existing Sol Indenture), Sites del Perú will be required to make an offer to purchase all of the Existing Sol Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon and additional amounts, if any, to, but excluding, the date of purchase.

Guarantees

The Existing Sol Notes are guaranteed by Sitios, Torres Latinoamérica, S.A. de C.V. and Torres do Brasil S.A.

Ranking

The Existing Sol Notes and the related guarantees are general unsecured obligations of Sites del Perú, and the guarantors thereof and rank equally in right of payment with all of Sites del Perú's and the guarantors' other unsecured and unsubordinated debt (subject to certain statutory preferences under local law, including tax, social security and labor claims). The Existing Sol Notes are subordinated to all of Sites del Perú's and the guarantors' existing and future secured obligations and to all existing and future liabilities of Sites del Perú's subsidiaries, subject to the guarantees.

Certain Covenants

The Existing Sol Indenture contains limited restrictive covenants which, among other things, restrict our ability to:

- incur liens;
- enter into sale and leaseback transactions; and
- consolidate, merge or sell all or substantially all of our assets.

These covenants are subject to a number of important exceptions and qualifications. In addition, these covenants do not limit Sitios' ability to incur indebtedness, require Sitios to make asset sale offers or change in control offers or require Sitios to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Events of Default

The Existing Sol Indenture also contains certain customary events of default.

Governing Law

The Existing Sol Note and Existing Sol Indenture are governed by the laws of the State of New York.

Peruvian Working Capital Loan

On December 13, 2023, Sites del Perú, as borrower, issued a promissory note in favor of Scotia bank Perú, as lender, in an aggregate principal amount of S/ 179 million (Ps.946 million based on the exchange rate as of September 30, 2024) with a fixed interest rate of 8.870% (the "Peruvian Working Capital Loan"). The Peruvian Working Capital Loan had an initial maturity date of June 10, 2024, with extension options for Sites del Perú. The Peruvian Working Capital Loan was extended to December 7, 2024, and may be further extended at the lender's discretion.

The proceeds of the Peruvian Working Capital Loan were used for working capital purposes. This loan is governed by the laws of Peru and is guaranteed by Sitios Latinoamérica, S.A.B de C.V. and Torres do Brasil S.A.

OUR BUSINESS AND PROPERTIES

The following describes our business and properties. In this section, the terms “we,” “us” and “our” refer to Sitios and its consolidated subsidiaries, including the Issuer, taken as a group, unless the context otherwise requires. Unless the context otherwise requires, references to the “Sites” in this section will be deemed to refer to the telecommunications towers and other associated Passive Infrastructure.

All financial information described herein is based on the Sitios unaudited interim condensed consolidated financial statements, appearing elsewhere herein and is being presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial position that may have been achieved by Sitios for the dates or periods indicated, nor is it necessarily indicative of the results of operations or financial position of Sitios for any dates or periods in the future and is based on the estimates and assumptions set forth in the notes to such information.

History and Overview

Sitios was incorporated on August 8, 2022 in connection with the consummation of the Sitios Spin-off, pursuant to which América Móvil transferred to Sitios 29,090 wireless telecommunications towers in Argentina, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Puerto Rico and Uruguay, making Sitios one of the largest owners, operators and developers of wireless communications Sites in Latin America in terms of size of its Passive Infrastructure portfolio. As of September 30, 2024, Sitios owned 36,201 wireless telecommunications Sites in 16 countries, comprised of Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay, making it the second largest Passive Infrastructure operator in the region and the seventh largest in the world.

Our primary business is the construction, installation, maintenance, operation and commercialization of towers and support structures, physical space and other non-electronic elements of Passive Infrastructure for the installation of our customers’ Active Infrastructure. Our customers are telecommunications and radiocommunications companies that require Passive Infrastructure for the installation and operation of their Active Infrastructure.

We are not engaged in the business of providing Active Infrastructure or any radiocommunications services or other related services to the telecommunications sector. Such Active Infrastructure and services are provided by our customers.

According to TowerXchange’s LATAM Regional Guide 3Q, as of September 30, 2024, our Site inventory accounted for approximately 19.5% of the aggregate number of Sites available in the countries in which we operate, taken as a whole, as compared to 21% for the same period in 2023. We own those Sites through our operating subsidiaries. In Brazil, the largest market for wireless communications in the region, we own approximately 15.8% of our total number of Sites, compared to 16.61% in 2023. In Argentina, Peru, Guatemala, Chile and Ecuador, in aggregate, we own approximately 30% of our total number of Sites, in each case, as of September 30, 2024, compared to 27% as of September 30, 2023.

We aim to create value by offering more suitable locations, expanding our tenant base, increasing our number of towers and achieving increased operating efficiencies. These goals are consistent with the objectives of telecommunications operators and our business model is designed to better enable them to deploy new technologies, ensure the continuity of their coverage and more rapidly expand their wireless networks. Our customers are radiocommunications companies, primarily holders of concessions for the operation of public wireless networks, that require Passive Infrastructure for the installation and operation of their Active Infrastructure.

As of September 30, 2024, we owned and operated telecommunication towers in Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay. We constantly evaluate business and investment opportunities to expand our presence to other countries and regions.

The following table provides selected information as of and for the nine months ended September 30, 2024 for all the Sites we currently own, by region:

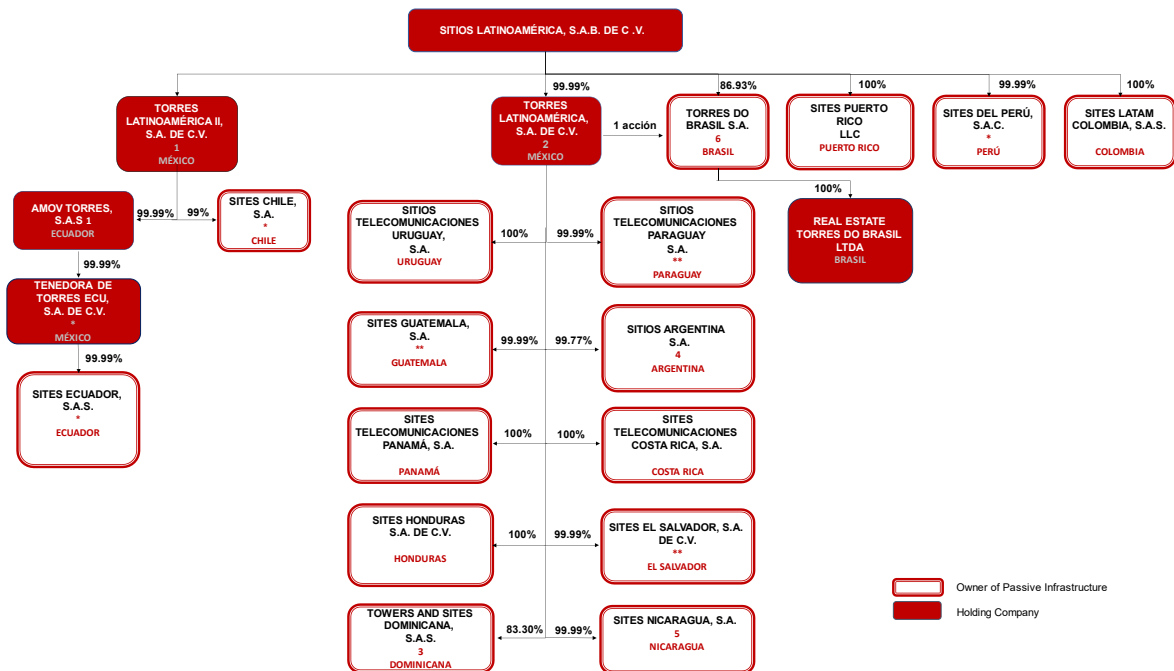
Country or Region	Number of Towers	Tenancy Ratio ⁽¹⁾	Tower Lease Revenues for the nine months ended September 30, 2024 ⁽²⁾⁽³⁾
Brazil.....	11,670	1.28	2,290
Andean Region ⁽⁴⁾	9,528	1.12	1,421
Central America ⁽⁵⁾	8,032	1.24	1,605
AUP Region ⁽⁶⁾	5,449	1.23	1,116
Caribbean ⁽⁷⁾	1,522	1.15	370
Total.....	36,201	1.21	6,802

- (1) Calculated for each country or region as the average number of customers per site divided by the total number of Sites for all countries in such region.
- (2) In millions of Mexican pesos. Revenue figures are unaudited and investors should not place undue reliance on them.
- (3) Includes revenues associated exclusively with the lease of towers to tenants. Excludes floor leases.
- (4) Comprised of Chile, Colombia, Ecuador and Peru.
- (5) Comprised of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.
- (6) Comprised of Argentina, Uruguay, and Paraguay.
- (7) Comprised of Puerto Rico and the Dominican Republic.

Our strategy focuses on taking advantage of increasing demand for the use of site space by carriers in Latin America, including from carriers other than América Móvil. The increase in demand for Sites is expected to be mainly driven by the roll-out of new technologies such as 5G, the use of higher frequencies, the increase in data usage due to higher smartphone penetration and the tendency of Latin American telecommunications carriers to expand their network coverage. However, demand for space on our Sites will also depend on the extent of competing Sites already existing or developed in the future by others.

Our Corporate Structure

The following chart depicts our organizational structure as of September 30, 2024:



*TORRES LATINOAMÉRICA, S.A. de C.V., holds the remaining participation;
 ** Sitos Latinoamérica, S.A.B. de C.V. holds 1 share.
 1. AMOV IV, S.A. DE C.V., holds the remaining participation.
 2. TENEDORA DE TORRES ECU, S.A. DE C.V., holds 1 share.
 3. Sitos Latinoamérica holds 16.7%.
 4. TENEDORA DE TORRES ECU, S.A. de C.V. holds 0.23%.
 5. SITES GUATEMALA S.A. y SITES EL SALVADOR S.A. DE C.V., each holds 2 shares respectively.
 6. CONTROLADORA DE SERVICIOS DE TELECOMUNICACIONES, S.A. DE C.V., 11.28%, CLARO TELECOM PARTICIPACOES S.A., holds 1.12%; TELMEX SOLUTIONS TELECOMUNICAÇÕES S.A., holds 64%, EG PARTICIPACOES S.A., holds 0.02%, MCCAW INTERNATIONAL (BRASIL), LLC holds 0.0001%, Third-party shareholders hold 0.004%.

Competitive Strengths

Our Principal Strengths

We believe that we are well positioned as a leading independent owner, operator and developer of wireless communications Sites in Latin America. Our principal existing and expected main competitive strengths include:

New Stand-alone Independent Entity with Single Business Model

Sitios is a public company organized as a result of the Sitios Spin-off to offer investors an opportunity to participate in a new, stand-alone business with separate management, financial and commercial objectives and with an adequate capital structure to satisfy its requirements.

We focus our efforts on a single business model, which provides us with the following benefits:

- *Increased Profitability.* Given that a majority of wireless carriers view Passive Infrastructure sharing as more efficient than incurring installation and management costs, we are able to market our assets to multiple carriers and, consequently, to expand our tenant base and increase the value and profitability of our assets and investments;
- *Opportunity for Growth.* The allocation of our costs and investments to a greater number of wireless carriers will provide such carriers with increased flexibility to focus on the expansion of their infrastructure to locations where network coverage is currently unavailable, which we anticipate will translate into increased demand for our services;
- *Differentiating Stability.* We operate in an industry characterized by its stability. Because the term of tower space leases is typically 10 years, companies like ours are able to more accurately forecast their long-term revenues and expenses as compared with wireless carriers;
- *Benefits from the Expansion of the Telecommunications Sector.* The ability of existing as well as new telecommunications operators to access and use pre-deployed Passive Infrastructure allows them to more rapidly develop and scale their businesses. This translates into benefits for companies like ours because the demand for our services and the occupancy rates of our Passive Infrastructure will rise as telecommunications operators continue to grow in size and number, which will in turn improve the return on our assets;
- *Superior Operating Efficiencies.* By specializing in the provision of a critical service for the telecommunications sector, our management and employees are able to focus their efforts on improving our operating efficiencies for the benefit of both our customers and the end-users; and
- *Organic and Inorganic Growth Potential.* Since our inception, we have continued to grow our presence in our existing territories and have expanded our presence to new territories by developing new Passive Infrastructure and strategically acquiring existing Passive Infrastructure from other operators in key areas, which has allowed us to grow our presence in the region and engage with additional operators.

Leading Infrastructure Platform in Latin America

We are the leading builder and provider of Passive Infrastructure in Latin America. As of September 30, 2024, we owned 36,201 towers in 16 countries. According to TowerXchange's LATAM Regional Guide 3Q 2024, we are the most geographically diversified provider of Passive Infrastructure in Latin America and one of the leading providers of Passive Infrastructure in at least nine of the countries in which we operate.

Strong and Resilient Demand in Latin America

We believe that Latin America offers us significant opportunities based on the fact that it is comprised of emerging market countries that require ongoing deployment of telecommunications infrastructure to provide coverage to remote regions and to meet the growing demand for quality services in densely populated areas. According to

Global System for Mobile Communications' (GSMA) "The Mobile Economy 2024" report, mobile penetration in Latin America is approximately 72%, well below the estimates for Europe, China and North America. This circumstance offers significant market penetration opportunities for companies like us specializing in the provision of Passive Infrastructure for the telecommunications sector.

Leading Position in Countries with Sustained Requirements for Site Construction and Sharing Arrangements

As of the date of this offering memorandum, we have built 1,532 new towers in the last twelve months and 232 additional Sites are in advanced stages of construction. The Latin American tower market is in its early development stages, and we believe that the quality of our Passive Infrastructure solidly positions us to address the needs of this market as it continues to grow. We believe that the commercialization of Passive Infrastructure in Latin America also offers significant growth opportunities as compared with more mature markets such as the United States and some European countries.

Solid Growth Platform

Our growth platform is supported by contracts that are generally indexed to inflation in the relevant jurisdiction, and by our new constructions and the expansion of our customers. In addition, as a stand-alone company we are able to increase the utilization capacity of our Sites by housing more than one tenant per site.

Attractive Financial Profile

We believe that we have opportunities to increase our margins and to generate cash flows in amounts sufficient to service our debt, including the notes. For the nine months ended September 30, 2024, we had an operating income of Ps. 3,928 million and EBITDAaL of Ps.6,020 million, representing an EBITDAaL margin of 89%. For the twelve-month period ended December 31, 2023, we had an operating income of Ps.4,015 million and an EBITDAaL of Ps.6,571 million, representing an EBITDAaL margin of 84%. In addition, we enjoy a geographically diversified source of revenue.

High-Quality and Long-Term Arrangements with América Móvil, our Anchor Tenant, and other Potential High-Quality Customers

The master service agreements between us and subsidiaries of América Móvil provide for access and use of specific spaces and other Passive Infrastructure on our Sites under specific site agreements that have, on average, minimum terms of five or 10 years, with automatic renewals, providing us with a generally predictable stream of revenue. We believe that the benefits of such long-term arrangements are enhanced by the quality of América Móvil as our current principal customer, given the strength of its business model, as well as that of other potential future customers. The wireless communications site infrastructure that we provide is an important component of the operations of América Móvil's customers, which we believe will substantially reduce collection risk.

In furtherance of our business plan, we will seek to enter into additional master service agreements and site agreements with customers covering multiple Sites. We believe that the solid revenue streams and high-quality ratings of customers make the Latin America wireless telecommunications sector a market with attractive potential customers.

Track Record of Tower Growth

Sitios has demonstrated consistent growth in recent quarters. As of September 30, 2024, Sitios owned 36,201 wireless telecommunications Sites, up from 35,778 as of June 30, 2024, 35,380 as of March 31, 2024, 35,135 as of December 31, 2023, and 34,669 as of September 30, 2023.

Growing Market

We anticipate that data traffic volumes from smart devices will continue to grow exponentially and to drive the demand for additional radiocommunications infrastructure, and that wireless operators will be required to make additional investments in the expansion of their network capacities to keep up with the increase in the demand for data service plans and with the migration of users to 4G and 5G platforms.

High Potential Operating Leverage and Limited Expenditures

We believe that our high potential operating leverage (which we define to be operating expenses divided by operating revenue), together with our effective cost-management policies and relatively low capital expenditures, will enable us to deliver strong cash-flows and EBITDA to enable us to meet our financial obligations.

Operating expenses represented approximately 7.8% of our operating revenue for the year ended December 31, 2023. We believe that the incremental costs and expenses related to additional customers are minimal, supporting our strategy of increasing revenue and profit by adding customers in addition to subsidiaries of América Móvil.

Experienced Management Team

Following the Sitios Spin-off, we have inherited América Móvil's relevant expertise and human resources, which we believe provide us with a significant advantage over other participants in the field, given that América Móvil has been a key participant in the wireless infrastructure, and specifically in the telecommunications tower building field, with sound economic and technical resources. See "Management and Corporate Governance—Management."

Market Conditions Supporting Growth

As part of a global trend in the telecommunications industry, in recent years networks and the networks' customers have grown hand in hand. In particular, because the deployment of wireless networks was in its early stages and the differentiating factor was coverage, the development of proprietary infrastructure was viewed by market participants as a strategic activity. However, the wireless telecommunications market has evolved to a degree where carriers in developed as well as in emerging market countries have been forced to refocus their strategies to achieve differentiation in terms of service quality and independence from their Passive Infrastructure.

These conditions, coupled with the growing need for investment to address the growth of data traffic volumes, have led telecommunications companies to rethink their approach and resort to tower and site sharing arrangements, or sell their Passive Infrastructure to third parties that are better positioned to more efficiently commercialize and exploit it.

Capital investments in the telecommunications industry are now focused on the acquisition of spectrum and the development of new technologies and Active Infrastructure to address the growing demand from customers in terms of capacity, speed and quality of service. This shift has only been made possible by the fact that telecommunications companies are no longer required to allocate a portion of their capital expenditures to the construction of Passive Infrastructure. Companies whose primary business is the construction and commercialization of towers for wireless communications, such as us, are facilitating the digital development of Latin America.

This change is especially important in Latin America and the Caribbean, where fixed telephony penetration is relatively low as compared with North America or Europe, further reinforcing the critical need for the deployment of wireless networks. Accordingly, we believe that mobile services will play an increasingly important role in Latin America and the Caribbean given the demand for broadband services in those regions. In particular, the deployment of 4G and 5G technologies may bolster the need for the introduction of new networks and the expansion of coverage. According to TowerXchange's Tower League 3Q 2024 Report, companies such as Telefónica, Nextel and Millicom, among others, have adopted business models based on the factors described in the preceding paragraph and over the past few years have divested themselves of over 30,000 cell phone towers.

This has given rise to the emergence of a number of companies specializing in the provision of radiocommunications infrastructure services. According to KPMG, while in 2006 100% of towers in India were operated "in-house" by telecommunications companies, by 2010 almost 85% were operated by unrelated, third parties. According to TowerXchange's Tower League 3Q 2024, approximately 35% of the world's towers, excluding China, are operated "in-house" by telecommunications companies, while the remainder are operated by third-parties, such as Sitios.

In the United States, at least three public companies are primarily engaged in the operation of communications infrastructure: American Tower Corporation, Crown Castle International Corporation and SBA Communications Corporation. According to a June 2023 report by TowerXchange, American Tower Corporation was

the largest independent operator of towers for remote communications and broadcast services in North America in terms of number of towers and sales. As of June 30, 2023, 78% of its Sites were located outside Latin America and more than one-half were located outside the United States.

The primary customers of these companies are typically local wireless carriers. According to American Tower's annual report for 2022, these customers accounted for more than 89% of its sales for the year.

One of the reasons for the emergence of these new companies is that radiocommunications companies have come to believe that Passive Infrastructure sharing allows for increased efficiencies and competitiveness and have opted for divesting themselves of some of their Passive Infrastructure assets and using the proceeds from the sale of such assets to finance their primary businesses. There are also multiple examples of telecommunications carriers who have spun-off their Passive Infrastructure operations to create two separate, specialized businesses.

In some of the Latin American countries in which we operate, the Passive Infrastructure access and sharing industry began to develop several years ago but has stepped up its pace in recent years as a result of the sale of the tower portfolios of certain wireless carriers. As of September 30, 2024, the Latin American tower industry was comprised of more than 10 independent tower operators that collectively owned nearly 190,000 towers.

In Europe, Vodafone Group, PLC spun off its tower infrastructure to a new company, Vantage Towers, to unlock value for its shareholders, among other things. Similarly to other independent providers of Passive Infrastructure services, we expect to derive significant benefits from allowing an increased number of carriers to use our towers.

Business Strategy

Developing Site Infrastructure Business

Wireless penetration has been lagging in Latin America for a variety of reasons. We believe that the Latin America market will experience an increase in demand for wireless telecommunications services, specifically wireless data services, which require a greater density of site infrastructure in order to provide better service. As such, we are focused on developing our site infrastructure business. Our strategy is based on increasing the number of customers using each of our Sites, increasing the number of Sites and maximizing the efficiency of our operations.

Market Relations

We seek to increase the value of our Passive Infrastructure through a unique, independent approach toward its development, improvement and management in order to make it available to all telecommunications operators, initially in the Latin American countries in which we currently operate, while building solid business and commercial relationships with such operators through the execution of medium- and long-term operation agreements with them.

Efficiencies

We believe that our business model will become more efficient as more customers use our Sites. Consequently, the greater number of customers per Site, the greater our revenues and EBITDA. Additionally, we believe that such efficiencies and growth will translate into improved operating and financial margins that will, in turn, increase profitability. We have a site portfolio with ample coverage on a national and regional level that we believe will be attractive to potential clients as they seek to expand their network coverage, as well as new entrants to the market as a result of recent regulatory changes in Latin America.

Optimization of Profitability

We intend to employ a multi-pronged strategy to increase our profitability directly and through our subsidiaries. This includes reducing our costs through the effective management of our resources, optimizing the operation and maintenance of our Sites, anticipating the need for new Sites, anticipating the demand from wireless carriers and their technological requirements, adequately managing our contractual relationships with our customers and vendors, introducing enhanced customer service platforms for our tenants and improving our construction processes on an ongoing basis.

Organic Growth Potential and Room for Tenant Growth by Serving other Operators

Our investment strategy will depend on full business and financial due diligence to determine the most suitable locations for our communications Sites in order to meet our customers' network requirements. We expect that we will expand the number and locations of our Sites to continue to support the needs of our principal customers, subsidiaries of América Móvil and, potentially new customers as well.

Our strategy also includes the use of a salesforce dedicated to previously underutilized site assets, which we believe, combined with our existing premium locations and favorable market conditions in Latin America, will support tenant growth.

Experienced Management Team with Strategic Focus

To accomplish our strategy, we have assembled a management team with experience in the industry that will be dedicated to implementing our strategy with a focus on maximizing medium- and long-term growth.

Our Operations

We own and operate Sites that comprise vertical structures designed for the installation of equipment by multiple wireless telecommunications carriers. The Sites are built on parcels of land (which typically measure approximately 100-200 square meters) or on building rooftops. Approximately 17% of our Sites are on rooftops. We do not own the real estate where our wireless communications Sites are located and lease such real estate under floor lease agreements on a long-term basis at market rates, typically for 10-year periods, with certain renewal rights at our option.

We grant access and use of our Sites to our customers for the placement of their antennas and base stations on our Sites' towers and of their cabinets on our Sites' floor space. Our current site agreements require periodic fee payments in U.S. dollars (except for Brazil and Chile where payments are in local currency) comprised of a tower usage fee and a floor usage fee. Tower usage fees are fixed and classified depending on the location of Sites under a master service agreement. Floor usage fees pass through to each customer the rent paid under the underlying floor lease. These fees are payable monthly for tower usage fees and in accordance with the underlying floor lease for floor usage fees. In most cases, under the site agreements' escalation clause, tower usage fees are linked to the inflation index in the United States (except for Brazil and Chile, where local inflation indexes are used, and Panama, where tower usage fees increase at a fixed annual rate of 2%) and floor usage fees increase in accordance with the underlying floor lease.

The number of wireless subscribers in Latin America has grown rapidly in recent years. According to the GSMA's 2024 Mobile Economy Report for Latin America, there were 465 million unique mobile subscribers as of 2023 and by 2030 that figure is expected to reach 523 million, which represents a compound annual growth rate of 1.7%. Wireless penetration in Latin America, measured as total unique mobile subscribers divided by total population, reached 65% in 2023 and is expected to reach 72% by 2030. Wireless penetration is still low in Latin America when compared to Eastern and Central Europe, where the average penetration was 91% in 2023. As penetration and the number of wireless subscribers in Latin America increase, we believe that telecommunications carriers will require use and access to more tower space in order to provide consistent and high-quality service. In addition, recent regulatory changes in Latin America have stimulated the entrance of new telecommunications carriers, creating an opportunity for us to increase the number of customers in some or all of our Sites.

Master Service Agreements and Site Agreements

Our principal business is the construction, installation and maintenance of towers and other support structures and the identification of physical Sites for such towers and other non-electronic components, for the leasing of space thereon through long-term location arrangements. We derive all of our revenues from our site business.

Master Service Agreements for Passive Infrastructure Sharing

The following table contains a summary of the master service agreements for passive infrastructure sharing agreements (*contrato marco de prestación de servicios de infraestructura pasiva*) that we had in place as of September

30, 2024 with local subsidiaries of América Móvil in each of the countries in which we operate. Except as otherwise specified below, these agreements are entered into for a mandatory initial term and are renewed automatically for an identical additional term upon their expiration, unless we receive notice that the relevant operator does not intend to renew its agreement.

Master Service Agreements for Passive Infrastructure Leasing							
No.	Country	Parties	Agreement Date	Term	Renewal	Currency	Inflation Index
1	Guatemala	<ul style="list-style-type: none"> Sites Guatemala, S.A. Telecomunicaciones de Guatemala, S.A. 	December 22, 2020	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
		<ul style="list-style-type: none"> Sites Guatemala, S.A. Claro Guatemala, S.A. 			Automatic		
2	Colombia	<ul style="list-style-type: none"> Sites Latam Colombia, S.A.S. Comunicación Celular, S.A., Comcel, S.A. 	December 22, 2022	10 years	Automatic	Colombian peso	Colombian Consumer Price Index
3	Costa Rica	<ul style="list-style-type: none"> Sites Telecomunicaciones, Costa Rica, S.A. Claro CR Telecomunicaciones, S.A. 	December 22, 2020	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
4	Panamá	<ul style="list-style-type: none"> Sites Telecomunicaciones, Panamá, S.A. Claro Panamá, S.A. 	December 22, 2020, as amended on July 16, 2021	10 years	Automatic	U.S. dollars	Fixed at 2% per year
5	El Salvador	<ul style="list-style-type: none"> Sites El Salvador, S.A. de C.V. Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. 	May 26, 2021	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
6	Honduras	<ul style="list-style-type: none"> Sites Honduras, S.A. de C.V. Servicios de Comunicaciones de Honduras, S.A. de C.V. 	May 28, 2021	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
7	Paraguay	<ul style="list-style-type: none"> AMX Paraguay, S.A. Sitios Telecomunicaciones Paraguay, S.A. 	August 31, 2021	10 years	At carrier's request	U.S. dollars	U.S. Consumer Price Index
8	Uruguay	<ul style="list-style-type: none"> AM Wireless Uruguay, S.A. Sitios Telecomunicaciones Uruguay, S.A. (formerly Veladrik, S.A.) 	September 1, 2021	10 years	At carrier's request	U.S. dollars	U.S. Consumer Price Index
9	Argentina	<ul style="list-style-type: none"> AMX Argentina, S.A. Arrendadora Móvil Argentina, S.A. 	November 30, 2021	10 years	At carrier's request	U.S. dollars	U.S. Consumer Price Index
10	Chile ⁽¹⁾	<ul style="list-style-type: none"> Claro Chile, S.A. Sites Chile, S.A. 	May 24, 2021	7 years	Automatic	Chilean peso	Chilean inflation
11	Ecuador	<ul style="list-style-type: none"> Consorcio Ecuatoriano de Telecomunicaciones, S.A. Sites Ecuador (ECU-Sites), S.A.S. 	April 8, 2021	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
12	Nicaragua	<ul style="list-style-type: none"> Empresa Nicaraguense de Telecomunicaciones, S.A. 	November 30, 2021	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index

Master Service Agreements for Passive Infrastructure Leasing							
No.	Country	Parties	Agreement Date	Term	Renewal	Currency	Inflation Index
		<ul style="list-style-type: none"> Sites Nicaragua, S.A. 					
13	Puerto Rico	<ul style="list-style-type: none"> Puerto Rico Telephone Company, Inc. Sites Puerto Rico, LLC 	May 31, 2021	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
14	Brazil ⁽²⁾	<ul style="list-style-type: none"> Claro, S.A. Torres do Brasil S.A. 	August 1, 2021	10 years	Automatic	Brazilian reais	Brazilian inflation
15	Dominican Republic	<ul style="list-style-type: none"> Compañía Dominicana de Teléfonos, S.A. Towers and Sites Dominicana, S.A.S. 	February 3, 2023	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
16	Peru	<ul style="list-style-type: none"> América Móvil Perú S.A.C. Issuer 	August 20, 2023 (effective as of January 1, 2023)	10 years	Automatic	Peruvian sol	U.S. Consumer Price Index

- (1) The original five year term of this master service agreement was extended by the parties until December 31, 2028 pursuant to a Letter of Intent entered into on April 28, 2023.
- (2) This master service agreement is in addition to a Memorandum of Understanding entered into between the parties on July 19, 2022, pursuant to which terms and conditions for leasing of Passive Infrastructure were established.

We will continue to seek to enter into new site agreements with third parties, in addition to subsidiaries of América Móvil. We anticipate that we would enter into site agreements with other telecommunications carriers on substantially the same terms as those of our existing agreements with América Móvil's subsidiaries. Our strategy focuses on increasing the number of customers that use each of our Sites, expanding our site portfolio and maximizing the operating efficiencies of our Sites. We believe that these goals are consistent with the objectives of our customers and other telecommunications carriers as they constantly seek to deploy new technologies, ensure the continuity of their coverage and more rapidly expand their wireless networks. As of September 30, 2024, in addition to our agreements with subsidiaries of América Móvil, we had entered into agreements with third parties such as WOM S.A., Millicom International Cellular S.A., Telefónica S.A. and Empresa Nacional de Telecomunicaciones S.A.

Site Agreements

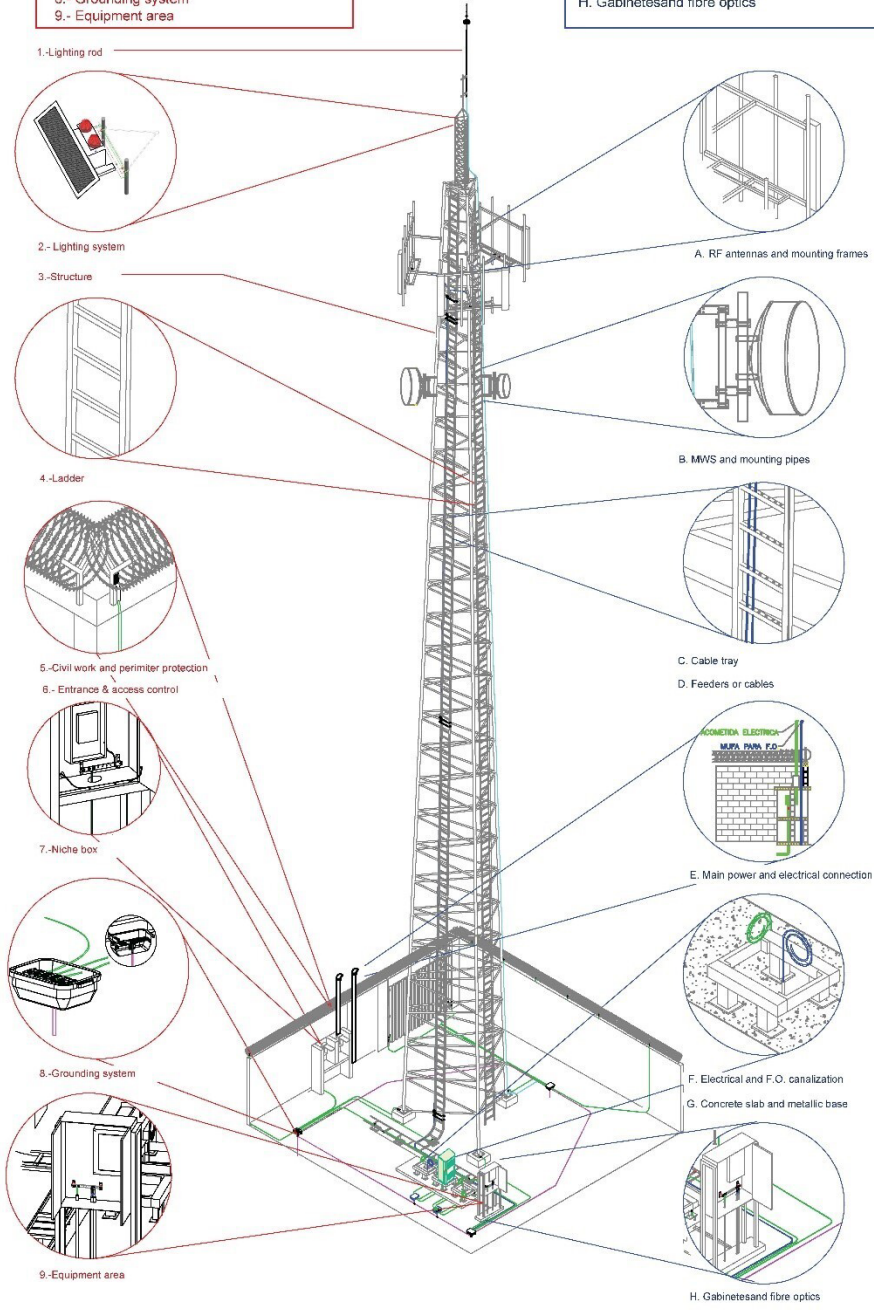
Each of our site agreements provides for the use of the relevant site by the relevant customer, contains identification information for such site, specifies the equipment that the customer is authorized to install on our tower and the land, and sets forth the term, price, payment terms, land surface and other terms and conditions, including the use of access points.

The mandatory minimum terms of our site agreements are usually between five and 10 years, unless our lease for the underlying land is set to expire in less than five or less than 10 years, as the case may be, in which case the term of the site agreement is set to coincide with the term of the floor lease in order for both agreements to expire concurrently. In a majority of cases, the site agreement is subject to renewal at the customer's option. In general terms, the expiration date of our master service agreements has no bearing on the term of the relevant site agreements.

The following diagram shows the proprietary elements of each of our Sites and the elements that are owned or leased directly by our customers. Under the terms of our site agreements, we are responsible for such elements.

- 1.- Lighting rod
- 2.- Lighting system
- 3.- Structure
- 4.- Ladder
- 5.- Civil work and perimeter protection
- 6.- Entrance & access control
- 7.- Niche box
- 8.- Grounding system
- 9.- Equipment area

- A. RF antennas and mounting frames
- B. MWS and mounting pipes
- C. Cable tray
- D. Feeders or cables
- E. Main power and electrical connection
- F. Electrical and F.O. canalization
- G. Concrete slab and metallic base
- H. Gabinetes and fibre optics



Our Sites

Our Sites are comprised of non-electronic components of telecommunications networks, including primarily:

- physical space on the property (or a portion thereof), which are available for lease by third parties (“land” or “ground”);
- towers, masts, poles and other support structures for radiocommunications antennas (“towers”); and
- civil engineering works, frames, conduits and components to limit and restrict the access, other on-site accessories that are useful for the installation and operation of radio equipment, and ancillary and security equipment.

These Sites can be used in connection with a number of wireless communications services, including cellular voice and data services and, in some instances, specialized mobile radio and fixed microwave services. We classify our Sites according to the socio-economic level of neighboring residential areas, but such classification varies from one country to another.

Customer Site Capacity

A majority of our Sites are able to host up to three tenants or customers. Ground Sites with antennas no taller than 45 meters are designed to host up to three customers, while ground Sites with antennas taller than 45 meters can accommodate up to five customers. Rooftop (mast) Sites can host additional customers, subject to the installation of additional masts if there is sufficient ground surface.

Site Area

At our ground-level Sites, the larger the area the more stable our guyed towers. At our rooftop Sites, the larger the area the larger the number of additional masts we can install. In each case, larger areas allow our customers to install additional cabinets and related equipment.

Location

The following table contains a breakdown of our site portfolio by country as of September 30, 2024:

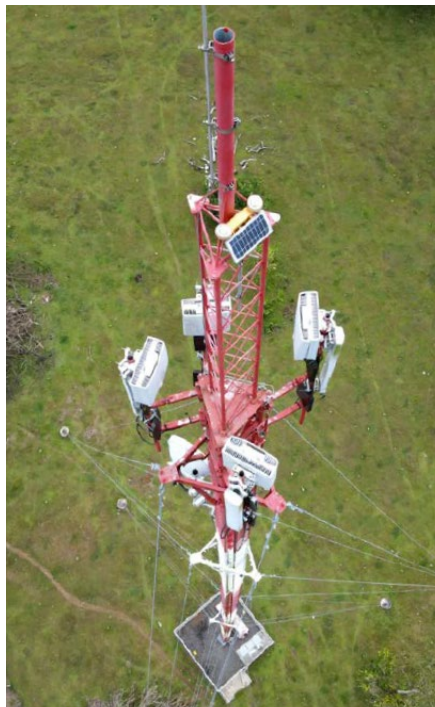
Country	Number of Sites	Percent of total number of Sites
Argentina	4,143	11.44%
Brazil	11,670	32.24%
Chile.....	2,526	6.98%
Colombia.....	235	0.65%
Costa Rica.....	612	1.69%
Dominican Republic.....	1,424	3.93%
Ecuador	2,582	7.13%
El Salvador.....	1,351	3.73%
Guatemala	3,193	8.82%
Honduras	1,461	4.04%
Nicaragua.....	871	2.41%
Panama.....	544	1.50%
Paraguay	752	2.08%
Puerto Rico.....	98	0.27%

Country	Number of Sites	Percent of total number of Sites
Uruguay	554	1.53%
Peru	4,185	11.56%
Total.....	36,201	100%

Tower Types Available at Our Sites

At each site, the tower design is customized according to specification for that site, taking into account factors such as the availability of space, zoning restrictions and the need for versatility and endurance. We employ four primary types of towers: guyed towers, self-supporting towers, rooftop towers and monopole towers.

Guyed towers are legged constant-section lattice structures stabilized by truss cables. These towers compete on the basis of their lightweight steel component and ease of assembly and are most frequently used to reach heights in excess of 42 meters. They are used on Sites where the base area is limited and increased stability is required to support the structure. Guyed towers are most suitable for use on ground-level Sites.



Self-supporting towers are legged pyramid-shaped lattice structures. This type of tower is commonly used to reach heights of up to 42 meters, although they can be built to reach greater heights. Self-supporting towers provide the most stability and are best suited for ground-level Sites.



Rooftop towers are either small guyed towers or masts, which are similar to but smaller than monopoles. Mast heights range from 3 meters to 18 meters, depending on the project and the building's height. This type of tower is ideal for installation on slanted roofs, which allow for the installation of more than a single mast per roof.



Monopole towers are conic- or constant-section round or polygonal tubular structures. This type of tower is commonly used to reach heights of up to 36 meters, but is only used where the amount of space available is limited. It is the least-intrusive and easiest to assemble type of tower and is usually built on ground-level Sites.



Mastil towers have a light composition, with a simple installation process and a very low cost. These types of towers are well suited for instances in which a high tower installation is not required (e.g., on rooftops). These towers are between 3 to 21 meters high and can be adapted to suit almost all project needs, although they cannot support overly heavy accessories and other equipment.



The following table contains a breakdown of our tower portfolio by type of tower as of September 30, 2024:

Type of tower	Number of towers installed	Percent of total number of towers
Guyed.....	2,578	7%
Self-supporting.....	19,230	53%
Monopole.....	6,825	19%
Rooftop.....	6,025	17%
Mastil	1,543	4%
Total.....	36,201	100%

The Active Infrastructure installed on our Passive Infrastructure is the property of and is operated by our customers. Our services are limited to the provision of Passive Infrastructure access services and rights of use in respect thereof.

Floor-Space Leases

While we own all of our towers, we do not own the land on which our infrastructure is located. We lease those properties on a long-basis, usually for 10-year terms, and we frequently hold an option to renew. We pass on 100% of our floor lease costs for a given site to the customers that use space on the relevant tower, on a pro rata basis. We have not offered any of our assets as collateral for the performance of our obligations or the obligations of others under our space floor leases. As a matter of policy, we seek to enter into new leases and to renew our existing leases for the maximum term permitted by applicable law, which ranges from 10 to 20 years, and to insert in such leases provision for their automatic renewal for an additional term of equal length as the original term.

Site Construction

We work closely with our current and potential customers to identify the need for, and build additional Sites in order to increase their, wireless network coverage. We continuously identify strategic locations for the installation of new site infrastructure that conforms to our customers' needs in terms of network coverage. Once we have identified a potential location for the installation of new towers and have confirmed the suitability of such location with our customers, we outsource to third parties the development of the relevant infrastructure at the new site. We maintain relationships with a number of external providers of construction services for the passive infrastructure projects we develop.

Under such arrangements, the contractor will provide us with various services that include searching for locations for the development of new Sites in accordance with specifications we provide and obtaining permits required to build Sites and construction services to erect new towers. These contracts may require third-party providers to follow quality and safety specifications, complete projects within an agreed-upon timeframe, respond to any claims arising from the construction of the project and provide various indemnifications, including for hidden faults. Throughout the construction process, we have the right to supervise the work and the contractors have an obligation to provide periodic reports related to the construction progress. We will pay for these services using installment payments. In case of construction delays or delays associated with the procurement of required permits, we have the right to request that the constructors pay penalties and the right to terminate the contract.

As of September 30, 2024, we did not own any of the real properties on which our Passive Infrastructure is located, and instead held such properties under lease on a long-term basis, typically seven to 10 years, at market prices, and we, in some instances, hold an option to renew.

Seasonality; Raw Materials; Working Capital

Given the nature of the services we provide to our customers, our performance is not affected by seasonal or cyclical factors.

We outsource our construction services and are exposed to the risk of cost increases as a result of volatility in the prices of our raw materials. The principal raw materials used in the development of our business are steel and concrete for the construction of our towers and Sites. These materials expose us to the risk of volatility in terms of both price and availability in the markets in which we operate, which may be affected by a number of global factors such as liquidity cycles, adjustments in the geopolitical environment, climate-related events, speculation in the commodities markets and natural shortages of such materials.

As of September 30, 2024, we had not experienced any material change in the normal course of our business as it relates to working capital.

Environmental, Social and Governance Matters

We are subject to a number of laws and regulations relating to the protection of the environment and human health and safety, including the laws and regulations that govern the management and disposal of hazardous waste. We have adopted a series of internal policies and procedures to ensure that we remain compliant at all times with all applicable laws, regulations and permits. We believe that our business operations do not have a material impact on the environment. Most of our industry's carbon footprint is attributable to the generation of electric power for the operation of our towers and Passive Infrastructure in order to service our customers and tenants.

In 2022, we set up a three-year plan that will allow us to work in accordance with clear objectives in the environmental, social, and corporate governance spheres ("ESG"). We have carried out a first materiality assessment as part of an ongoing dialogue with our stakeholders to discuss and determine their ESG-related requirements and expectations. We are aligned with the United Nations' Sustainable Development Goals ("SDGs"), adhered to the Principles of the Global Compact, and we formed an executive-level Sustainability Committee that focuses on defining our responsibilities and their scope to monitor our progress on in relation to our ESG plan and objectives.

Environmental

We recognize our industry's relevance in an environmental context, and therefore we have adopted proactive measures and created strategies intended to minimize the environmental impact derived from our operations. During 2023, we approved our Climate Change and Environmental policies to establish clear guidelines to address and manage the environmental impact of our operations.

We also began measuring greenhouse gas emissions associated with the corporate carbon footprint by closely monitoring Scope 1 and 2 emissions in each country where we operate. This process has allowed us to compile standardized data to analyze and compare environmental impact indicators across our geographical reach. This data allows us to develop targeted strategies for reducing and mitigating emissions, while aligning our decisions with advanced environmental practices and reinforcing our commitment to sustainability.

Biodiversity

Biodiversity is key to us, especially when Sites are near protected areas. To mitigate potential risks to local flora and fauna, we have a management system in place with processes detailing how to properly undertake maintenance efforts. Maintenance checks include, but are not limited to: tower and site grounding; ground maintenance; plumb and tension; the cleaning of tower parts; exterior cleaning at the lighting controls; gate and door cleaning; nest and beehive relocations; and trash clean-ups.

Water Stewardship

Our water use both during site and tower construction processes, as well as during maintenance is low. Compared to other types of construction, building telecommunication towers does not require large amounts of water and our towers do not have cooling or heating systems that require water to work. According to our ESG materiality assessment, water is not considered a material issue for Sites.

Social

We are committed to promoting sustainable economic development in the countries where we operate and have adopted principles that aim for social welfare and our customers' development. We offer our employees

competitive compensation and benefits and a aim to protect our employees' economic stability and wellbeing. Our employees are enabled to raise any concerns regarding any type of discrimination and are encouraged to voice these concerns to their direct superiors or to the HR office without fear of retaliation. We comply with laws and regulations related to occupational health and safety and promote a responsible culture that addresses health, safety and risk mitigation.

Corporate Governance

Our board of directors is responsible for setting our business strategy. It plays an active role in overseeing business operations, including through its Audit and Corporate Practices Committee. We have an internal audit department whose main objective is to help our company achieve its goals by providing a systematic and disciplined approach to evaluations and to improve the efficiency of management processes on governance, risks and controls.

As of September 30, 2024, there were no material judicial or administrative proceedings pending against us in connection with any environmental matter. While we do not have any current plans for the adoption of an environmental management system, our management may implement such a plan in the future to comply with the best practices in our industry. As of the date of this offering memorandum, a member of the Sitios' board of directors is currently undertaking formal training with a view to obtaining formal qualifications to address ESG matters.

Competition

The Passive Infrastructure use and access sharing sector in Latin America began to develop several years ago but has stepped up its pace in recent years as a result of the sale of the tower portfolios of certain wireless carriers. We anticipate that in years to come we will face increased competition in the markets for the acquisition and development of Passive Infrastructure, including competition from international companies.

Based on the most recent market information available, TowerXchange's Latam Regional Guide 3Q 2024, our market presence in Latin America (in terms of the different countries in which we have operations) and we are the second largest Passive Infrastructure operator in the region in terms of the size of our Passive Infrastructure portfolio. Our principal direct competitors are:

- American Tower Corporation;
- IHS Tower;
- SBA Communications; and
- Phoenix Tower International.

Based on our own estimates and on the aggregate number of towers in the region, we believe that as of September 30, 2024 we held 15.5% of the market in terms of number of towers. Based on our own estimates and on the aggregate number of towers in the region, our principal competitor is American Tower, which holds an approximately 20.7% share of the market. We own approximately 19.5% of the total tower count in the 16 countries where we own Passive Infrastructure.

As a result of our competitive position in the markets in which we operate, we consider that we are the primary provider of services to América Móvil. We also believe that our competitive market position presents us with an opportunity to demonstrate our ability to operate separately from América Móvil and attract other telecommunications operators as our customers.

We believe that the rest of the market is comprised of minority participants. Our site portfolio provides extensive coverage nationwide in the countries in which we operate, and we believe that it will prove to be a factor of appeal to our prospective customers as they undergo expansion.

Employees

As of September 30, 2024, we had an aggregate of 419 employees, directly and indirectly, 121 (or 29%) of whom were unionized (representing all of our employees in Brazil), with the remainder of employees not being part

of a union. We also employ a small number of people on a temporary basis, from time to time as needed for certain regional projects.

Trademarks

Our intellectual property portfolio consists of pending trademark registration applications and trademarks registered in classes 37 and 38 of the Nice Classification in Mexico, Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay, and we hold the rights to a number of ready-to-use domain names.

As of September 30, 2024, we had been awarded 114 trademarks (10 of them in Mexico and 104 in other countries) and had 60 trademark registration applications pending (including 1 in Mexico and 59 in other countries). As of that date, we did not hold any patents.

The following table contains information about our principal trademarks.

Owner	Name	Class	Type
Sitios Latinoamérica, S.A.B. de C.V.	SITES LATAM	37 and 38	Name
Sitios Latinoamérica, S.A.B. de C.V.	SITES	37 and 38	Name
Sitios Latinoamérica, S.A.B. de C.V.	SITES LATAM and logo	37 and 38	Combined
Sitios Latinoamérica, S.A.B. de C.V.	SITES and logo	37 and 38	Combined

All of our registered trademarks and pending trademark applications were assigned to us by América Móvil. Although we anticipate that our pending trademark applications will all be resolved in 2024, we cannot provide any assurance as to the timely resolution of such applications, given we depend on the relevant local authorities and their review timelines, as well as the timeliness of the work undertaken by local intellectual property counsels in handling such applications on our behalf. Our existing trademarks and any additional trademarks we develop in the future will play a material role as distinctive signs of the services we offer and of our market position.

Our trademark registrations in Mexico are valid for 10 years and may be renewed for additional identical periods. Notwithstanding the ongoing assignment process noted above, as of September 30, 2024, we did not own any intellectual property rights that were necessary for our operations and were about to expire without us having started the process for securing their renewal. We do not have in place any product research and development policy. During the twelve months ended December 31, 2023, we did not engage in any research and development activities.

Principal Clients

As of September 30, 2024, América Móvil (taken as a whole with its subsidiaries) was our largest customer, but we anticipate that this could change in the future depending on market conditions and our business plans. In addition, América Móvil (or any of its subsidiaries individually) could end or terminate its business relationship with us or could enter our industry and develop its own Passive Infrastructure.

The following table contains a summary of the principal master service agreements entered into by our operating subsidiaries with subsidiaries of América Móvil in the relevant jurisdiction, including the names of their counterparts and the term of the relevant agreement.

Country	Customer	Date	% of sales	Term ⁽¹⁾
Argentina	AMX Argentina, S.A.	November 30, 2021	17%	10 years
Brazil	Claro, S.A.	August 3, 2022	34%	10 years
Chile	Claro Chile, S.A.	May 24, 2021	6%	7 years
Colombia	Claro, S.A.	December 12, 2022	0%	10 years

Country	Customer	Date	% of sales	Term ⁽¹⁾
Costa Rica	Claro CR Telecomunicaciones, S.A.	December 22, 2020	2%	10 years
Dominican Republic	Compañía Dominicana de Telefonos, S.A.	February 3, 2023	5%	10 years
Ecuador	Consortio Ecuatoriano de Telecomunicaciones, S.A.	April 8, 2021	6%	10 years
El Salvador	Compañía de Telecomunicaciones de El Salvador, S.A. de C.V.	May 26, 2021	4%	10 years
Guatemala	Claro Guatemala, S.A.	December 22, 2020	8%	10 years
	Telecomunicaciones de Guatemala, S.A.	December 22, 2020		10 years
Honduras	Servicios de Comunicaciones de Honduras, S.A. de C.V.	May 28, 2021	5%	10 years
Nicaragua	Empresa Nicaraguense de Telecomunicaciones, S.A.	November 30, 2021	2%	10 years
Panama	Claro Panamá, S.A.	December 22, 2020 amended July 16, 2021	2%	10 years
Paraguay	AMX Paraguay, S.A.	August 31, 2021	2%	10 years
Peru	América Móvil Perú	August 29, 2023 (effective January 1, 2023)	9%	10 years
Puerto Rico	Puerto Rico Telephone Company, Inc.	May 28, 2021	1%	10 years
Uruguay	AM Wireless Uruguay, S.A.	September 1, 2021	1%	10 years

⁽¹⁾ Except as otherwise specified, these agreements are entered into for a mandatory initial term and are renewed automatically for an identical additional term upon their expiration, unless we receive notice that the relevant operator does not intend to renew its agreement.

Based on our business plan and on market conditions, we expect to enter into additional master service agreements for Passive Infrastructure sharing and, as a result, into additional site agreements. We also expect to enter into additional master lease agreements, which need not be renewed each year.

Legal and Regulatory Framework

We are subject to varied regulatory requirements with respect to the construction, maintenance and operation of towers at the municipal, state and national level in each of the countries where its Sites are located. Additional information about certain of the principal jurisdictions appears below.

Argentina

The main regulatory authority for the telecommunications sector in Argentina is the *Ente Nacional de Comunicaciones* (“ENACOM”), which became operational in 2016. In 2020, the Argentine government issued a decree establishing that information and communications technology services and access to telecommunications networks for and among licensees of such services are essential and strategic public services regarding competition and that ENACOM, in its capacity as enforcement authority, will guarantee the effective availability of such services. A specific regulation regarding access to towers establishes the obligation to allow access to Passive Infrastructure; however, prices for access to such infrastructure are not regulated.

Brazil

The legal framework applicable to the telecommunications sector in Brazil is contained in the General Telecommunications Law (*Lei Geral das Telecomunicações Brasileiras*). The main authority responsible for

regulating all types of telecommunications services in Brazil is the *Agência Nacional de Telecomunicações* (ANATEL), which is authorized to grant concessions and licenses for the provision of all types of telecommunications services, as well as to propose and issue mandatory provisions for operators. A specific regulation requires the sharing of excess capacity of Passive Infrastructure, establishing reasonable prices and conditions using the sectoral cost model as a reference.

Chile

The legal framework of the telecommunications sector in Chile is based on the General Telecommunications Law, which regulates concessions, permits and interconnection tariffs. The main authority responsible for regulating the sector is the Ministry of Transport and Telecommunications, through the Undersecretary of Telecommunications (SUBTEL). A specific regulation addresses access to towers; however, price setting is determined by each permit holder.

Colombia

Several authorities are charged with regulating and supervising telecommunications service concessionaires in Colombia: *Ministerio de Tecnologías de la Información y las Comunicaciones*, *Comisión de Regulación de Comunicaciones*, *Superintendencia de Industria y Comercio*, and *Agencia Nacional del Espectro*. The legal framework governing the telecommunications sector in Colombia is mainly comprised of (i) Law 1341 of 2009: General Telecommunications Law, which establishes the general principles and the regulatory framework of the sector, (ii) Law 2108 of 2021, which declares internet access as an essential and universal public service in Colombia, and (iii) Decree 1078 of 2015, which has the principal objective of consolidating and updating the regulations concerning the Information and Communication Technologies sector in Colombia.

Costa Rica

The *Superintendencia de Telecomunicaciones* (“SUTEL”) is in charge of regulating the telecommunications market in Costa Rica. SUTEL is a technical institution in charge of overseeing the efficient use of the radio electric spectrum and monitoring and controlling the legal framework applicable to telecommunications. The legal framework applicable to the provision of telecommunications services is the General Telecommunications Law #8642. A specific regulation addresses access to towers; however, concessionaires are entitled to set prices.

Dominican Republic

The *Instituto Dominicano de las Telecomunicaciones* (INDOTEL), created in accordance with the Dominican General Telecommunications Law, is the telecommunications regulatory body in charge of promoting the development of telecommunications in the country. A specific regulation addresses access to towers that establishes the obligation to guarantee the costs plus a remuneration on the investment associated with the shared infrastructure.

Ecuador

The main regulatory authorities for both mobile and fixed telecommunications services are the *Agencia de Regulación y Control de las Telecomunicaciones* (“ARCOTEL”) and the *Ministerio de Telecomunicaciones y de la Sociedad de la Información* (“MINTEL”). ARCOTEL is authorized to monitor the provision of telecommunications services. MINTEL is responsible of promoting equal access to telecommunications services. The legal framework applicable to telecommunications services in Ecuador is contained in the Organic Law of Telecommunications, which entered into force in 2015. A specific regulation addresses access to towers; however, no obligations are established regarding infrastructure sharing or prices.

El Salvador

The *Superintendencia General de Electricidad y Telecomunicaciones* (“SIGET”), is the entity in charge of the supervision and regulation of telecommunications services, the Planning Office of the Metropolitan Area of San Salvador (“OPAMSS”), together with the Municipal Mayors’ Offices, grants construction permits for repeater antennas and, finally, the Municipal Mayors’ Offices have the territorial competence to grant operating licenses for repeater antennas. There is no specific regulation regarding access to towers or pricing.

Guatemala

The *Superintendencia de Telecomunicaciones de Guatemala* (SIT) is the agency responsible for the supervision and regulation of telecommunications service operators in Guatemala; however, it does not intervene in the installation of towers in the country. The installation of towers for telecommunications services is subject only to obtaining the corresponding municipal and environmental permits, and there are no specific regulations applicable.

Honduras

The telecommunications sector in Honduras is regulated by CONATEL. Under the applicable legal framework, CONATEL is authorized to open investigations commence proceedings for the imposition of penalties in the event of disruption or impairment of telecommunications services and the frequencies used in connection therewith. On December 18, 2022, CONATEL approved the Honduran Regulations, which superseded a previous iteration enacted July 28, 2014, which was applicable only to providers of telecommunications networks and services and/or the direct assignees of numerical resources and regulated the facilities and resources of such entities that were critical for the provision of such services, which could have a material impact on our business. See “Risk Factors—Risks Relating to Accounting, Legal, Tax and Regulatory Issues—Many of our subsidiaries are organized under the laws of foreign jurisdictions and are subject to regulation and oversight by the competent authorities of their respective jurisdictions” for discussion of the ways the Honduran regulations could impact our business generally, and Sites Honduras specifically.

Nicaragua

The regulatory entity in Nicaragua is the *Instituto Nicaragüense de Telecomunicaciones y Correos* (“TELCOR”). In Nicaragua, the specific regulations applicable to Passive Infrastructure allow both telecommunications service operators and companies that do not directly provide such service or do not have concession titles, to own or build this type of infrastructure. There is no specific regulation regarding access to towers or pricing.

Panama

The authority in charge of regulating telecommunications services in Panama is the *Autoridad Nacional de los Servicios Públicos* (“ASEP”). This authority, as part of its functions, maintains a database of the telecommunication towers installed in the Republic of Panama, where the name of the owner of the towers as well as the coordinates of the location of the towers are recorded. A specific regulation addresses access to towers, however, prices are determined by each concessionaire.

Paraguay

The authority responsible for overseeing the telecommunications sector in Paraguay is the *Comisión Nacional de Telecomunicaciones* (CONATEL). This authority regulates the country’s radioelectric space and is authorized to impose sanctions, including the revocation of licenses in the event of non-compliance with their terms, as well as to monitor the compliance of the different regulations applicable to telecommunications services and related activities. There is no specific regulation regarding access to towers or pricing.

Peru

The Ministry of Transport and Communications and the *Organismo Supervisor de Inversión Privada en Telecomunicaciones* (“OSIPTEL”) are the entities in charge of the regulation and supervision of telecommunications service concessionaires in the country. They do not intervene in the authorization process for the installation of towers or other telecommunications infrastructure, as Law No. 29022 and its regulations provide that are the municipal governments the competent authorities to authorize the installation of towers and other telecommunications infrastructure.

Notwithstanding the foregoing, OSIPTEL has the authority to solve disputes related to Passive Infrastructure and issue orders for the access and use of Passive Infrastructure in the following cases: (i) access and use of Passive Infrastructure of companies declared as important providers (for which OSIPTEL has set a specific regulation with

regulated prices) (Legislative Decree No. 1019); (ii) access and use of Passive Infrastructure by mobile operators (Supreme Decree No. 024-2014-MTC); (iii) access and use of Passive Infrastructure in case of construction or installation limitations established by a competent authority (Law No. 28295); and (iv) access and use of Passive Infrastructure in case OSIPTEL considers that the telecommunications services market is affected or that the Passive Infrastructure company has engaged in an anticompetitive practice (Single Text of Legislative Decree No. 1034).

Puerto Rico

The United States Federal Communications Commission (FCC), together with the Puerto Rico Telecommunications Bureau (formerly the Puerto Rico Telecommunications Regulatory Board), are the authorities in charge of regulating the telecommunications services and overseeing compliance with its regulations in Puerto Rico, as well as the registration of telecommunications towers. A specific regulation addresses access to towers; however, prices are determined by each concessionaire.

Uruguay

The agency responsible for supervising the telecommunications sector in Uruguay is the *Unidad Reguladora de los Servicios de Comunicaciones* (URSEC), which regulates, and controls activities related to telecommunications and postal services in Uruguay and oversees, among other things, promoting competition among telecommunications service providers, as well as overseeing the correct application of the regulatory framework applicable to such sector. There is no specific regulation regarding access to towers or pricing.

Legal Proceedings

In the ordinary course of our business, we are or may become a party to various legal proceedings relating to civil, administrative, agrarian or labor matters or contractual claims, among others. We cannot determine if any of these proceedings or claims could prove material or be decided against us, in which case our activities or results could be affected.

As of September 30, 2024, we were not a party to any judicial, administrative or arbitration proceedings involving a potential cost or benefit to us of 10% or more of the value of our assets. Under applicable law, we may be adjudicated bankrupt or undergoing reorganization if we incur in any of the events contemplated by such law.

As of the date of this offering memorandum, we are not involved in any proceedings initiated under articles 9 and 10 of the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*).

MANAGEMENT AND CORPORATE GOVERNANCE

Directors

The board of directors of Sitios consists of nine directors, who are as follows as of September 30, 2024:

Name	Title	Age	Gender	Member Since
Arturo Elias Ayub	Chairman of the Board, Director	58	Male	2022
Carlos Slim Helú	Director	84	Male	2022
Gerardo Kuri Kaufmann	Director	40	Male	2022
Daniel Hajj Slim	Director	30	Male	2022
Mauricio Hajj Slim	Director	24	Male	2022
Miriam Guadalupe de la Vega Arizpe	Independent Director	64	Female	2022
María Concepción Calderón Pérez de Bricio	Independent Director	48	Female	2024
Juan Pablo del Valle Perochena	Independent Director	51	Male	2023
José Shedid Merhy	Independent Director	84	Male	2022

Arturo Elias Ayub serves as Director of Strategic Alliances and Content at América Móvil and is Chief Executive Officer of UNO TV and President of Fundación Telmex Telcel. In addition, he serves on the boards of Grupo Carso, Grupo Financiero Inbursa, Carso Energy, Sears Operadora México, Grupo Ferroviario Mexicano, Ferrocarril Mexicano, GMéxico Transportes, Impulsora para el Desarrollo y el Empleo en América Latina, Grupo Gigante, Grupo Kuo and Dine. Mr. Elias Ayub holds a degree in Business Administration from Universidad Anáhuac and a diploma in Senior Management from IPADE.

Carlos Slim Helú is the founder and Honorary Chairman of the Board of Grupo Carso and holds the title of Lifetime Honorary Chairman of the Board of Teléfonos de México, América Móvil and Grupo Financiero Inbursa. He is also the founder and served as Chairman of the Board of Inversora Bursátil. In addition, he served as Vice Chairman of the Mexican Stock Exchange, President of Asociación Mexicana de Casas de Bolsa (the Mexican Association of Brokers-Dealers) and the first Chairman of the Latin American Committee of the Board of Directors of the New York Stock Exchange. In addition, he served on the board of SBC Communications, Inc. As part of his philanthropic endeavors, he established Fundación del Centro Histórico de la Ciudad de México, A.C. where he currently serves as Chairman of the Executive Committee for the Restoration of Mexico City's Historical Downtown District. He is also the Chairman of the project to fund the development of Latin America and President of Fundación Telmex. He was a professor at several public and private educational institutions and multi-national organizations, including the Economic Commission for Latin America (CEPAL) and the School of Engineering of Universidad Nacional Autónoma de México, his alma mater, where he taught algebra and linear programming. Mr. Slim Helú holds a degree in Civil Engineering from Universidad Nacional Autónoma de México.

Gerardo Kuri Kaufmann is our Chief Executive Officer. Previously, he served as Chief Executive Officer of Inmuebles Carso, S.A.B. de C.V., from its organization through April 2016, and as Director of Procurement at Carso Infraestructura y Construcción, S.A. de C.V., from 2008 to 2010. He was recently appointed Chief Executive Officer of Minera Frisco, S.A.B. de C.V. He serves on the boards of Inmuebles Carso, S.A.B. de C.V., Elementia Materiales, S.A.P.I. de C.V., Fortaleza Materiales, S.A.P.I. de C.V., Fomento de Construcciones y Contratas, S.A., Realía Business, S.A., Cementos Portland Valderrivas, S.A. and Carso Infraestructura y Construcción, S.A. de C.V. Mr. Kuri Kaufmann holds a degree in Industrial Engineering from Universidad Anáhuac.

Daniel Hajj Slim serves as Deputy Director of Commercial Strategy at Telcel, where he has held various other positions since 2015. In addition, he serves on the board of Grupo México Transportes. Mr. Hajj Slim holds a degree in Industrial Engineering from Universidad Anáhuac.

Mauricio Hajj Slim has held various position in the commercial and construction departments at Carso Energy and FCC. He holds a degree in Industrial Engineering from Universidad Anáhuac.

Miriam Guadalupe de la Vega Arizpe is Vice President of Maximus Inmobiliaria, the development and management arm of Grupo de la Vega, and Chairwoman of the Board and Chief Executive Officer of Almacenes Distribuidores de la Frontera S.A de C.V. Prior to assuming these positions, she served as Chief Executive Officer of Carta Blanca de Ciudad Juárez, the second largest beer distributor in Mexico in terms of sales. She serves on the boards of Citi Banamex, Fresnillo PCL, Holding de Empresas Peñoles, Museo del Barrio (New York), EISAC and Instituto Tecnológico de Monterrey (ITESM). In addition, she is a regional director of the Central Bank of Mexico, the Chairwoman of the Ciudad Juárez Small Business Council and a member of the board of FC Juárez (Bravos) and the Chihuahua Business Foundation (FECHAC). She is also an active member of the Border Economic Alliance Group, Grupo Empresarial Siglo XXI, Plan Estratégico de Ciudad Juárez, Paso del Norte Health Foundation, FEMAP and SADEC. Ms. De la Vega Arizpe holds a B.A. degree with focus on Management and an M.B.A., both from the University of Texas at Austin.

María Concepción Calderón Pérez de Bricio holds a degree in Financial Markets from the Complutense University of Madrid, as well as a degree in Law and is registered with the Bar Association of Spain. She has over 25 years of professional experience, focused on the banking sector, holding key positions at Banco Santander, Canepa Management, JP Morgan, and Rothschild & Co., where she served as Managing Director. She is currently a partner at Besant Capital, a company focused on vehicles specializing in the real estate and technology sectors, as well as Zink Investment Solutions, a company specialized in family financial services to manage asset and liability risks, providing them with investment solutions.

Juan Pablo Del Valle Perochena is a mechanical and electric engineering graduate of Universidad Anáhuac and holds a master's degree in business administration from Harvard Business School. He has more than 25 years of professional experience, focused on real estate and industrial businesses, as well as telecommunications. He currently serves as Chairman of the Board of Directors of Orbia Advance Corporation, S.A.B. de C.V. and Elementia Materiales, S.A.P.I. de C.V.

José Shedid Merhy was Chief Executive Officer of Constructora Kaley, S.A. and Constructora Mazaryk, S.A. Prior to that, we worked at Organización e Ingeniería Civil, S.A. de C.V. in the 1960s. He has participated in a number of projects for the construction and development of office and residential buildings in Mexico City. He currently serves on the boards of Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V., Minera Frisco, S.A.B. de C.V. and various investment funds managed by Operadora Inbursa de Fondos de Inversión, S.A. de C.V., Grupo Financiero Inbursa and Sinca Inbursa, S.A. de C.V., Fondo de Inversión de Capitales. Mr. Shedid Merhy holds a degree in Civil Engineering from Universidad Nacional Autónoma de México and a Master degree in Management Science from Stanford University.

In addition, on May 28, 2024, **Sergio Sáenz Gutiérrez** was appointed as secretary and **Eduardo Bravo Sánchez** as pro secretary of the Board of Directors. The business address of each member of Sitios' Board of Directors is at the principal executive offices of Sitios, which are located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico.

Management

Below is a brief account of the business and experience of certain of the other individuals who serve as officers of Sitios:

Gerardo Kuri Kaufmann is our Chief Executive Officer. Previously, he served as Chief Executive Officer of Inmuebles Carso, S.A.B. de C.V., from its organization through April 2016, and as Director of Procurement at Carso Infraestructura y Construcción, S.A. de C.V., from 2008 to 2010. He was recently appointed Chief Executive Officer of Minera Frisco, S.A.B. de C.V. He serves on the boards of Inmuebles Carso, S.A.B. de C.V., Elementia Materiales, S.A.P.I. de C.V., Fortaleza Materiales, S.A.P.I. de C.V., Fomento de Construcciones y Contratas, S.A., Realia Business, S.A., Cementos Portland Valderrivas, S.A. and Carso Infraestructura y Construcción, S.A. de C.V. Mr. Kuri Kaufmann holds a degree in Industrial Engineering from Universidad Anáhuac.

Héctor Macías Noriega – *Chief of Finance and Administration Officer* – Mr. Macías Noriega has a degree in public accounting from La Salle University and studied at Insead Business School and Harvard Business School. He has more than 33 years of experience, worked in consulting companies such as PwC and EY and acted as General

Director in a company focused on the metalworking industry. He has been part of various boards of directors and audit committees.

Sergio Sáenz Gutiérrez – *General Counsel* – Mr. Sáenz has a Law Degree from the Autonomous University of Chihuahua, with a master's degree in Corporate Law from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and a master's degree in environmental law from the University of Denver. Mr. Sáenz served as General Counsel of GCC, S.A.B. of C.V. and advisor of the “Museo Casa Chihuahua A.C. Foundation”. He has been a professor at ITESM and Universidad Iberoamericana.

Luis Humberto Díaz Jouanen – *Chief Operating Officer* – Mr. Díaz holds a degree in Civil Engineering from Universidad Iberoamericana. From 1996 to 2002, he acted as fiber optic construction General Manager at Grupo Condumex. Later, and until 2015, he served as Vice President of Radiomóvil Dipsa, S.A. de C.V. Finally, from 2015 to January 2022, he acted as Chief Operations Officer of Operadora de Sites Mexicanos, S.A. de C.V.

DESCRIPTION OF THE NOTES

This section of the offering memorandum summarizes the material terms of the indenture and the notes. Because this section is a summary, it does not describe every aspect of the indenture and the notes, and this summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including the definition of various terms used in the indenture, and the notes. For example, we describe the meanings for only the more important terms that have been given special meanings in the indenture. Upon request, we will provide you with a copy of the indenture. See “Where You Can Find More Information” for information concerning how to obtain a copy. All references in this section to the “Issuer” “we,” “us” and “our” are to Sitios only and not to any of its subsidiaries or affiliates.

References to “holders” mean those who have notes registered in their names on the books that the Issuer or the trustee maintains for this purpose, and not those who own beneficial interests in notes issued in book-entry form through The Depository Trust Company (“DTC”) or in notes registered in street name. Owners of beneficial interests in notes should refer to “Form of Notes, Clearing and Settlement.”

General

Indenture

The notes will be issued under a base indenture, dated as of April 4, 2022, as supplemented and amended, and a supplemental indenture to be dated as of November 25, 2024. References to the “indenture” are to the base indenture as supplemented by the supplemental indenture. The indenture is an agreement among the Issuer, the subsidiary guarantors and Citibank, N.A., as trustee, paying agent, registrar and transfer agent.

Trustee

The trustee has the following two main roles:

- First, the trustee can enforce the rights of holders against the Issuer if the Issuer defaults in respect of the notes. There are some limitations on the extent to which the trustee acts on behalf of holders, which we describe under “—Defaults, Remedies and Waiver of Defaults.”
- Second, the trustee performs administrative duties for the Issuer, such as making interest payments and sending notices to holders of the notes.

Ranking of the Notes

The Issuer is a holding company and its principal assets are shares that the Issuer holds in its subsidiaries. The notes will not be secured by any of the assets or properties of the Issuer or any other person. As a result, by owning the notes, holders will be one of the unsecured creditors of the Issuer. The notes will not be subordinated to any of the Issuer’s other unsecured debt obligations. In the event of a bankruptcy, *concurso mercantil*, *quiebra* or liquidation proceeding against the Issuer, the notes would rank equally in right of payment with all of the Issuer’s other unsecured and unsubordinated debt subject to certain obligations having priority under applicable law, such as tax, social security and labor obligations.

Except as set forth under “Guarantees,” the notes will not be guaranteed by any of the Issuer’s subsidiaries. Claims of creditors of the Issuer’s subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of the Issuer’s subsidiaries that do not guarantee the notes.

Guarantees

The Issuer’s subsidiaries, Torres do Brasil S.A. and Torres Latinoamérica, S.A. de C.V., will guarantee the Issuer’s obligations under the notes. Such subsidiaries will irrevocably and unconditionally guarantee, on a joint and several basis with each other guarantor, the full and prompt payment of the principal and interest (including an additional interest) in respect of the notes on a senior unsubordinated basis and all other obligations of the Issuer under the indenture.

Each subsidiary guarantee will be limited to the maximum amount that would not render the subsidiary guarantor's obligations subject to a voidance under applicable fraudulent conveyance provisions of applicable law. By virtue of this limitation, a subsidiary guarantor's obligation under its subsidiary guarantee could be significantly less than amounts payable with respect to the notes, or a subsidiary guarantor may have effectively no obligation under its subsidiary guarantee. We cannot assure you that this limitation will protect the subsidiary guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the subsidiary guarantees would suffice, if necessary, to pay the notes in full when due.

The subsidiary guarantee of a subsidiary guarantor will terminate upon:

- the sale, exchange, disposition or other transfer (including by way of consolidation or merger) of the subsidiary guarantor or the sale or disposition of all or substantially all the assets of the subsidiary guarantor (other than to the Issuer or a subsidiary) otherwise permitted by the indenture; or
- defeasance or discharge of the notes, as provided under “—Defeasance” and “—Satisfaction and Discharge,” respectively.

Other than as set forth in the immediately preceding paragraph, the Issuer shall have the right to designate, in its sole discretion, any subsidiary as a subsidiary guarantor of the notes.

Payment Provisions

Interest Payments

The aggregate principal amount of the notes offered hereby will be U.S.\$650,000,000. The notes will mature on November 25, 2029. The notes will bear interest at a rate of 6.000% per year from November 25, 2024.

Interest on the notes will be payable on May 25 and November 25 of each year, beginning on May 25, 2025, to the holders in whose names the notes are registered at the close of business on the May 10 or November 10 immediately preceding the related interest payment date (whether or not a business day).

The Issuer will pay interest on the notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. Interest on the notes will be computed at a fixed rate on the basis of a 360-day year of twelve 30-day months.

“Business day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is (a) not a day on which banking institutions in New York City or Mexico City generally are authorized or obligated by law, regulation or executive order to close and (b) a day on which banks and financial institutions in Mexico are open for business with the general public.

If any payment is due on the notes on a day that is not a business day, the Issuer will make the payment on the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original payment date. Postponement of this kind will not result in a default under the notes or the indenture, and no interest will accrue on the postponed amount from the original payment date to the next business day.

Payments on Global Notes. The Issuer will make payments on notes issued in global form in accordance with the applicable procedures of the depositary as in effect from time to time. Under those procedures, the Issuer will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in a global note. An indirect holder's right to receive those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Notes. For notes issued in certificated form, the Issuer will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at the holder's address shown on the trustee's records as of the close of business on the regular record date, and the Issuer will make all other payments

by check to the paying agent described below, against surrender of the note. All payments by check may be made in next-day funds, that is, funds that become available on the day after the check is cashed. If the Issuer issues notes in certificated form, holders of notes in certificated form will be able to receive payments of principal and interest on their notes at the office of the paying agent maintained in New York.

The Issuer will be responsible for calculating the interest amount. The trustee shall have no duty to calculate the interest amount nor shall it have any duty to review or verify the Issuer's calculations of the interest amount.

Paying Agents

If the Issuer issues notes in certificated form, the Issuer may appoint one or more financial institutions to act as paying agents, at whose designated offices the notes may be surrendered for payment at their maturity. The Issuer may add, replace or terminate paying agents from time to time; *provided* that if any notes are issued in certificated form, so long as such notes are outstanding, the Issuer will maintain a paying agent in New York. The Issuer may also choose to act as its own paying agent. Initially, the Issuer has appointed Citibank, N.A., at its corporate trust office in New York, as a paying agent. The Issuer will notify holders of changes in the paying agents as described under “—Notices.”

Unclaimed Payments

All money paid by the Issuer to the trustee or any paying agent that remains unclaimed at the end of two years after the amount is due to a holder will be repaid to the Issuer. After that two-year period, the holder may look only to the Issuer for payment and not to the trustee, any paying agent or anyone else.

Currency of Payment

All payments of principal of and premium, if any, and interest on the notes will be made in U.S. dollars.

Stated Maturity and Maturity

The day on which the principal amount of the notes is scheduled to become due is called the “stated maturity” of the principal of the notes. On the stated maturity of the principal for the notes, the full principal amount of the notes will become due and payable. The principal may become due before the stated maturity by reason of redemption or acceleration after a default. The day on which the principal actually becomes due, whether at the stated maturity or earlier, is called the “maturity” of the principal.

We also use the terms “stated maturity” and “maturity” to refer to the dates when interest payments become due. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due as the “stated maturity” of that installment. When we refer to the “stated maturity” or the “maturity” of the notes without specifying a particular payment, we mean the stated maturity or maturity, as the case may be, of the principal.

Form and Denominations

The notes will be issued only in registered form without coupons and in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Except in limited circumstances, the notes will be issued in the form of global notes. See “Form of Notes, Clearing and Settlement.”

Further Issues

The Issuer reserves the right, from time to time without the consent of holders of the notes, to issue additional notes on terms and conditions identical to those of the notes (except for issue date, issue price and the date from which interest will accrue and, if applicable, the date on which interest will first be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes, provided that if any additional notes are not fungible with the initially issued notes for United States federal income tax purposes, such additional notes will have a separate CUSIP or other identifying number.

Payment of Additional Interest

All payments of principal, premium, if any, and interest (or any amount deemed as interest) in respect of the notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Mexico, Brazil or any other jurisdiction in which the Issuer, the guarantors, or any successor of the Issuer or the guarantors under the indenture is organized or incorporated or doing or deemed to be doing business or the Issuer's, the guarantors' or any successor's paying agent is located (each, a "Relevant Jurisdiction") or, in each case, any political subdivision thereof or any authority therein or thereof having power to tax ("Taxes"), unless such withholding or deduction is required by law or by the official interpretation or administration thereof. In the event of any such withholding or deduction of Taxes, the Issuer or the relevant guarantor will pay to holders such additional interest as will result in the payment to each holder of the net amount that would otherwise have been received by such holder in the absence of such withholding or deduction.

The Issuer's and the guarantors' obligation to pay additional interest is, however, subject to several important exceptions. Neither the Issuer nor the guarantors will pay additional interest to or on behalf of any holder or beneficial owner, or to the trustee, for or on account of any of the following:

- any Taxes imposed solely because at any time there is or was a connection between the holder and a Relevant Jurisdiction (other than the mere receipt of a payment or the ownership or holding of notes);
- any Taxes imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with a Relevant Jurisdiction of the holder or any beneficial owner of notes if compliance is required by law, regulation or by an applicable income tax treaty to which a Relevant Jurisdiction is a party, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and the Issuer has given the holders at least 30 calendar days' notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;
- any Taxes with respect to notes presented for payment more than 15 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such notes would have been entitled to such additional interest on presenting such notes for payment on any date during such 15-day period;
- any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the notes;
- any Taxes payable otherwise than by deduction or withholding from payments on the notes;
- any payment on the notes to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional interest had the beneficiary, settlor, member or beneficial owner been the holder of such notes;
- any Taxes imposed in respect of (x) Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and any current or future regulations or official interpretations thereof ("FATCA"), (y) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction which (in either case) facilitates the implementation of FATCA or (z) any agreement entered into pursuant to the implementation of the preceding clause (x) or (y) with the U.S. Internal Revenue Service (the "IRS"), the United States government or any governmental or taxation authority under any other jurisdiction; and
- any combination of the items in the bullet points above.

The limitations on the Issuer's and guarantors' obligations to pay additional interest described in the second bullet point above will not apply if the certification, provision of information, documentation or other evidence described in that bullet point would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of notes, taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States/Mexico Income Tax Treaty), regulations (including proposed regulations) and administrative practice.

Applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) or any substantially similar successor provision, whether included in any law or regulation) currently allow the Issuer to withhold at a reduced rate; *provided* that the Issuer complies with certain information reporting requirements. Accordingly, the limitations on the Issuer's obligations to pay additional interest described in the second bullet point above also will not apply unless (a) the provision of the certification, information, documentation or other evidence described in that bullet point is expressly required by the applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) or any substantially similar successor provision, whether included in any law or regulation), (b) the Issuer cannot obtain the certification, information, documentation or other evidence necessary to comply with the applicable Mexican laws and regulations on its own through reasonable diligence and (c) the Issuer otherwise would meet the requirements for application of the applicable Mexican laws and regulations (including Article 166, Section II, subsection (a) of the Mexican Income Tax Law or any substantially similar successor provision, whether included in any law or regulation).

In addition, the limitation described in the second bullet point above does not require that any person, including any non-Mexican pension fund, tax-exempt organization, retirement fund or financial institution, register with the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax in order to maintain such person's entitlement to additional interest arising from such Mexican withholding tax.

The Issuer will remit the full amount of any Taxes withheld to the applicable taxing authorities imposed by a Relevant Jurisdiction in accordance with applicable law. The Issuer will also provide the trustee with documentation satisfactory to the trustee evidencing the payment of Taxes in respect of which the Issuer has paid any additional interest. The Issuer will provide copies of such documentation to the holders of the notes or the relevant paying agent upon request.

If additional interest actually paid with respect to the notes pursuant to the preceding paragraphs is based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such notes, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Issuer. However, by making such assignment, the holder makes no representation or warranty that the Issuer will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Any reference in this offering memorandum, the indenture or the notes to principal, premium, if any, interest or any other amount payable in respect of the notes by the Issuer will be deemed also to refer to any additional interest that may be payable with respect to that amount under the obligations referred to in this subsection.

Optional Redemption

The Issuer will not be permitted to redeem the notes at its option before their stated maturity, except as set forth below. The notes will not be entitled to the benefit of any sinking fund, meaning that the Issuer will not deposit money on a regular basis into any separate account to repay the notes. In addition, holders will not be entitled to require the Issuer to repurchase their notes from them before the stated maturity.

Optional Redemption With “Make-Whole” Amount or at Par

Prior to October 25, 2029 (the date that is one month prior to the maturity date of the notes) (the “Par Call Date”), the Issuer may redeem the notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 30 basis points less (b) interest accrued to the redemption date, and

(2) 100% of the principal amount of the notes to be redeemed, plus, in either case, accrued and unpaid interest thereon to the redemption date.

On or after the Par Call Date, the Issuer may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the redemption date.

“Treasury Rate” means, with respect to any redemption date, the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m. (New York City time) (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities—Treasury constant maturities—Nominal” (or any successor caption or heading). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m. (New York City time) on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Issuer shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m. (New York City time). In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m. (New York City time) of such United States Treasury security, and rounded to three decimal places.

General Provisions

The Issuer will be responsible for calculating the redemption price. The Issuer's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error. The trustee shall have no duty to calculate the redemption price nor shall it have any duty to review or verify the Issuer's calculations of the redemption price.

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depository's procedures) at least 10 days but not more than 60 days before the redemption date to each holder of notes to be redeemed.

In the case of a partial redemption, selection of the notes for redemption will be made pro rata, by lot or by such other method as the trustee in its sole discretion deems appropriate and fair and otherwise in compliance with the applicable policies and procedures of the depository. No notes of a principal amount of U.S.\$200,000 or less will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption that relates to such note will state the portion of the principal amount of the note to be redeemed. A new note in a principal amount equal to the unredeemed portion of the note will be issued in the name of the holder of the note upon surrender for cancellation of the original note. For so long as the notes are held by DTC (or another depository), the redemption of the notes shall be done in accordance with the policies and procedures of the depository.

Unless the Issuer defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the notes or portions thereof called for redemption.

Tax Redemption

If, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of a Relevant Jurisdiction or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official interpretation or application of such laws, rules or regulations, which amendment to or change of such laws, rules or regulations becomes effective on or after the date on which the notes are issued, the Issuer would be obligated, after taking such measures as the Issuer may consider reasonable to avoid this requirement, to pay additional interest in excess of the additional interest attributable to the current reduced applicable Mexican withholding tax rate of 4.9% with respect to the notes (see “—Payment of Additional Interest” and “Tax Considerations—Mexican Tax Considerations”), then, at its option, the Issuer may redeem all, but not less than all, of the notes at any time on giving not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the outstanding principal amount of the notes being redeemed, plus accrued and unpaid interest and any additional interest due thereon up to but not including the redemption date; *provided, however*, that (1) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such additional interest if a payment on the notes were then due and (2) at the time such notice of redemption is given such obligation to pay such additional interest remains in effect.

Prior to the publication of any notice of redemption for taxation reasons, the Issuer will deliver to the trustee:

- a certificate signed by one of the Issuer's duly authorized representatives stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer's right of redemption for taxation reasons have occurred; and
- an opinion of legal counsel (which may be the Issuer's counsel) of recognized standing in the Relevant Jurisdiction to the effect that the Issuer has or will become obligated to pay such additional interest as a result of such change or amendment.

This notice, after it is delivered to the holders, will be irrevocable.

Covenants

The following covenants will apply to the Issuer and certain of its subsidiaries for so long as any notes remain outstanding. These covenants restrict the Issuer's ability and the ability of those subsidiaries to enter into certain

transactions. However, these covenants do not limit the Issuer's ability to incur indebtedness or require the Issuer to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

The Issuer will not, and the Issuer will not allow any of its restricted subsidiaries to, create, incur, issue or assume any liens on the Issuer's Restricted Property to secure debt where the debt secured by such liens, plus the aggregate amount of the Issuer's attributable debt and that of its restricted subsidiaries in respect of sale and leaseback transactions, would exceed an amount equal to an aggregate of 15% of the Issuer's Consolidated Net Tangible Assets unless the Issuer secures the notes equally with, or prior to, the debt secured by such liens.

The foregoing restriction will not, however, apply to the following:

- liens on Restricted Property acquired and existing on the date the property was acquired or arising after such acquisition pursuant to contractual commitments entered into prior to such acquisition;
- liens on any Restricted Property securing debt incurred or assumed for the purpose of financing its purchase price or the cost of its construction, improvement or repair; *provided* that such lien attaches to the Restricted Property within 12 months of its acquisition or the completion of its construction, improvement or repair and does not attach to any other Restricted Property;
- liens existing on any Restricted Property of any Restricted Subsidiary prior to the time that the Restricted Subsidiary became a subsidiary of the Issuer or liens arising after that time under contractual commitments entered into prior to and not in contemplation of that event;
- liens on any Restricted Property securing debt owed by a subsidiary of the Issuer to the Issuer or to another of the Issuer's subsidiaries; and
- liens arising out of the refinancing, extension, renewal or refunding of any debt described above; *provided* that the aggregate principal amount of such debt is not increased and such lien does not extend to any additional Restricted Property.

"Attributable debt" means, with respect to any sale and leaseback transaction, the lesser of (1) the fair market value of the asset subject to such transaction and (2) the present value, discounted at a rate per annum equal to the discount rate inherent in the applicable lease, of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges and contingent rents) during the term of the lease (as determined in good faith by the Issuer in accordance with International Financial Reporting Standards ("IFRS")).

"Consolidated Net Tangible Assets" means total consolidated assets *less* (1) all current liabilities, (2) all goodwill, (3) all trade names, trademarks, patents and other intellectual property assets and (4) all licenses, each as set forth on the most recent consolidated balance sheet of the Issuer prepared in accordance with IFRS.

"Restricted Property" means any kind of property or asset of the Issuer and its subsidiaries (including the capital stock in, and other securities of, any subsidiary), except such as the Issuer's board of directors by resolution determines in good faith (taking into account, among other things, the materiality of such property to the business, financial condition and earnings of the Issuer and its subsidiaries taken as a whole) not to be material to the business of the Issuer and its subsidiaries, taken as a whole.

"Restricted Subsidiary" means each subsidiary of the Issuer that owns Restricted Property.

Limitation on Sale and Leasebacks

The Issuer will not, and the Issuer will not allow any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction without effectively providing that the notes will be secured equally and ratably with or prior to the sale and leaseback transaction, unless:

- the aggregate principal amount of all debt then outstanding that is secured by any lien on any Restricted Property that does not ratably secure the notes (excluding any secured indebtedness permitted under “—Limitation on Liens”) plus the aggregate amount of a attributable debt of the Issuer and its restricted subsidiaries in respect of sale and leaseback transactions then outstanding (other than any sale and leaseback transaction permitted under the following bullet point) would not exceed an amount equal to 15% of the Issuer’s Consolidated Net Tangible Assets; or
- the Issuer or one of its restricted subsidiaries, within 12 months of the sale and leaseback transaction, retires an amount of the secured debt of the Issuer which is not subordinated to the notes in an amount equal to the greater of (1) the net proceeds of the sale or transfer of the property or other assets that are the subject of the sale and leaseback transaction and (2) the fair market value of the Restricted Property leased.

“Sale and leaseback transaction” means an arrangement between the Issuer or one of its restricted subsidiaries and a bank, insurance company or other lender or investor where the Issuer or its Restricted Subsidiary leases a Restricted Property for an initial term of three years or more that was or will be sold by the Issuer or a Restricted Subsidiary of the Issuer to that lender or investor for a sale price of U.S.\$1.0 million (or its equivalent in other currencies) or more.

Provision of Information

The Issuer will furnish or cause to be furnished to the trustee in English (for distribution only to the holders of notes):

(1) within 120 days after the end of the fiscal year of the Issuer, annual audited financial statements (consolidated) prepared in accordance with IFRS of the Issuer for such fiscal year and a report on such annual financial statements by the Issuer’s auditors; and

(2) within 60 days after the end of the first, second and third quarters of the Issuer’s fiscal year, quarterly unaudited financial statements (consolidated) prepared in accordance with IFRS of the Issuer for such period (but without any requirement for footnotes or limited review by the Issuer’s auditors).

Notwithstanding the foregoing, if the Issuer makes a available the reports described in this covenant on its website, it will be deemed to have satisfied the reporting requirements set forth in such clause. The trustee shall have no duty to ascertain if or when any reports have been made available on the Issuer’s website. Delivery of such reports, information and documents to the trustee is for informational purposes only and the trustee’s receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer’s or any other Person’s compliance with any of its covenants under the indenture or the notes (as to which the trustee is entitled to rely exclusively on officer’s certificates).

The trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, the Issuer’s or any other Person’s compliance with the covenants described above or with respect to any reports or other documents filed under the indenture; *provided, however*, that nothing herein shall relieve the trustee of any obligations to monitor the Issuer’s timely delivery of all reports and certificates described in this “—Provision of Information” section.

For so long as the Issuer is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or at any time when the notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish on a reasonably prompt basis, to any holder of notes, or to any prospective purchaser designated by a holder, who so request in writing, financial and other information described in Rule 144(d)(4) with respect to the Issuer to the extent required to permit such holder to comply with Rule 144A in connection with any resale of notes held by such holder.

If the Issuer becomes aware that a default or event of default or an event that with notice or the lapse of time would be an event of default has occurred and is continuing, as the case may be, the Issuer will deliver a certificate to the trustee describing the details thereof and the action the Issuer is taking or propose to take.

Merger, Consolidation or Sale of Assets

The Issuer will not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of its assets and properties and the Issuer will not permit any person to consolidate with or merge into it, unless all of the following conditions are met:

- if the Issuer is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States of America, or any political subdivision thereof, or the District of Columbia or, if such successor person is treated as a disregarded entity for U.S. federal income tax purposes, its regarded owner is a corporation organized and existing under the laws of the United States of America, any State of the United States, any political subdivision thereof or the District of Columbia, and expressly assumes all of the Issuer's obligations under the indenture and the notes;
- immediately after the transaction, no default under the notes has occurred and is continuing. For this purpose,
- "default under the notes" means an event of default or an event that would be an event of default with respect to the notes if the requirements for the Issuer to give a default notice and for a default having to continue for a specific period of time were disregarded. See "—Defaults, Remedies and Waiver of Defaults"; and
- the Issuer has delivered to the trustee an officer's certificate and opinion of counsel, each stating, among other things, that the transaction complies with the indenture.

If the conditions described above are satisfied, the Issuer will not have to obtain the approval of the holders in order to merge or consolidate or to sell or otherwise dispose of its properties and assets substantially as an entirety. In addition, these conditions will apply only if the Issuer wishes to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets and properties. The Issuer will not need to satisfy these conditions if it enters into other types of transactions, including any transaction in which the Issuer acquires the stock or assets of another person, any transaction that involves a change of control of the Issuer, but in which the Issuer does not merge or consolidate, or any transaction in which the Issuer sells or otherwise disposes of less than substantially all of its assets.

Defaults, Remedies and Waiver of Defaults

Holders will have special rights if an event of default with respect to the notes they hold occurs and is not cured, as described below.

Events of Default

Each of the following will be an "event of default" with respect to the notes:

- the Issuer or the guarantors fail to pay interest on any note within 30 days after its due date;
- the Issuer or the guarantors fail to pay the principal or premium, if any, of any note on its due date;
- the Issuer or the guarantors remain in breach of any covenant in the indenture for the benefit of holders of the notes, for 60 days after it receives a notice of default (sent by the trustee or the holders of not less than 25% in principal amount of the notes) stating that the Issuer or such guarantor is in breach;
- the Issuer or the guarantors experience a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.\$50 million (or its equivalent in other currencies) that constitutes a failure to pay principal or interest when due or results in the acceleration of the debt prior to its maturity;

- a final judgment is rendered against the Issuer or any guarantor in an aggregate amount in excess of U.S.\$50 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or
- the Issuer or any guarantor files for bankruptcy, *concurso mercantil*, *quiebra*, liquidation or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to the Issuer or such guarantor.

Remedies Upon Event of Default

If an event of default with respect to the notes occurs and is not cured or waived, the trustee, at the written request of holders of not less than 25% in principal amount of the notes, may declare the entire principal amount of all the notes to be due and payable immediately, and upon any such declaration the principal, any accrued interest and any additional interest thereon shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to the Issuer, the entire principal amount of all the notes and any accrued interest and any additional interest thereon will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional interest thereon will become immediately due and payable.

Each of the situations described in the preceding paragraph is called an acceleration of the maturity of the notes. If the maturity of the notes is accelerated and a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the notes may cancel the acceleration for all the notes; *provided* that all amounts then due (other than amounts due solely because of such acceleration) have been paid and all other defaults with respect to the notes have been cured or waived.

If any event of default occurs, the trustee will have special duties. In that situation, the trustee will be obligated to use those of its rights and powers under the indenture, and to use the same degree of care and skill in doing so, that a prudent person would use under the circumstances in conducting his or her own affairs.

Except as described in the prior paragraph, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee protection, known as indemnity and/or security, from expenses and liability. If the trustee receives an indemnity and/or security that is satisfactory to it, the holders of a majority in principal amount of the notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority holders may also direct the trustee in performing any other action under the indenture with respect to the notes.

Before holders bypass the trustee and bring their own lawsuit or other formal legal action or take other steps to enforce their rights or protect their interests relating to the notes, the following must occur:

- such holders must give the trustee written notice that an event of default has occurred and the event of default has not been cured or waived;
- the holders of not less than 25% in principal amount of the notes must make a written request that the trustee take action with respect to the notes because of the default and they or other holders must offer to the trustee indemnity and/or security satisfactory to the trustee against the cost and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after the above steps have been taken; and
- during those 60 days, the holders of a majority in principal amount of the notes must not have given the trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the notes.

Holders will be entitled, however, at any time to bring a lawsuit for the payment of money due on their notes on or after its due date.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of the maturity.

Waiver of Default

The holders of not less than a majority in principal amount of the notes may waive a past default for all the notes. If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any note, however, without the approval of the particular holder of that note.

Modification and Waiver

There are three types of changes the Issuer can make to the indenture and the notes.

Changes Requiring Each Holder's Approval

The following changes cannot be made without the approval of each holder of notes affected by the change:

- a change in the stated maturity of any principal or interest payment on the notes;
- a reduction in the principal amount, the interest rate or the redemption price for the notes;
- a change in the obligation to pay additional interest;
- a change in the currency of any payment on the notes other than as permitted by the indenture and such notes;
- a change in the place of any payment on the notes;
- an impairment of the holder's right to sue for payment of any amount due on its notes;
- a reduction in the percentage in principal amount of the notes needed to change the indenture or the notes under the indenture; and
- a reduction in the percentage in principal amount of the notes needed to waive the Issuer's compliance with the indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of notes. These changes are limited to curing any ambiguity, defect or inconsistency, making changes to conform the provisions contained in the indenture to the description of the notes contained in this offering memorandum and making changes that do not adversely affect the rights of holders of the notes in any material respect, such as issuing additional notes, adding covenants, additional events of default, collateral or successor trustees.

Changes Requiring Majority Approval

Any other change to the indenture or the notes will be required to be approved by the holders of a majority in principal amount of the notes affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for the Issuer to obtain a waiver of any of its covenants in the indenture. The Issuer's covenants include the promises the Issuer makes about merging and creating liens on its interests, which are described under "—Merger, Consolidation or Sale of Assets" and "—Covenants." If the holders approve a waiver of a covenant, the Issuer will not have to comply with it. The holders, however, cannot approve a waiver of any provision in any particular notes or the indenture, as it affects such notes, that the Issuer cannot change without the approval of the holder of such notes as described under "—Changes Requiring Each Holder's Approval," unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if the Issuer seeks to change the indenture or the notes or request a waiver.

Defeasance

The Issuer may, at its option, elect to terminate (1) all of its obligations with respect to the notes (“legal defeasance”), except for certain obligations, including those regarding any trust established for defeasance and obligations relating to the transfer and exchange of the notes, the replacement of mutilated, destroyed, lost or stolen notes and the maintenance of agencies with respect to the notes or (2) its obligations under the covenants in the indenture, so that any failure to comply with such obligations will not constitute an event of default (“covenant defeasance”) in respect of the notes. In order to exercise either legal defeasance or covenant defeasance, the Issuer must irrevocably deposit with the trustee U.S. dollars, government obligations of the United States, or any combination thereof, in such amounts as will be sufficient to pay the principal, premium, if any, and interest (including an additional interest) in respect of the notes then outstanding on the maturity dates of the notes, and comply with certain other conditions, including, without limitation, the delivery of opinions of counsel.

If the Issuer elects either legal defeasance or covenant defeasance with respect to any notes, the Issuer must so elect it with respect to all of the notes.

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the notes, as expressly provided for in the indenture) as to all outstanding notes when:

- (1) either:
 - (a) all the notes theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the trustee for cancellation; or
 - (b) all notes not theretofore delivered to the trustee for cancellation have become due and payable at final maturity or by reason of the giving of a notice of redemption, or will become due and payable within one year, including by reason of the giving of a notice of redemption, and the Issuer has irrevocably deposited or caused to be deposited with the trustee funds or certain direct, non-callable obligations of, or guaranteed by, the United States sufficient without reinvestment to pay and discharge the entire indebtedness on the notes not theretofore delivered to the trustee for cancellation, for principal of, premium, if any, and interest on the notes to the date of maturity or redemption, together with irrevocable instructions from the Issuer directing the trustee to apply such funds to the payment; and
- (2) the Issuer has paid all other sums payable under the indenture and the notes by it; and
- (3) the Issuer has delivered to the trustee an officer’s certificate stating that all conditions precedent under the indenture relating to the satisfaction and discharge of the indenture have been complied with.

Special Rules for Actions by Holders

When holders take any action under the indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the trustee an instruction, the Issuer will apply the following rules.

Only Outstanding Notes are Eligible for Action by Holders

Only holders of outstanding notes will be eligible to vote or participate in any action by holders. In addition, the Issuer will count only outstanding notes in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, notes will not be “outstanding” if they have been surrendered for cancellation or if the Issuer has deposited with the trustee in trust or the paying agent or set aside (if the Issuer acts as its own paying agent) in trust for their holder, money for their payment or redemption.

Determining Record Dates for Action by Holders

The Issuer will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the indenture. In some limited circumstances, only the trustee will be entitled to set a record date for action by holders. If the Issuer or the trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that the Issuer specifies for this purpose, or that the trustee specifies if it sets the record date. The Issuer or the trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global notes may be set in accordance with procedures established by the depositary from time to time.

Notices

As long as the notes are in global form, notices to be given to holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If the Issuer issues notes in certificated form, notices to be given to holders will be sent by mail to the respective addresses of the holders as they appear in the trustee's records, and will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Governing Law

The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the indenture or the notes (subject to the exceptions described below), the Issuer has:

- irrevocably submitted to the jurisdiction of any U.S. federal or New York state court in the Borough of Manhattan, The City of New York, and any appellate court thereof;
- agreed that all claims in respect of such legal action or proceeding may be heard and determined in such U.S. federal or New York state court and waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of its place of residence or domicile; and
- appointed CT Corporation System, with an office at 28 Liberty Street, New York, New York 10005, United States of America, as process agent.

The process agent will receive, on the Issuer's behalf, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to the Issuer at the address specified above for the process agent. For such purposes, the Issuer will have granted on or prior to the issue date an irrevocable power of attorney for lawsuits and collections (*poder especial irrevocable para pleitos y cobranzas*) under the laws of Mexico in favor of CT Corporation System.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any holder to bring any action or proceeding against us or our properties in other courts where jurisdiction is independently established.

To the extent that the Issuer has or hereafter may acquire or have attributed to the Issuer any sovereign or other immunity under any law, the Issuer has agreed to waive, to the fullest extent permitted by law, such immunity from

jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the indenture or the notes.

Currency Indemnity

The Issuer's obligations under the indenture and the notes will be discharged only to the extent that the relevant holder is able to purchase U.S. dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase U.S. dollars in the amount originally to be paid, the Issuer has agreed to pay the difference. The holder, however, agrees that, if the amount of the U.S. dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to the Issuer. The holder will not be obligated to make this reimbursement if the Issuer is in default of its obligations under the notes.

Transfer Agents

The Issuer may appoint one or more transfer agents, at whose designated offices any notes in certificated form may be transferred or exchanged and also surrendered before payment is made at maturity. Initially, the Issuer has appointed the trustee, at its corporate trust office in New York City, as transfer agent. The Issuer may also choose to act as its own transfer agent. The Issuer must notify holders of changes in the transfer agent as described under "— Notices." If the Issuer issues notes in certificated form, holders of notes in certificated form will be able to transfer their notes, in whole or in part, by surrendering their notes, with a duly completed form of transfer, for registration of transfer at the office of the transfer agent in New York City. The Issuer will not charge any fee for the registration or transfer or exchange, except that the Issuer may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Our Relationship with the Trustee

Citibank, N.A. is initially serving as the trustee for the notes. Citibank, N.A. or its affiliates may have other business relationships with the Issuer from time to time.

FORM OF NOTES, CLEARING AND SETTLEMENT

Global Notes

The notes will be issued in the form of one or more registered notes in global form, without interest coupons (the “global notes”), as follows:

- notes sold to qualified institutional buyers under Rule 144A will be represented by one or more Restricted global notes; and
- notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by one or more Regulation S global notes.

Upon issuance, each of the global notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC (“DTC participants”), including Euroclear and Clearstream, or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of each global note with DTC’s custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the initial purchasers; and
- ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Investors may hold their interests in the global notes directly through DTC, Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants in those systems.

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Each global note and beneficial interests in each global note will be subject to restrictions on transfer as described under “Transfer Restrictions.”

Exchanges Between the Global Notes

Beneficial interests in a Regulation S global note may be transferred to a person who takes delivery in the form of a beneficial interest in the related Restricted global note only if the transfer is made pursuant to Rule 144A and the transferor first delivers to the trustee a certificate (in the form provided in the indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Restricted global note may be transferred to a person who takes delivery in the form of a beneficial interest in a related Regulation S global note only upon receipt by the trustee of a written certification (in the form provided in the indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Transfers of beneficial interests within a global note may be made without delivery of any written certification or other documentation from the transferor or the transferee. Transfers of beneficial interests in a Regulation S global note for beneficial interests in a Restricted global note or vice versa will be effected by DTC by means of an instruction originated by the trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of a Regulation S global note and a corresponding increase in the principal amount of a Restricted global note or vice versa, as applicable. Any beneficial interest in one of the global notes that is transferred to a person

who takes delivery in the form of an interest in another global note will, upon transfer, cease to be an interest in such global note and will become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global note for so long as it remains such an interest. Such transfer shall be made on a delivery free of payment basis and the buyer and seller will need to arrange for payment outside the applicable clearing system.

Book-Entry Procedures for the Global Notes

All interests in the global notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of us, the trustee or the initial purchasers are responsible for those operations or procedures.

DTC has advised that it is:

- a limited purpose trust company organized under the New York State Banking Law;
- a “banking organization” within the meaning of the New York State Banking Law;
- a member of the U.S. Federal Reserve System;
- a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
- a “clearing agency” registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC’s participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations; and certain other organizations. Indirect access to DTC’s system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC (including Euroclear or Clearstream).

So long as DTC or its nominee is the registered owner of a global note, DTC or its nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the registered owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium, if any, and interest with respect to the notes represented by a global note will be made by the trustee to DTC’s nominee as the registered holder of the global note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary practices and will be the responsibility of those participants or indirect participants and not of DTC, its nominee or us.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a global note to such persons may be limited. Because DTC can only act on behalf of its participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a global note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical individual definitive certificate in respect of such interest.

Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a global note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depository to take action to effect final settlement by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a global note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a global note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the global notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Notes

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form unless:

- DTC notifies us at any time that it is unwilling or unable to continue as depository for the global notes and a successor depository is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act, and a successor depository is not appointed within 90 days;
- we, at our option, notify the trustee that we elect to cause the issuance of certificated notes; or
- certain other events provided in the indenture occur, including the occurrence and continuance of an event of default with respect to the notes.

In all cases, certificated notes delivered in exchange for any global note will be registered in the names, and issued in any approved denominations, requested by the depository and will bear a legend indicating the transfer restrictions of that particular global note.

For information concerning paying agents and transfer agents for any notes issued in certificated form, see “Description of the Notes—Payment Provisions—Paying Agents.”

TAX CONSIDERATIONS

The following discussion summarizes certain material Mexican, United States and Brazilian tax consequences arising from the purchase, ownership and disposition of the notes or a beneficial interest therein, as applicable. This summary does not purport to be a comprehensive description of all potential tax considerations that may be relevant to a decision to purchase, own or dispose of the notes and is not intended as tax advice to any particular investor. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Mexico, the United States and Brazil.

Prospective purchasers of the notes or a beneficial interest therein should consult their own tax advisors as to the Mexican, United States and Brazilian tax consequences of the purchase, ownership and disposition of the notes or a beneficial interest therein, including, in particular, the application of the tax considerations discussed below to their particular situations, as well as the application of state, local, foreign or other tax laws.

Mexican Tax Considerations

The following summary contains a description of the principal Mexican federal income tax consequences of the purchase, ownership and disposition of Notes by a Non-Mexican Holder (as defined below). This summary is not a comprehensive description or an opinion of all the tax considerations that may be relevant to a decision to purchase, hold or dispose of the notes. In addition, it does not describe any tax consequences (1) arising under any laws other than the federal tax laws of Mexico (including the laws of any state or municipality within Mexico that are not discussed in this summary) or under any treaty for the avoidance of double taxation entered into by Mexico, or (2) that are applicable to a resident of Mexico for tax purposes. This summary is based on the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), its regulations, and the administrative general rules contained in the Administrative Tax Regulations for 2024 (*Resolución Miscelánea Fiscal para 2024*) in effect on the date of this Offering Memorandum, which is subject to change, possibly with retroactive effect, or to new or different interpretations, which could affect the continued validity of this general summary.

Potential investors should consult with their own tax advisors regarding the particular consequences of the purchase, ownership or disposition of the notes under the federal laws of Mexico (and the laws of any state or municipality of Mexico) or any other jurisdiction or under any applicable double taxation treaty to which Mexico is a party.

A “Non-Mexican Holder” is a holder of the notes who is not a resident of Mexico for tax purposes and that does not hold the notes through a permanent establishment for tax purposes in Mexico to which income in respect of the notes is attributable. Tax residency is a highly technical definition that involves the application of a number of factors that are specified in the Federal Tax Code. Under the Federal Tax Code, an individual is a resident of Mexico for tax purposes if the individual has established his or her home in Mexico. In the event the individual also has a home in another jurisdiction different from Mexico, the individual will be deemed a resident of Mexico for tax purposes when his or her “center of vital interests” is in Mexico. A “center of vital interests” is deemed to exist in Mexico if, among other considerations: (1) more than 50% of an individual’s total income, in any calendar year, qualifies as Mexican source income, or (2) when an individual’s principal center of professional activities is located in Mexico. Mexican residents for tax purposes who file a change of tax residence to a country or jurisdiction that does not have a comprehensive tax information exchange agreement and a tax treaty that provides for the assistance in to facilitate cooperation in the assessment and collection of taxes with Mexico and in which his/her income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing of notice of residence change and during the following five fiscal years. Mexican nationals are deemed Mexican residents for tax purposes, unless such nationals can demonstrate otherwise. A legal entity (including foreign legal arrangements treated as legal entities for Mexican tax purposes) is a resident of Mexico for tax purposes if the main administration of its business or the place of effective management is in Mexico.

If a legal entity or an individual is deemed a resident of Mexico for tax purposes or is a Non-Mexican resident with a permanent establishment in Mexico for Mexican tax purposes, any and all income earned by such Mexican resident or any income attributable to that permanent establishment of such Non-Mexican resident, as the case may be, will be subject to Mexican income taxes, in accordance with applicable tax laws.

Furthermore, according to the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), non-residents without a permanent establishment in Mexico (or whose income is not attributable to a permanent establishment) should be subject to income tax in Mexico only on their Mexican sourced income. Interest payments shall be deemed sourced in Mexico when the capital is placed or invested in Mexico, and/or when interest payments are made by a resident of Mexico for tax purposes or by a non-resident with a permanent establishment in Mexico.

Accordingly, interest paid by residents of Mexico for tax purposes to non-residents will generally be subject to an income tax withholding, at rates that vary depending on the nature of the payor, the beneficial owner of the interest and/or the characteristics of the transactions that give rise to the interest. The applicable withholding tax rates contemplated under the Mexican Income Tax Law range from 4.9% to 40% (applicable in specific cases to entities who are residents in preferential tax regimes).

Mexican Income Tax

Payment of Interest

Under the Mexican Income Tax Law, payments of interest we make in respect of the notes (including original issue discount and premiums, if any, which, under Mexican Income Tax Law, are deemed to be interest) to a Non-Mexican Holder will be generally subject to a Mexican withholding tax assessed at a rate of 4.9% if, as expected, the following requirements are met:

- the notes are placed outside Mexico through banks or brokerage-dealers in a country with which Mexico has entered into a tax treaty for the avoidance of double taxation, which is in effect (which currently includes the United States);
- we submit notice of the offering of the notes and its main characteristics to the CNBV in accordance with Article 7, second paragraph of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and Articles 24 Bis, 24 Bis 1 and other applicable provisions of the General Regulations Applicable to Co-Issuers and Other Market Participants (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a Otros Participantes del Mercado de Valores*); and
- the information requirements specified from time-to-time by the Mexican Tax Administration Service (*Servicio de Administración Tributaria*) under its general rules are duly and timely satisfied including, after completion of the transaction described in this Offering Memorandum, the filing before the Mexican Tax Administration Service of certain information related to the issuance of the notes and this Offering Memorandum.

If any of the above-mentioned requirements are not met, the applicable withholding tax rate to interest payments under the notes made to Non-Mexican Holders will be 10% or higher.

If the beneficial owners, whether directly or indirectly, individually, severally or jointly with related parties, that receive more than 5% of the aggregate amount of each interest payment under the notes (i) are persons who own, directly or indirectly, individually or with related parties, more than 10% of our voting stock or (ii) are corporations or other entities, of which more than 20% of the voting stock of which is owned, directly or indirectly, jointly or severally by us or by persons related to us, then the Mexican withholding tax rate applicable to payments of interest under our Notes may increase substantially to the maximum applicable rate under the Mexican Income Tax Law (which is currently 35%). For these purposes, persons will be related if:

- one person holds an interest in the business of the other person;
- both persons have common interests; or
- a third party has an interest in the business or assets of both persons.

Payments of interest we make in respect of the notes to a non-Mexican pension or retirement fund will be generally exempt from Mexican withholding taxes, provided that:

- the fund is the beneficial owner of such interest payment;
- the fund is duly established pursuant to the laws of its country of establishment; and
- the fund is exempt from taxation in such country of residence.

Holders or beneficial owners of the notes may be requested, subject to specified exemptions and limitations, to provide certain information or documentation necessary to enable us to apply the appropriate Mexican withholding tax rate on interest payments that we make to such holders or beneficial owners. Additionally, the Mexican Income Tax Law provides that, in order for a non-resident holder to be entitled to the benefits under the treaties for the avoidance of double taxation entered into by to which Mexico is a party, it is necessary for the non-resident holder to meet the procedural requirements established in such law. In the event that the specified information or documentation concerning the holder or beneficial owner, if requested, is not timely or completely provided, we may withhold Mexican tax from that interest payment on the notes to that holder or beneficial owner at the maximum applicable rate, and our obligation to pay additional interest relating to those withholding taxes would be limited as described under “Description of the Notes—Payment of Additional Interest.”

Mexican Value Added Tax

There is no Mexican Value Added Tax, issue, registration or similar taxes payable by a foreign holder with respect to the notes.

Mexican Financial Transaction Tax

Under current Mexican tax laws, there are no Mexican estate, gift, inheritance, succession or similar taxes generally applicable with respect to the acquisition, ownership or disposition of the notes by a Non-Mexican Holder, nor any Mexican stamp, issue, registration or similar taxes. Gratuitous transfers of the notes in certain circumstances may result in the imposition of Mexican income taxes upon the recipient.

Brazilian Tax Considerations

The following summarizes the main Brazilian tax considerations related to the acquisition, ownership and disposition of the notes by an individual, entity, trust or organization resident or domiciled outside Brazil for purposes of Brazilian taxation (“Non-Resident Holder”). The following discussion is based on the federal tax laws of Brazil as in effect on the date hereof, and it is subject to any change in Brazilian law that may come into effect after such date. The information set forth below is intended to be a general description only and does not address all possible tax consequences relating to an investment in the notes and is not applicable to all categories of investors, some of which may be subject to special rules. The discussion below does not address any tax consequences under the tax laws of any state or locality of Brazil. This discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a Non-Resident Holder. The earnings of foreign companies and persons not resident in Brazil are taxed in Brazil when derived from Brazilian sources or when the transaction giving rise to such earnings involves assets in Brazil. Investors should note that, as to the discussion below, other income tax rates or treatment may be provided for in any applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled. Investors should also note that there is no tax treaty between Brazil and the United States.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF PURCHASING THE NOTES, INCLUDING, WITHOUT LIMITATION, THE CONSEQUENCES OF THE RECEIPT OF INTEREST AND THE SALE, REDEMPTION OR REPAYMENT OF THE NOTES.

Payments on the Notes Made by the Issuer

A Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or when the transaction giving rise to such earnings involves assets located in Brazil. The applicability of Brazilian taxes with respect to payments on the notes will depend on the origin of such payments and on the domicile of the beneficiaries thereof.

Therefore, based on the fact that the Issuer is not considered for tax purposes to be domiciled in Brazil, any income (including interest and/or original interest discount, or “OID,” if any) paid by it in respect of the notes to Non-Resident Holders should not be subject to withholding in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by the Issuer outside Brazil.

Sale or Other Taxable Disposition of Notes

Capital gains realized on the sale or disposition of assets located in Brazil by a Non-Resident Holder are subject to taxation in Brazil regardless of whether the acquirer is resident or domiciled in Brazil, according to Section 26 of Law No. 10,833, of December 29, 2003, and Section 18 of Law No. 9,249, of December 26, 1995. Based on the fact that the notes are issued and registered outside the Brazilian territory, they should not fall within the definition of assets located in Brazil for purposes of Law No. 9,249/95 and Law No. 10,833/03. As so, gains on the sale or the disposition of the notes made outside Brazil should not be subject to Brazilian taxes. However, given the general and unclear scope of this legislation and the absence of judicial guidance in respect thereof, we cannot assure prospective investors that such interpretation will prevail in the courts of Brazil.

As a result, in case the notes are deemed to be assets located in Brazil, gains recognized by a Non-Resident Holder from their sale or other disposition to (1) a non-resident of Brazil or (2) a resident of Brazil may be subject to income tax in Brazil at progressive rates as follows: (1) 15% for the portion of the gain that does not exceed R\$5 million, (2) 17.5% for the portion of the gain that exceeds R\$5 million but does not exceed R\$10 million, (3) 20% for the part of the gain that exceeds R\$10 million but does not exceed R\$30 million, and (4) 22.5% for the part of the gain that exceeds R\$30 million, or at a flat tax rate of 25% if such Non-Resident Holder is located in a country that does not impose any income tax or that imposes it at a maximum rate lower than 17% (“Low or Nil Tax Jurisdiction”), or in a country or location where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents, unless, in each case, a lower rate is provided for in an applicable tax treaty between Brazil and the country where the Non-Resident Holder has its domicile. In this event, the person responsible for the collection of the withholding income tax (“WHT”) will be: (i) the notes acquirer (if resident in Brazil); or (ii) the attorney in fact or legal representative of the non-resident acquirer, according to Section 26 of Law No. 10,833/2003.

Please note that different rates may apply if the tax treaty between the country of residence of the Non-Resident Holder and Brazil sets forth a lower WHT rate.

In certain circumstances, if a given transaction is not subject to WHT and tax authorities take the position that the WHT should have been levied, tax authorities may increase the taxable basis of the WHT, as if the amount actually received by the beneficiary outside Brazil had already been reduced by the applicable WHT (gross-up).

Discussion on Low or Nil Tax Jurisdictions

On June 23, 2008, Law No. 11,727 (“Law No. 11,727/08”), with effects as from January 1, 2009, created the concept of a “Privileged Tax Regime,” in connection with transactions subject to Brazilian transfer pricing rules and also applicable to thin capitalization/cross-border interest deductibility rules, which is broader than the concept of a Low or Nil Tax Jurisdiction. Pursuant to Law No. 11,727/08, a jurisdiction will be considered a Privileged Tax Regime if it: (1) does not tax income or taxes it at a maximum rate lower than 17%; (2) grants tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or in the territory, or (b) conditioned upon the non-exercise of a substantial economic activity in the country or in the territory; (3) does not tax or taxes foreign sourced income at a maximum rate lower than 17%; or (4) restricts the disclosure of information related to the ownership of shares, goods and rights, as well as to the information related to the economic transactions carried out.

Brazilian tax authorities enacted Normative Instruction No. 1,037 (“IN 1,037/10”) listing (1) the countries and jurisdictions considered as Low or Nil Tax Jurisdictions; and (2) Privileged Tax Regimes. This is an exhaustive list.

The interpretation of the current tax legislation could lead to the conclusion that the above-mentioned concept of “Privileged Tax Regime” should apply solely for purposes of Brazilian transfer pricing and thin capitalization rules, stricter deductibility rules and other specific situations for specific taxpayers (a binding tax ruling - *Solução de Consulta COSIT* No. 575, dated as of December 20, 2017 - issued by Brazilian tax authorities seems to confirm this interpretation). However, one cannot assure that subsequent legislation or interpretations issued by the Brazilian tax authorities regarding the definition of a “Privileged Tax Regime” provided by Law No. 11,727/08 will not also apply to payments to Non-Resident Holders in connection with the notes.

In the event that the Privileged Tax Regime concept is interpreted to be applicable to transactions such as payments related to the notes to Non-Resident Holders, Law No. 11,727/08 would accordingly result in the imposition of taxation to a Non-Resident Holder that meets the Privileged Tax Regime requirements in the same way applicable to a resident located in a Low or Nil Tax Jurisdiction.

We recommend prospective investors to consult their own tax advisors from time to time to verify any possible tax consequences arising of IN 1,037/10 and Law No. 11,727/08. If the Brazilian tax authorities determine that the concept of “Privileged Tax Regime” provided by Law No. 11,727/08 will also apply to a Non-Resident Holder on payments potentially made by a Brazilian source, the WHT applicable to such payments could be assessed at a rate of 25%.

Payments on the Notes Made by Torres do Brasil as Guarantor

In the event the Issuer fails to timely pay any amount due, including any payment of principal, interest or any other amount that may be due and payable in respect of the notes to a Non-Resident Holder, Torres do Brasil, as guarantor, will be required to assume the obligation to pay such amounts due.

As there is no specific legal provision dealing with the imposition of WHT on payments made by Brazilian sources to non-resident beneficiaries under guarantees and no uniform decision from the Brazilian courts, there is a risk that tax authorities could take the position that the funds remitted by Torres do Brasil as guarantor to the Non-Resident Holders may be subject to the imposition of WHT at a generally applicable 15% rate or at a 25% rate, if the Non-Resident Holders are located in a Low or Nil Tax Jurisdiction.

There is uncertainty regarding the applicable tax treatment of payments of principal amounts by the guarantor to Non-Resident Holders. Arguments exist to sustain the position that (a) payments made under a guarantee structure should be subject to the imposition of WHT according to the nature of the guaranteed payment, in which case only interest and fees should be subject to taxation at the rates of 15% or 25%, in cases of beneficiaries located in a Low or Nil Tax Jurisdiction, as defined by the Brazilian legislation; or (b) that payments made under a guarantee by Brazilian sources to non-resident beneficiaries should not be subject to the imposition of WHT, as such payments are made on the account and at the order of the issuer. As noted above, the imposition of WHT under these circumstances has not been settled by the Brazilian courts.

Furthermore, fees and commissions payable by a Brazilian source may also be subject to (depending on the nature of the transaction): (i) WHT at a rate of up to 25%; (ii) *Contribuição ao Programa de Integração Social* (PIS) and *Contribuição para o Financiamento da Seguridade Social* (COFINS) at the total rate of 9.25%; and (iii) Tax on Services (ISS) at rates which may vary from 2% to 5%.

If Torres do Brasil is required to withhold or deduct amounts for any taxes or other governmental charges imposed by Brazil, Torres do Brasil will pay such additional amounts as are necessary to ensure that the holders of the notes receive the same amount as such holders would have received without such withholding or deduction, subject to certain exceptions. See “Description of the Notes—Payment of Additional Interest.”

Please note that different rates may apply if the tax treaty between the country of residence of the Non-Resident Holder and Brazil sets forth a lower WHT rate.

Other Brazilian Tax Considerations

Pursuant to Decree No. 6,306, of December 14, 2007, as amended, conversions of foreign currency into Brazilian currency or vice versa are subject to the tax on foreign exchange transactions (“IOF/Exchange”), including foreign exchange transactions in connection with payments made by a Brazilian guarantor under the guarantee to Non-Resident Holders. Currently, the IOF/Exchange rate is 0.38% for most foreign exchange transactions, including foreign exchange transactions in connection with payments made by a Brazilian guarantor to Non-Resident Holders.

Despite the above, in any case, the Brazilian government is allowed to reduce the IOF/Exchange rate at any time down to 0% or increase the IOF/Exchange rate at any time up to 25%, but only with respect to future foreign exchange transactions.

Stamp, Transfer or Similar Taxes

Generally, there are no stamp, transfer or other similar taxes in Brazil applicable to the transfer, assignment or sale of the notes outside Brazil, nor any federal inheritance, donation or succession tax applicable to the ownership, transfer or disposition of the notes; however, there are donation and inheritance taxes imposed in some states of Brazil on gifts and bequests by the Non-Resident Holder to individuals or entities domiciled or residing within such Brazilian states.

The above description is not intended to constitute a complete analysis of all Brazilian tax consequences relating to the ownership of notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.

U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a U.S. holder (defined below) of a note. This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable Treasury regulations, laws, rulings and decisions now in effect, and the income tax treaty between United States and Mexico (together, with subsequent protocols thereto, the “Tax Treaty”) all of which are subject to change, possibly with retroactive effect. This summary deals only with beneficial owners of notes that will hold notes as capital assets and acquired notes upon original issuance at their issue price. This summary does not address particular tax considerations that may be applicable to investors that are subject to special tax rules, such as banks, tax-exempt entities, insurance companies, regulated investment companies, real estate investment trusts, brokers or dealers in securities or currencies, dealers and traders in securities electing a mark to market method of tax accounting, persons that will hold notes as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction, entities taxed as partnerships or the partners therein or entities taxed as pass-through entities for U.S. federal income tax purposes, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year, or persons that have a “functional currency” other than the U.S. dollar.

This summary addresses only U.S. federal income tax consequences, and does not address consequences arising under state, local, foreign tax laws, the alternative minimum tax or the Medicare tax on net investment income or under special timing rules prescribed under section 451(b) of the Code. Investors should consult their own tax advisors in determining the tax consequences to them of holding notes under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

As used herein, a “U.S. holder” is a beneficial owner of a note that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise will be subject to U.S. federal income taxation on a net income basis in respect of the note.

Payments of Interest and Additional Interest

The gross amount of stated interest and additional interest, (*i.e.*, without reduction for withholding tax imposed by a relevant jurisdiction paid at an appropriate rate applicable to such U.S. holder, as the case may be) will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is actually or constructively received, in accordance with the U.S. holder’s method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the notes will be issued without original issue discount (“OID”) for U.S. federal income tax purposes. In general, however, if the notes are issued with OID at or above a *de minimis* threshold, a U.S. holder will be required to include OID in gross income, as ordinary income, under a “constant-yield method” before the receipt of cash attributable to such income, regardless of the U.S. holder’s regular method of accounting for U.S. federal income tax purposes.

Subject to generally applicable limitations and conditions, the Mexican or Brazilian withholding tax, as the case may be, that is imposed on interest may be eligible for credit against such U.S. holder’s U.S. federal income tax liability. These generally applicable limitations and conditions include new requirements adopted by the IRS in regulations promulgated in December 2021 and any Mexican or Brazilian tax will need to satisfy these requirements in order to be a creditable tax for a U.S. holder. In the case of a U.S. holder that either (i) is eligible for, and properly

elects, the benefits of the Tax Treaty, in the case of any Mexican tax on interest, or (ii) consistently elects to apply a modified version of these rules under recently issued temporary guidance and complies with specific requirements set forth in such guidance, the Mexican or Brazilian tax on interest, as the case may be, generally will be treated as meeting the new requirements and therefore as a creditable tax. In the case of all other U.S. holders, the application of these requirements to the Mexican or Brazilian tax on interest is uncertain and we have not determined whether these requirements have been met. If the applicable non-U.S. tax is not a creditable tax for a U.S. holder or the U.S. holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. holder may be able to deduct the non-U.S. tax, in computing such U.S. holder's taxable income for U.S. federal income tax purposes. Interest and additional interest will constitute income from sources without the United States for foreign tax credit purposes and, for U.S. holders that elect to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Sale, Exchange, Redemption and Retirement of Notes

Upon the sale, exchange or retirement of a note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement (less any accrued interest, which will be taxable as such) and the U.S. holder's tax basis in such note. A U.S. holder's tax basis in a note will generally equal the cost of the note to such holder. Gain or loss recognized by a U.S. holder generally will be long-term capital gain or loss if the U.S. holder has held the note for more than one year at the time of disposition, and short-term capital gain or loss otherwise. Long-term capital gains recognized by a non-corporate holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deduction of capital losses is subject to limitations.

A U.S. holder generally will not be entitled to credit any Mexican or Brazilian tax imposed on the sale or other disposition of the notes against such U.S. holder's U.S. federal income tax liability, except in the case of either (i) a U.S. holder that is eligible for, and properly elects to claim, the benefits of the Tax Treaty, or (ii) a U.S. holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under recently issued temporary guidance and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. holder on the sale or other disposition of the notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes (except to the extent that the U.S. holder establishes the right to treat any gain as foreign source income under the Tax Treaty). Consequently, even if the withholding tax qualifies as a creditable tax, a U.S. holder who is not able to treat any gain (upon which the tax is imposed) as foreign source income under the tax treaty may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the non-U.S. tax is not a creditable tax or is not claimed as a credit by the U.S. holder pursuant to the tax treaty, the tax would reduce the amount realized on the sale or other disposition of the notes even if the U.S. holder has elected to claim a foreign tax credit for other taxes in the same year. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale or other disposition of the notes and any Mexican tax imposed on such sale or disposition.

Specified Foreign Financial Assets

Individual U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of \$50,000 on the last day of the taxable year or \$75,000 at any time during the taxable year (and in some circumstances, a higher threshold) are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a

non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which may include notes issued in certificated form) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the notes, including the application of the rules to their particular circumstances.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments on the notes made to, and the proceeds of dispositions of notes effected by, certain U.S. holders. In addition, certain U.S. holders may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Holders who are not "United States persons" (as defined in the Code) may be required to comply with applicable certification procedures to establish that they exempt from such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

TRANSFER RESTRICTIONS

The notes have not been registered, and will not be registered, under the Securities Act or any other U.S. securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act.

Accordingly, the notes are being offered and sold only:

- (1) in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and
- (2) outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

The notes have not been and will not be registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the CNBV and may not be publicly offered or sold in Mexico or otherwise subject to brokerage activities in Mexico. The notes may be offered and sold in Mexico on a private placement basis to investors that qualify as institutional or qualified investors under Mexican law, pursuant to the private placement exemption set forth in Article 8 of the LMV and regulations thereunder.

The notes are subject to restrictions on transfer as summarized below. By purchasing notes, you will be deemed to have made the following acknowledgements, representations to and agreements with us and the initial purchasers:

- (1) You acknowledge that:
 - the notes have not been registered under the Securities Act or any other U.S. securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other U.S. securities laws; and
 - the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable U.S. securities laws.
- (2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that either:
 - you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing the notes for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the notes to you in reliance on Rule 144A; or
 - you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person and you are purchasing notes in an offshore transaction in accordance with Regulation S.
- (3) You acknowledge that neither we nor the initial purchasers nor any person representing us or the initial purchasers has made any representation to you with respect to us or the offering of the notes, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning us and the notes as you have deemed necessary in connection with your decision to purchase notes, including an opportunity to ask questions of and request information from us.
- (4) If you are a purchaser of notes pursuant to Rule 144A, you represent that you are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or

accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act.

(5) You agree, and each subsequent holder of the notes by its acceptance of the notes will agree, that the notes may be offered, sold or otherwise transferred only:

- to a person who the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account of a qualified institutional buyer or buyers in a transaction meeting the requirements of Rule 144A;
- in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; or
- pursuant to an exemption from registration under the Securities Act (if available).

As a condition to registration of transfer of the notes pursuant to the exemption referred to in the third bullet above, we or the trustee may require delivery of any documents or other evidence that we or the trustee each, in our or its discretion, deems necessary or appropriate to evidence compliance with such exemption, and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

(6) You also acknowledge that:

- the above restrictions on resale are expected to apply from the issue date until the issuer decides to remove the below legend (in the case of Restricted global notes) or 40 days (in the case of Regulation S global notes) after the issue date (the “resale restriction period”), and will not apply after the applicable resale restriction period ends; and
- each Restricted global note will contain a legend substantially to the following effect:

NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN HAS BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) AND, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS. AS A CONDITION TO REGISTRATION OF TRANSFER OF THIS GLOBAL NOTE PURSUANT TO CLAUSE (3) ABOVE, THE ISSUER OR THE TRUSTEE MAY REQUIRE DELIVERY OF ANY DOCUMENTS OR OTHER EVIDENCE THAT IT, IN ITS DISCRETION, DEEMS NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH THE EXEMPTION REFERRED TO IN CLAUSE (3). THIS LEGEND MAY BE REMOVED SOLELY IN THE DISCRETION AND AT THE DIRECTION OF THE ISSUER.

- each Regulation S global note will contain a legend substantially to the following effect:

NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN HAS BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE

“SECURITIES ACT”). NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN MAY BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS THIS GLOBAL NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THIS LEGEND MAY BE REMOVED SOLELY IN THE DISCRETION AND AT THE DIRECTION OF THE ISSUER.

(7) You understand that the notes will be represented by one or more Restricted global notes and one or more Regulation S global notes and that certification requirements may apply before an interest in one global note may be transferred to a person who takes delivery in the form of an interest in the other global note. See “Form of Notes, Clearing and Settlement—Exchanges Between Global Notes.”

(8) If you are acquiring the notes in Mexico, on a private placement basis, you represent that you qualify as an institutional or qualified investor in accordance with the Mexican Securities Market Law (*Ley del Mercado de Valores*) and regulations thereunder.

(9) You acknowledge that we, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the initial purchasers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement among us and the initial purchasers, Sitios has agreed to sell to the initial purchasers, and each of the initial purchasers has agreed, severally and not jointly, to purchase from Sitios, the principal amount of notes set forth opposite its name below:

<u>Initial Purchasers</u>	<u>Principal Amount of the Notes</u>
	(in U.S.\$)
BofA Securities, Inc.	243,750,000
Citigroup Global Markets Inc.	243,750,000
Barclays Capital Inc.	81,250,000
Scotia Capital (USA) Inc.	81,250,000
Total	650,000,000

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the notes sold under the purchase agreement, if any of these notes are purchased. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased or the purchase agreement may be terminated.

Sitios has agreed to indemnify the several initial purchasers and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. The initial purchasers may offer and sell the notes through certain of their affiliates.

The initial purchasers have advised us that they propose initially to offer the notes at the offering prices set forth on the cover page of this offering memorandum. After the initial offering, the offering prices or any other term of the offering may be changed.

Notes Are Not Being Registered

The notes have not been registered under the Securities Act or any U.S. state or other securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

The notes have not been registered under the Securities Act or any U.S. state or other securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration

under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under “Transfer Restrictions.”

New Issue of Notes

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system other than the Luxembourg Stock Exchange. However, we will not be required to maintain such listing, should it be approved. We have been advised by the initial purchasers that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Short Positions

In connection with the offering, the initial purchasers may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater principal amount of notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the initial purchasers’ purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the initial purchasers make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Settlement

Delivery of the notes is expected on or about November 25, 2024, which will be the third business day following the date of pricing of the notes (“T+3”) against payment for the notes. Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the date that is one business day preceding the settlement date will be required, by virtue of the fact that the notes initially settle in T+3, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes during such period should consult their own advisors.

Other Relationships

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Some of the initial purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us for which they received or will receive customary fees and expenses. Affiliates of Citigroup Global Markets Inc. and Scotia Capital (USA) Inc. are lenders under the U.S. Dollar Term Loan, which will be repaid in full with proceeds from this offering, and the Mexican Pesos Term Loan. See “Management’s

Discussion and Analysis of Financial Condition and Results of Operations—Existing Indebtedness” and “Use of Proceeds.”

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Sales Outside the United States

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

European Economic Area

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the EEA has been prepared, and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of notes in any member state of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended or superseded, the “Prospectus Regulation”) from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

In the EEA, this offering memorandum is only for distribution to, and it is only directed at, non-retail investors (being persons who are not “retail investors” as defined in this section titled “Notice to Prospective Investors in the European Economic Area”) and any investment or investment activity to which this offering memorandum relates is available only to, and will be engaged in only with, non-retail investors. Any person in the EEA who is a “retail investor” should not act or rely on this offering memorandum or its contents. Each person in the EEA who purchases any of the notes will be deemed to have represented and warranted that they are a non-retail investor.

United Kingdom

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of assimilated law by virtue of the European Union (Withdrawal) Act 2018 (as amended, and together with any statutory instruments made in exercise of the powers conferred by such Act, the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the

“FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of assimilated law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of assimilated law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the UK has been prepared, and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of notes in the UK will be made pursuant to an exemption from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the UK law.

In the UK, this offering memorandum is for distribution only to non-retail investors (being persons who are not retail investors as defined in this section titled “Notice to Prospective Investors in the United Kingdom”) who are also: (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (c) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order; or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Each person in the UK who purchases any of the notes will be deemed to have represented and warranted that they are a relevant person.

References in this section titled “United Kingdom” to UK legislation include any successor legislation to that legislation.

Mexico

The notes have not been and will not be registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the CNBV, and may not be offered or sold publicly in Mexico or otherwise subject to brokerage activities in Mexico. The notes may be offered and sold in Mexico, on a private placement basis, solely to investors that qualify as institutional or qualified investors, pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law. (*Ley del Mercado de Valores*) and regulations thereunder. The information contained in this offering memorandum is solely the responsibility of the Issuer and has not been reviewed or authorized by the CNBV and may not be publicly distributed in Mexico.

Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the notes described herein. The notes may not be publicly offered, directly or indirectly, in, into or from Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes constitutes a prospectus pursuant to FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this offering memorandum nor any other offering or marketing material relating to the offering nor the notes have been or will be filed with or approved by any Swiss regulatory authority. The notes are not subject to the supervision by any Swiss regulatory authority (e.g., the Swiss Financial Markets Supervisory Authority FINMA), and investors in the notes will not benefit from protection or supervision by any such authority.

Chile

The notes being offered will not be registered under the Securities Market Law (*Ley de Mercado de Valores*) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the Chilean Financial Markets Commission (*Comisión para el Mercado Financiero*, or the “CMF”) and, therefore, the notes are not subject to the supervision of the CMF. As the securities are unregistered in Chile, we are not required to disclose public information about the notes in Chile. Accordingly, the notes cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding Securities Registry. The notes may only be offered in Chile in circumstances that do not constitute a public offering under Chilean law or in compliance with General Rule (*Norma de Carácter General*) No. 336 of the CMF, dated June 27, 2012 (“CMF Rule 336”). Pursuant to the Securities Market Law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law. However, pursuant to Rule 336, the notes may be privately offered in Chile to certain “qualified investors” (*Inversionistas Calificados*) identified as such therein (which in turn are further described in General Rule No. 216 of the CMF, dated June 12, 2008).

CMF Rule 336 requires the following information to be provided to prospective investors in Chile:

- (1) Date of commencement of the offer: November 15, 2024. The offer of the notes is subject to CMF Rule 336;
- (2) The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the CMF, nor with the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the CMF, due to the notes not being subject to the oversight of the CMF;
- (3) Since the notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the notes in Chile; and
- (4) The notes shall not be subject to public offering in Chile unless registered with the corresponding Securities Registry of the CMF.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other

circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong). No advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

The notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 of Japan, as amended) (the “FIEA”) and each initial purchaser has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Singapore

Each initial purchaser has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each initial purchaser has represented, warranted and agreed that it has not offered or sold any notes or caused the notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any notes or cause the notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Colombia

The notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 to offer privately the notes to their Colombian clients.

Dubai International Financial Centre

This offering memorandum relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This offering memorandum is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The notes to which this offering memorandum

relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

Peru

The notes and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the notes and therefore, the disclosure obligations set forth therein will not be applicable to the Issuer or the sellers of the notes before or after their acquisition by prospective investors. The notes and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the *Superintendencia del Mercado de Valores* (Peruvian capital market regulator, the “SMV”) nor have they been registered with the SMV’s *Registro Público del Mercado de Valores* (Securities Market Public Registry). Accordingly, the notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian law and regulations and complies with the provisions on private offerings set forth therein.

Italy

The offering of the notes has not been registered pursuant to Italian securities legislation and, therefore, no notes may be offered, sold or delivered, nor may copies of this offering memorandum or of any other document relating to the notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “*Financial Services Act*”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“*Regulation No. 11971*”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the notes or distribution of copies of this offering memorandum or any other document relating to the notes in the Republic of Italy under (a) or (b) above must be:

- i. made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “*Banking Act*”); and
- ii. in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- iii. in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

In accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971.

Failure to comply with such rules may result in the sale of such notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Taiwan

The notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the notes in Taiwan.

Brazil

The offer and sale of the notes have not been and will not be registered with the Brazilian Securities Commission (*comissão de valores mobiliários*, or “CVM”) and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No 160, dated July 13, 2022, as amended, or unauthorized distribution under Brazilian laws and regulations. The notes will be authorized for trading on organized non-Brazilian securities markets. The trading of these notes on regulated securities markets in Brazil is prohibited.

LEGAL MATTERS

The validity of the notes offered and sold in this offering will be passed upon for the Issuer by Cleary Gottlieb Steen & Hamilton LLP, its United States counsel, and for the initial purchasers by Davis Polk & Wardwell LLP, United States counsel to the initial purchasers. Certain matters of Mexican law relating to the notes will be passed upon for the Issuer by Aziz & Kaye Abogados, S.C., its Mexican counsel, and for the initial purchasers by Creel, García-Cuellar, Aiza y Enriquez, S.C., Mexican counsel to the initial purchasers. Certain matters of Brazilian law relating to the notes will be passed upon for the Issuer by Veirano Advogados, its Brazilian counsel.

INDEPENDENT AUDITORS

The consolidated financial statements of Sitios Latinoamérica, S.A.B. de C.V. as of December 31, 2023 and 2022, for the year ended December 31, 2023 and for the period from August 8 to December 31, 2022 included in this offering memorandum have been audited by EY Mexico, as stated in their report, appearing herein. The EY Mexico audit report covering the audited financial statements contains a qualification related to the recognition of certain gains in connection with the Revaluation, as the same relates to the application of IFRS 13 Fair Value Measurement and IAS 16 Property, Plant and Equipment. As a result of the Revaluation, the Company recognized a revaluation surplus in shareholders' equity of approximately Ps.3,960 million, net of deferred taxes. The qualification paragraph states that the elements and assumptions considered by our management in determining the revaluation were not sufficient to obtain adequate audit evidence that would have allowed EY Mexico to evaluate the appropriate reassessment of the long-lived assets located in these countries. The statements of financial position in our unaudited interim condensed consolidated financial statements reflect the valuation of these assets following the Revaluation and the effect of the related revaluation surplus in shareholders' equity as of September 30, 2024. Deloitte has performed a review, in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information by the Independent Auditor of the Entity, of our unaudited interim condensed consolidated financial statements. As stated in Deloitte's review report, a review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that it would become aware of all significant matters that might be identified in an audit. Accordingly, Deloitte does not express an audit opinion. The degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Although Deloitte's report includes an emphasis paragraph with respect to the qualification in EY Mexico's audit report, their review report expresses an unqualified conclusion on the unaudited interim condensed consolidated financial statements in that respect. For additional information regarding Deloitte's report, see "Presentation of Financial Information."

LISTING AND GENERAL INFORMATION

Issuer

The Issuer's address is Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, Mexico City 11000, Mexico.

Clearing Systems

An application has been made to have the notes accepted for clearance through Euroclear and Clearstream. In addition, the notes have been accepted for clearance through DTC. The Issuer's LEI code is 984500D2C0CDC0BFDD35. The CUSIP and ISIN numbers for the notes are as follows:

	<u>Rule 144A Global Notes</u>	<u>Regulation S Global Notes</u>
CUSIP	03217K AB4	P87026 AA1
ISIN	US82983PAA12	USP87026AA16

Listing

Application will be made for the listing of and quotation for the notes on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange takes no responsibility for the accuracy of any of the statements made or opinions or reports contained in this offering memorandum. The notes will be traded on the Euro MTF Market in a minimum board lot size of U.S.\$200,000 for so long as any of the notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require. The application to the Official List of the Luxembourg Stock Exchange is not to be taken as an indication of the merits of the Issuer or the notes. There is currently no public market for the notes.

For so long as the notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents may be inspected and obtained free of charge at the specified office of the Issuer and the listing agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- copies of the Issuer's applicable corporate documents;
- the Indenture, as may be amended or supplemented from time-to-time; and
- the Issuer's published annual audited consolidated financial statements and any published interim unaudited consolidated financial statements.

The Issuer does not publish non-consolidated financial statements. To the best of the Issuer's knowledge, the independent accountant's report included herein has been accurately reproduced. For so long as the notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, in the event that the notes which are issued in global certificated form are exchanged for notes in definitive registered form or definitive registered notes, the Issuer will appoint and maintain a paying agent in Luxembourg, where the certificates in definitive form in respect of notes may be presented or surrendered for payment or redemption. In addition, in the event that the notes which are issued in global certificated form are exchanged for notes in definitive registered form or definitive registered notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the Luxembourg Stock Exchange and such announcement will include all material information with respect to the delivery of the certificates in definitive form, including details of the paying agent in Luxembourg.

As required under the Mexican Securities Market Law, the Issuer will notify the CNBV of the terms and conditions of this offering of the notes outside Mexico. Such notice will be submitted to the CNBV to comply with Article 7, second paragraph, of the Mexican Securities Market Law and for statistical and informational purposes only.

The delivery to, or receipt by, the CNBV of such notice does not constitute or imply a certification as to the investment quality of the notes, the solvency, liquidity or credit quality of the Issuer or the accuracy or completeness of the information set forth herein. This Offering Memorandum is solely our responsibility and has not been reviewed or authorized by the CNBV. In making an investment decision, all investors, including any Mexican investor who may acquire notes from time to time, must rely on their own examination of the terms of this offering and the notes, including the merits and risks involved.

Authorization

The creation and issuance of the notes are authorized under resolutions adopted at a meeting of the Issuer's Board of Directors, held on July 16, 2024.

Significant/Material Changes

Since September 30, 2024, there has been no significant change in the prospects or financial position of Sitios and its consolidated subsidiaries.

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**Sitios Latinoamérica,
S.A.B. de C.V. and Subsidiaries**

Unaudited Condensed Interim
Consolidated Financial Statements
as of September 30, 2024 and
December 31, 2023 and for the
three and nine-month periods
ended September 30, 2024 and
2023, and Independent Auditors'
Report Dated November 13, 2024



Sitios Latinoamérica, S.A.B. de C.V. and Subsidiaries

Unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2024 and December 31, 2023 and for the three and nine- month periods ended September 30, 2024 and 2023

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Independent Auditors' Report on Review of Interim Financial Information to the Board of Directors and Stockholders' of Sitios Latinoamérica, S.A.B. de C.V. and Subsidiaries

We have reviewed the accompanying unaudited condensed interim consolidated statement of financial position of Sitios Latinoamérica, S.A.B. de C.V. and Subsidiaries (the "Company") as of September 30, 2024, and the related unaudited condensed interim consolidated statements of income (loss) and other comprehensive income, for the three and nine-month periods ended September 30, 2024 and 2023, unaudited condensed interim consolidated statement of changes in equity and the unaudited condensed interim consolidated statement of cash flows for the nine-month periods ended as of September 30, 2024 and 2023, and a summary of material accounting policies and other explanatory notes. The Company's management is responsible for the preparation and presentation of these unaudited condensed interim consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS") issued by the International Accounting Standards Board ("IASB"). Our responsibility is to express a conclusion on this unaudited condensed interim financial information based on our review.

Scope of review

Our review was conducted in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company", issued by the International Audit and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Going concern material uncertainty

As mentioned in Note 2c, the accompanying Unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2024, its current liabilities exceed its current assets by \$4,185. As of this date the Company has lost more than two-thirds of its share capital, which in accordance with the General Law of Commercial Companies could be cause for dissolution of the Company at the request of an interested third party. Management's plans are described in Note 2c.

Emphasis Paragraph

The Company's consolidated financial statements as of December 31, 2023, were audited by other auditors, who in their report dated May 28, 2024, expressed a qualified opinion as follows:




The inputs and judgments considered by the Company's Management in determining the revaluation of the passive infrastructure of the telecommunications towers recognized in the subsidiaries in Peru and Dominican Republic were not sufficient to obtain adequate audit evidence that would have allowed us to evaluate the appropriate revaluation amount of the long-lived assets located in these countries for an approximate amount of \$3,960 million net of deferred tax, recognized as an increase in the items of "Property and equipment" and in "Other comprehensive income" in Stockholders' Equity. The above represents a material deviation from the provisions of International Financial Reporting Standards IFRS 13 "Fair Value Measurement" and IAS 16, "Property, Plant and Equipment" for the unaudited condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited condensed interim consolidated financial information does not present fairly, in all material aspects, the financial position of the Company as of September 30, 2024 as well as of its financial performance for the three and nine-month periods ended September 30, 2024 and 2023, and its unaudited condensed interim consolidated statement and its cash flows for the nine-month period ended September 30, 2024 and 2023, in accordance with IAS 34 Interim Financial Reporting.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Affiliate of a Member firm of Deloitte Touche Tohmatsu Limited


C.P.C. Julio C. Fuentes Cortés
Mexico City, Mexico
November 13, 2024



Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries

Unaudited Condensed Interim Consolidated Statements of Financial Position

As of September 30, 2024 and December 31, 2023 (Unaudited)
(In millions of pesos)

	Notes	As of September 30, 2024	As of December 31, 2023
Assets			
Current assets:			
Cash and cash equivalents		\$ 1,609	\$ 1,567
Accounts receivable		302	372
Recoverable taxes		2,023	2,001
Prepaid expenses		376	350
Due from related parties		<u>1,228</u>	<u>1,660</u>
Total current assets		<u>5,538</u>	<u>5,950</u>
Non-current assets:			
Property and equipment – net	4	80,056	71,064
Lease right-of-use assets		18,902	19,149
Other non-current assets		<u>10</u>	<u>15</u>
Total non-current assets		<u>98,968</u>	<u>90,228</u>
Total assets		<u>\$ 104,506</u>	<u>\$ 96,178</u>
Liabilities and Stockholder's equity			
Current liabilities:			
Short-term portion of debt	5	\$ 3,738	\$ 3,043
Short-term liability related to right-of-use assets		2,827	1,763
Accounts payable and accrued expenses		2,644	2,106
Income tax and other tax payable		420	529
Due to related parties		<u>94</u>	<u>277</u>
Total current liabilities		<u>9,723</u>	<u>7,718</u>
Non-current liabilities:			
Long-term portion of debt	5	54,899	50,114
Deferred income taxes		13,200	12,644
Long-term liability related to right-of-use assets		17,269	18,408
Provision of assets retirement obligation		<u>7,127</u>	<u>6,088</u>
Total liabilities		<u>102,218</u>	<u>94,972</u>
Stockholder's equity:			
Common stock		1,002	1,002
Retained earnings:			
Retained losses		(28,408)	(26,619)
Consolidated net loss		(3,968)	(1,994)
Gain from holding non-monetary assets		<u>34,047</u>	<u>31,906</u>
Total retained earnings		<u>1,671</u>	<u>3,293</u>
Other comprehensive income (loss)		<u>(1,049)</u>	<u>(3,505)</u>
Equity attributable to controlling interest		1,624	790
Equity attributable to non-controlling interest		<u>664</u>	<u>416</u>
Total stockholders' equity		<u>2,288</u>	<u>1,206</u>
Total liabilities and stockholder's equity		<u>\$ 104,506</u>	<u>\$ 96,178</u>

See accompanying notes to unaudited condensed interim consolidated financial statements.



Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries

Unaudited Condensed Interim Consolidated Statements of Loss and other Comprehensive Income

For three and nine-month periods ended September 30, 2024 and 2023 (Unaudited)
(In millions of pesos)

	Notes	Nine-month period ended September 30 (Unaudited)		Three-month period ended September 30 (Unaudited)	
		2024	2023	2024	2023
Revenues:					
Infrastructure leases	6	\$ 6,802	\$ 6,041	\$ 2,409	\$ 2,059
Floor leases	6	<u>4,174</u>	<u>3,949</u>	<u>1,478</u>	<u>1,361</u>
		10,976	9,990	3,887	3,420
Operating costs and expenses					
Depreciation and amortization		3,121	2,671	1,165	890
Depreciation of lease right-of- use assets		3,145	3,013	1,063	965
Cost of service		137	263	51	71
Operating expenses		<u>645</u>	<u>714</u>	<u>231</u>	<u>193</u>
Operating profit		3,928	3,329	1,377	1,301
Comprehensive financing (cost) income:					
Interest income		195	173	54	88
Interest attributable to lease liabilities		(1,129)	(794)	(474)	(352)
Other financial (loss) gain		42	(148)	18	(39)
Interest expense		(3,591)	(3,394)	(1,240)	(1,179)
Foreign exchange (loss) gain effect on fluctuation		<u>(1,874)</u>	<u>790</u>	<u>(1,338)</u>	<u>(1,027)</u>
		(6,357)	(3,373)	(2,980)	(2,509)
Loss before taxes		(2,429)	(44)	(1,603)	(1,208)
Income taxes	8	<u>1,319</u>	<u>892</u>	<u>447</u>	<u>284</u>
Net consolidated loss of the period		<u>\$ (3,748)</u>	<u>\$ (936)</u>	<u>\$ (2,050)</u>	<u>\$ (1,492)</u>
Net consolidated loss attributable to:					
Controlling interest		(3,968)	(1,119)	(2,142)	(1,556)
Non-controlling interests		<u>220</u>	<u>183</u>	<u>92</u>	<u>64</u>
Net consolidated loss of the period		<u>\$ (3,748)</u>	<u>\$ (936)</u>	<u>\$ (2,050)</u>	<u>\$ (1,492)</u>
Other comprehensive income that cannot be reclassified to income in subsequent periods, net of income taxes:					
Valuation from holding non-monetary assets net from differed income taxes		2,346	5,756	328	1,919
Exchange differences on translating foreign operations		<u>2,484</u>	<u>(2,412)</u>	<u>2,615</u>	<u>(1,553)</u>
Consolidated comprehensive income (loss)		<u>\$ 1,082</u>	<u>\$ 2,408</u>	<u>\$ 893</u>	<u>\$ (1,126)</u>
Comprehensive income attributable to:					
Controlling interest		834	2,115	776	(1,273)
Non-controlling interests		<u>248</u>	<u>293</u>	<u>117</u>	<u>147</u>
Consolidated comprehensive income (loss)		<u>\$ 1,082</u>	<u>\$ 2,408</u>	<u>\$ 893</u>	<u>\$ (1,126)</u>

See accompanying notes to unaudited condensed interim consolidated financial statements.



Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

For the nine- month periods ended September 30, 2024 and 2023 (Unaudited)

(In millions of pesos)

	Common stock	Retained earnings	Gain (loss) from holding non-monetary assets	Exchange differences on translating foreign operations	Total equity attributable to controlling interest	Equity attributable to non-controlling interest	Total consolidated equity
Balance as of January 1, 2023	\$ 1,002	\$ (27,802)	\$ 27,621	\$ 2,896	\$ 3,717	\$ 74	\$ 3,791
Transfer from holding non-monetary assets net of taxes	-	612	(612)	-	-	-	-
Comprehensive income:							
Net (loss) income of the period	-	(1,119)	-	-	(1,119)	183	(936)
Valuation from holding non-monetary assets net form differed income taxes and Exchange differences in translating foreign operations	-	-	5,756	(2,522)	3,234	110	3,344
Comprehensive income of the period	-	(1,119)	5,756	(2,522)	2,115	293	2,408
Balance as of September 30, 2023	<u>\$ 1,002</u>	<u>\$ (28,309)</u>	<u>\$ 32,765</u>	<u>\$ 374</u>	<u>\$ 5,832</u>	<u>\$ 367</u>	<u>\$ 6,199</u>
	Common stock	Retained earnings	Gain (loss) from holding non-monetary assets	Exchange differences on translating foreign operations	Total equity attributable to controlling interest	Equity attributable to non-controlling interest	Total consolidated equity
Balance as of January 1, 2024	\$ 1,002	\$ (28,613)	\$ 31,906	\$ (3,505)	\$ 790	\$ 416	\$ 1,206
Transfer from holding non-monetary assets net of taxes	-	205	(205)	-	-	-	-
Comprehensive income:							
Net loss of the period	-	(3,968)	-	-	(3,968)	220	(3,748)
Valuation from holding non-monetary assets net form differed income taxes and Exchange differences in translating foreign operations	-	-	2,346	2,456	4,802	28	4,830
Comprehensive income of the period	-	(3,968)	2,346	2,456	834	248	1,082
Balance as of September 30, 2024	<u>\$ 1,002</u>	<u>\$ (32,376)</u>	<u>\$ 34,047</u>	<u>\$ (1,049)</u>	<u>\$ 1,624</u>	<u>\$ 664</u>	<u>\$ 2,288</u>

See accompanying notes to unaudited condensed interim consolidated financial statements.



Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2024 and 2023 (Unaudited)

(In millions of pesos)

	Notes	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Cash flows from operating activities:			
Loss before income tax		\$ (2,429)	\$ (44)
Adjustments to net loss from item that did not result in cash flows:			
Depreciation and amortization		3,121	2,671
Depreciation of lease right-of-use assets		3,145	3,013
Interest income		(195)	(173)
Interest expense and interest attributable to lease liabilities		4,720	4,188
Other financing (costs) income		(42)	148
Non- realized exchange loss (gain), net		1,874	(790)
Changes in operating assets and liabilities:			
Accounts receivable		70	(1,391)
Due from related parties		431	2,693
Recoverable taxes		(22)	(1,164)
Other current and non – current assets		(12)	92
Accounts payable and accrued expenses		1,373	1,221
Income tax and other tax payable		(2,168)	(1,152)
Net cash flows provided by operating activities		<u>9,866</u>	<u>9,312</u>
Investing activities:			
Property and equipment and other		(1,237)	(7,862)
Interest gain		195	160
Net cash flows used in investing activities		<u>(1,042)</u>	<u>(7,702)</u>
Financing activities:			
Interest payment		(4,720)	(4,175)
Long term debt acquisition		-	4,080
Lease liability payments		(4,062)	(2,947)
Net cash used in financing activities		<u>(8,782)</u>	<u>(3,042)</u>
Net increase (decrease) in cash and cash equivalents		42	(1,432)
Cash and cash equivalents at the beginning of the year		<u>1,567</u>	<u>4,107</u>
Cash and cash equivalents at the end of the year		<u>\$ 1,609</u>	<u>\$ 2,675</u>

See accompanying notes to unaudited condensed interim consolidated financial statements.



Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2024 and 2023 (Unaudited)
(In millions of pesos)

1. Business and relevant events

a. *Business*

Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries (“the Company” or “Sitios”) was incorporated on August 8, 2022 in connection with the consummation of a spin-off of certain passive infrastructure from América Móvil, pursuant to which América Móvil transferred to Sitios 29,090 wireless telecommunications towers in Argentina, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Puerto Rico and Uruguay (the “Sitios Spin-off”), making Sitios one of the largest owners, operators and developers of wireless communications Sites in Latin America in terms of size of its passive infrastructure portfolio. As of September 30, 2024, Sitios owned 36,201 wireless telecommunications Sites in 16 countries, comprised of Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay, together (“LATAM”).

Sitios is a publicly traded variable stock corporation incorporated under the laws of Mexico, and its shares are listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores). The principal executive offices of Sitios are located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico.

2. Basis of presentation

a. **Statement of compliance**

The Unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2024 and December 31, 2023 and for the three and nine-months ended September 30, 2024 and 2023 are presented in Mexican pesos, which is the functional currency of the Company. The Unaudited Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”). They do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023.

b. **Basis of preparation**

The same accounting policies, presentation and methods of computation followed in these Unaudited Interim Condensed Consolidated Financial Statements were applied in the preparation of the Company’s Annual Consolidated Financial Statements for the year ended December 31, 2023.

c. **Going Concern**

The unaudited condensed interim consolidated financial statements have been prepared by Management assuming that the Company will continue to operate as a going concern.



As shown in the Company's unaudited condensed interim consolidated statements of financial position, as of September 30, 2024, its current liabilities exceed its current assets by \$4,185. As of those dates the Company has lost more than two-thirds of its share capital, which in accordance with the General Law of Commercial Companies could be cause for dissolution of the Company at the request of an interested third party. On the other hand, as of September 30, 2024 the Company has positive operating cash flows.

During October 2024 management entered in 144-A/Reg S Offering Requirements process. Therefore, the Administration considers that the Company will continue as a going concern in the foreseeable future. Also on October 18, 2024 the Entity's General Ordinary Stockholders' Meeting approved the increase the variable capital for \$3,000 in the B-2 Series.

3. Material accounting policies

New and amended IFRS Accounting Standards that are effective for the current year

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The Company has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In the current year, the Entity has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Company has adopted the amendments to IFRS 16 for the first time in the current year. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.



New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

4. Property and equipment – net

During the nine months ended on September 30, 2024, the Company carried out the construction of 1,066 towers in different countries where it operates in LATAM, the cost invested by these constructions was \$1,210, and a revaluation surplus in stockholders' equity of \$3,207; an increase in Argentina \$2,806 due to inflation local effect, plus an increase of \$4,833 of translating foreign operations for the same period of nine months \$3,064 for depreciation expense of property and equipment.

5. Debt

As of September 30, 2024, the Company has not made any disposals or payments of debt. The main effect is due to the effect of the exchange rate variation in which there has been an increase in exchange rates from December 31, 2023 to September 30, 2024.

On September 21, 2023, the Company, through its subsidiary Sites del Perú, S.A.C., issued and placed Senior Notes due in 2033 for an amount of S/872,080,000 Peruvian soles (approximately US\$235 million), which are subject to the laws of New York, United States of America. These Senior Notes were registered on the Luxembourg Stock Exchange, as well as with the Superintendency of the Securities Market of Peru.

6. Revenue

The Company obtains its income from contracts with customers derived from the leasing of passive infrastructure and the leasing of flats. This is consistent with the revenue information disclosed for each segment reportable under IFRS 18 Operating Segments (see Note 9).

Revenue is recognized at the time control of the goods or services is transferred to the customer in an amount that reflects the consideration to which the Company expects to be entitled. The Company has concluded that it is acting as principal in its revenue contracts pursuant to IFRS 16. Leases are reviewed and increased according to the behavior of inflation, except for Panama that has a fixed increase of 2% per year and are established according to the characteristics of the leased spaces where the passive infrastructure is located.

7. Provision of assets retirement obligation

The Company recognizes a provision of assets retirement obligation of the sites where it has the leased passive infrastructure. The assets retirement costs are determined as the present value of the expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the asset. Cash flows are discounted at a pre-tax discount rate that reflects the specific risks of the assets retirement liability. As of September 30, 2024 and December 31, 2023, considering the aforementioned, assets retirement provision of \$7,127 and \$6,088 was determined respectively, the increase is mainly due to the growth in the exchange rates from local currency to Mexican pesos between 2024 and 2023.



8. Income Taxes

a. Income tax expense for the period

Income tax expense is recognized every month by management's estimate considering taxable incomes and deductibles expenses pursuant to each Income Tax domestic Law of the countries where the Company has operations.

In most countries, income tax calculation is determined on the taxable base considering the income minus deductions allowed by law, however, there are subsidiaries where the tax is caused under different basis: i) Flat tax - income basis, ii) Equity, iii) Assets, which generates a natural distortion in the effective rate.

- In January 2024, the subsidiary Sites Guatemala took the option established in its Law to tax based on gross income, applying a statutory rate of 7%.
- Nicaragua's statutory rate is 30%, however, it is taxed based on a minimum tax of 3% on its Taxable Income.
- The Company has one of the countries whose inflation at the end of 2023 was the highest in the Americas, being 211%; as of September 2024, Argentina has a cumulative inflation of 101.6%, a situation that has directly impacted the base and calculations for Income tax purposes.

It should be noted that the weighted-average corporate income tax rate of all countries for the fiscal year 2024 is 30%, which varies from 10% to 37.5%.

b. Effective tax rate for the period

Deferred tax is recognized pursuant to the International Accounting Standard "IAS 12 – Income Taxes" applying the deferred tax asset and liability method included in the aforementioned standard.

The Company perform the reconciliation of effective tax rate including the permanent items of each country. The changes in the effective tax rate were caused mainly by the following factors:

- Taxable income from inflationary adjustments (e.g. Argentina and Mexico)
- Non-deductible expenses
- Effect of translation of foreign entities
- Accounting adjustments for previous years

The Company considers that, since there is no Tax Consolidation as a figure allowed by Law, the effective rate calculated as a financial operation, merits and individual analysis by each subsidiary to determine the permanent items that infer that it is higher or lower than that established by its Tax domestic law.

9. Segments

The Chief Executive Officer "CEO" is the highest decision-making authority and is responsible for separately overseeing the results of the Company's operations for the purpose of making decisions on resource allocation and performance evaluation. The performance of the segments is evaluated based on the results of their operations and is measured uniformly with the profit or loss disclosed in the unaudited condensed consolidated financial statements.



The Company has passive infrastructure installed in locations abroad. Its main business segment is the leasing of such infrastructure. As of the date of the consolidated financial statements as of September 30, 2024 and 2023 and for the nine-month periods ended September 30, 2024 and 2023, the Company's business segment is geographically divided into the following countries/regions:

Description	Nine-month period ended September 30, 2024 (Unaudited)								
	AUP [1]	CENAM [2]	Andinos [3]	Caribe [4]	Brazil	Mexico	Eliminations	Total	
Revenue	\$ 1,399	\$ 2,485	\$ 2,508	\$ 594	\$ 3,990	\$ -	\$ -	\$ 10,976	
Depreciation and amortization including depreciation of lease right-of-use assets	(470)	(1,181)	(1,652)	(223)	(1,390)	(1,350)	-	(6,266)	
Operating profit	730	1,111	648	324	2,378	(1,263)	-	3,928	
Interest income	167	11	106	-	371	686	(1,146)	195	
Interest expense including interest of lease right-of-use assets	(508)	(547)	(633)	(466)	(532)	(3,319)	1,285	(4,720)	
As of September 30, 2024 (Unaudited)									
Total assets	\$ 10,480	\$ 15,289	\$ 26,467	\$ 5,401	\$ 13,627	\$ 46,238	\$ (12,996)	\$ 104,506	
Property and equipment – net	8,783	8,018	18,743	3,178	3,213	38,121	-	80,056	
Description	Nine-month period ended September 30 2023 (Unaudited)								
	AUP [1]	CENAM [2]	Andinos [3]	Caribe [4]	Brazil	Mexico	Eliminations	Total	
Revenue	\$ 1,231	\$ 1,984	\$ 2,139	\$ 498	\$ 4,138	\$ -	\$ -	\$ 9,990	
Depreciation and amortization including depreciation of lease right-of-use assets	(345)	(1,108)	(1,482)	(180)	(1,375)	(1,194)	-	(5,684)	
Operating profit	684	609	461	267	2,546	(1,238)	-	3,329	
Interest income	117	2	28	-	-	1,498	(1,472)	173	
Interest expense including interest of lease right-of-use assets	(765)	(547)	(445)	(266)	(469)	(3,168)	1,472	(4,188)	
As of September 30, 2023 (Unaudited)									
Total assets	\$ 9,153	\$ 12,977	\$ 23,857	\$ 5,688	\$ 5,577	\$ 53,228	\$ (10,620)	\$ 99,860	
Property and equipment – net	7,413	6,935	17,035	2,928	2,834	41,963	-	79,108	

Include:

[1] Argentina, Uruguay and Paraguay.

[2] Guatemala, El Salvador, Honduras, Panama, Nicaragua and Costa Rica.

[3] Ecuador, Chile, Peru and Colombia.

[4] Dominican Republic and Puerto Rico.

10. Financial risk management

Liquidity Risk – Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring in unacceptable losses or risking damage to the Company's reputation, and to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.



Market risk - The Company is exposed to market risks arising from changes in interest rates and fluctuations in foreign currency exchange rates. The Company's debt is denominated in foreign currencies, primarily U.S. dollars, other than its functional currency. The Company does not use derivatives to hedge the exchange rate risk arising from having operations in different countries.

Interest rate risk - Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. Therefore, variations in interest rates at the reporting date would affect profit or loss.

11. Commitments and contingences

Commitments

As of September 30, 2024, the Company had entered into construction contracts with third parties and is consequently committed to future capital in respect to investment property under development. There are no contractual commitments in respect of completed investment property.

Legal Proceedings

As of September 30, 2024, the Company is not involved in any other litigation or arbitration proceedings for which the Company believes it is not adequately insured or indemnified, or which, if determined adversely, would have a material adverse effect on the Company's unaudited condensed interim consolidated financial statements.

12. Subsequent event

On October 18, 2024 the Entity's General Ordinary Stockholders' Meeting approved the increase the variable capital for \$3,000 in the B-2 Series.

13. Approval of the unaudited condensed interim consolidated financial statements

On November 13, 2024, the unaudited condensed interim consolidated financial statements was authorized by Sr. Hector Macias Noriega, Chief Financial Officer; consequently, they do not reflect events occurred after that date.

* * * * *



**SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND
SUBSIDIARIES**

Consolidated financial statements

As of December 31, 2023 and 2022
including independent auditors' report

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated financial statements

As of December 31, 2023 and 2022

Content:

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Consolidated statements of changes in shareholders' equity

Consolidated statements of cash flows

Notes to financial statements

INDEPENDENT AUDITORS' REPORT

To the General Shareholders' Meeting of Sitios Latinoamérica, S.A.B. de C.V.

Qualified opinion

We have audited the attached consolidated financial statements of Sitios Latinoamérica, S.A.B. de C.V. and its subsidiaries ("the Company"), which include the consolidated statement of financial position as of December 31, 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements which include disclosures of material accounting policies.

In our opinion, except for the impact of the matter described in the "*Basis for Qualified Opinion*" section of our report, the attached consolidated financial statements fairly present, in all material respects, the consolidated financial position of Sitios Latinoamérica, S.A.B. de C.V. and its subsidiaries as of December 31, 2023, as well as their consolidated results of operations and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

The elements and assessments considered by the Company's management in determining the revaluation of the passive infrastructure of the telecommunications towers recorded in the subsidiaries in Peru and the Dominican Republic were not sufficient to obtain adequate audit evidence that would have allowed us to evaluate the appropriate reassessment of the long-lived assets located in these countries for an amount of approximately \$3,960 million, net of deferred taxes, reported as an increase in the "Property and equipment" and "Other Comprehensive Income" accounts in shareholders' equity. The foregoing represents a material deviation from International Financial Reporting Standards IFRS 13 "Fair Value Measurement" and IAS 16, "Property, Plant and Equipment" for the attached consolidated financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under such standards are described below in the "Auditor's Responsibilities for the Audit of Consolidated Financial Statements" section of our report. We are independent from the Company in accordance with the "Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants" ("IESBA Code of Ethics") together with the ethics requirements applicable to our audit of the consolidated financial statements in Mexico under the "Code of Professional Ethics of the Mexican Institute of Public Accountants" (*Código de Ética Profesional del Instituto Mexicano de*

Contadores Públicos) (“IMCP Code of Ethics”) and we have fulfilled our other ethics responsibilities in accordance with such requirements and the IESBA Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Key audit matters include those matters which, in our professional judgement, have been the most significant in our audit of the consolidated financial statements for the current period. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole and in establishing our opinion on them, and we do not express a separate opinion on these matters. For each key audit matter, we describe how the matter was addressed in the context of our audit.

We have fulfilled the responsibilities described in the “Auditor’s Responsibilities for the Audit of Consolidated Financial Statements” section of our report, including those related to key audit matters. Accordingly, our audit included the implementation of procedures designed to respond to our assessment of the risks of material deviation of the attached consolidated financial statements. The results of our audit procedures, including the procedures applied to address the key audit matters described below, provide the basis for our audit opinion on the attached consolidated financial statements.

Valuation of lease liabilities, including discount rate and term *Description and rationale for key audit matters qualification*

We have considered the assessment of lease liabilities, as a key audit matter, due to the significant expertise required for the determination of the discount rates used in the recording of lease liabilities at year-end, which required the involvement of specialists independent from Management, as well as our internal valuation specialists. We also consider the determination of the minimum lease terms included in the determination of lease liabilities as significant, due to the existence of renewal options and other contractual circumstances inherent to the agreements, which require the application of significant judgement for their identification.

Note 9 to the attached consolidated financial statements presents the accounting policy and disclosures made by the Company’s management on the valuation of lease liabilities.

How we responded to the key audit matter

We evaluated the reasonableness of the assumptions used by management in the determination of the minimum lease terms with respect to site leases, as well as the methodology used to determine the discount rate applied to the lease liabilities, based on the provisions set forth in IFRS 16 and IFRS 13. We involved our specialists to assist in the review of the suitability of the discount rate methodology applied.

We assessed the fairness of the minimum mandatory terms of site leases, the depreciation of right-of-use assets and the increase in leasehold interest liabilities, in their subsequent recording, through arithmetic recalculation and the performance of independent substantive analytical procedures.

We also evaluated the adequacy of the presentation and disclosure of lease liabilities and their related

right-of-use assets, which were disclosed in the attached consolidated financial statements as of December 31, 2023.

Other Information

Management is responsible for other information. Other information comprises the information included in the Annual Report filed before the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) (“CNBV”) and the annual report submitted to the shareholders, (but does not include the consolidated financial statements and our related auditors’ report). We obtained Exhibits 1, 2 and 3 to the annual report filed with the CNBV and Exhibits A, B and C to the annual report submitted to the shareholders prior to the date hereof, and we expect to have Exhibits 4, 5 and 6 to the annual report filed before the CNBV and Exhibits D, E and F to the annual report submitted to the shareholders after the date hereof.

Our opinion on the consolidated financial statements does not cover other information and we do not express, and will not express, any form of conclusion that provides a degree of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to review and consider such other information, as identified above, and, in doing so, to consider whether there is a material inconsistency between the other information and the consolidated financial statements or the knowledge obtained by us in the audit or whether it otherwise appears to be a material deviation of the other information.

If, based on the work we have performed on in connection with the other information we obtained prior to the date of this audit report, we conclude that there is a material deviation in such other information, we are required to report it. We have nothing to report in this regard.

Upon review and consideration of Exhibits 4, 5 and 6 to the Annual Report filed before the CNBV, if we conclude that the same contain a material deviation, we are required to inform the matter to those responsible for the governance of the Company and issue the statement regarding the Annual Report required by the CNBV, which will describe the matter.

Responsibilities of Management and Those Responsible for the Governance of the Company with respect to the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the attached consolidated financial statements in accordance with IFRS and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material deviation, 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 intends to liquidate the Company or cease operations, or if there is no realistic alternative.

Those responsible for the governance of the Company are accountable for the oversight of the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material deviations, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high standard of assurance, but it does not guarantee that an audit conducted in accordance with ISAs will always detect an existing material deviation. Deviations 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 taken by users in reliance on the consolidated financial statements.

As part of an audit in accordance with ISAs, we apply our professional criteria and maintain an approach of professional skepticism throughout the audit. We also:

- Identify and evaluate the risks of material deviation of the consolidated financial statements, whether due to fraud or error, we design and apply audit procedures responsive to such risks, and obtain sufficient and adequate audit evidence in order to provide a basis for our opinion. The risk of failing to identify a material deviation due to fraud is higher than in the case of a material deviation resulting from error, as fraud may involve collusion, falsification, intentional omissions, deliberate misstatements, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the adequacy of the accounting policies applied and the reasonableness of the accounting estimates and the corresponding information disclosed by Management.
- We assess the appropriateness of Management's use of the standard of going concern and, based on the audit evidence obtained, we conclude on whether or not there is a material uncertainty related to facts existent in connection with events or conditions that may generate significant doubts about on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to call attention in our audit report on the corresponding information disclosed in the consolidated financial statements or, if such disclosures are not adequate, we must express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves reasonable presentation.
- We obtain sufficient and adequate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the administration, supervision and conduct of the Group's audit. We are solely responsible for our audit opinion.
- We communicate, to those responsible for the governance of the Company, among other issues, the

scope and timing of the audit and the significant findings of the audit, including any significant deficiencies in internal control identified in the course of the audit

We also provide those in charge of the Company's governance with a statement asserting that we have complied with applicable ethics requirements in relation to independence and that we have communicated to them of all relationships and other matters that might reasonably be expected to affect our independence and, if any, the relevant safeguards.

Among the issues that have been the subject of communication with those responsible for the Company's governance, we determined those matters that are important to the audit of the consolidated financial statements for the current period and that are, accordingly, the key audit matters. We describe such matters in our audit report unless legal or regulatory provisions forbid public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report when it is reasonably expected that the adverse consequences of doing so would outweigh the public interest benefits of such matter.

The engagement partner responsible for the audit is the undersigned for this report.

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

A handwritten signature in blue ink, appearing to read 'J. Mariño Tapia', is written over a faint rectangular stamp or box.

Jose Diego Mariño Tapia

Mexico City
May 28, 2024

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of financial position

(Amounts in thousands of Mexican pesos)

	2023	As of December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 1,567,346	\$ 4,106,942
Accounts receivable (Note 4)	372,088	192,272
Recoverable taxes (Note 5)	2,000,901	1,625,350
Prepaid expenses	350,160	373,079
Related parties (Note 6)	1,659,367	1,615,016
Total current assets	5,949,862	7,912,659
Non-current assets:		
Property and equipment, net (Note 7)	71,064,304	69,571,430
Right-of-use assets (Note 10)	19,149,401	12,985,227
Other assets	12,698	9,843
Total non-current assets	90,226,403	82,566,500
Total assets	\$ 96,176,265	\$ 90,479,159
Liabilities and shareholders' equity		
Current liabilities:		
Short-term debt	\$ 3,042,351	\$ 338,884
Liabilities related to rights of use (Note 10)	1,763,098	3,403,339
Accounts payable and accrued liabilities (Note 11)	2,104,663	1,318,204
Taxes and contributions payable (Note 12)	529,098	716,656
Related parties (Note 5)	277,410	1,557,388
Total current liabilities	7,716,620	7,334,471
Non-current liabilities:		
Long-term debt (Note 9)	50,113,920	49,969,862
Deferred tax liabilities (Note 13)	12,644,032	14,251,277
Liabilities related to rights of use (Note 10)	18,408,420	9,695,942
Asset retirement obligation (Note 8)	6,088,161	5,436,307
Total non-current liabilities	87,254,533	79,353,388
Total liabilities	\$ 94,971,153	\$ 86,687,859
Shareholders' equity (Note 13):		
Shareholders' equity	\$ 1,001,572	\$ 1,001,572
Retained earnings:		
Retained earnings	(26,620,236)	(28,076,491)
Asset revaluation surplus	31,906,638	27,621,268
Income (loss) for the year	(1,993,517)	274,557
Total retained earnings (loss)	3,292,885	(180,666)
Other comprehensive loss (loss) items	(3,504,917)	2,896,263
Shareholders' equity attributable to owners of the controlling interest	789,540	3,717,169
Non-controlling interest	415,572	74,131
Total shareholders' equity	1,205,112	3,791,300
Total liabilities and shareholders' equity	\$ 96,176,265	\$ 90,479,159

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

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of income

(Amounts in thousands of Mexican pesos)

	For the year ended December 31, 2023	For the period from August 8 to December 31, 2022
Income:		
Infrastructure leases	\$ 7,834,369	\$ 3,480,083
Floor leases	5,297,989	1,729,622
Other income	112,355	51,809
	13,244,713	5,261,514
Operating costs and expenses:		
Depreciation and amortization (Note 7)	3,839,478	1,068,396
Depreciation for right of use (Note 9)	4,015,119	1,459,502
Service costs	346,245	140,872
Operating expenses	1,029,093	309,699
Operating income	4,014,778	2,283,045
Financing result:		
Interest income	298,812	29,752
Lease interest	(1,570,394)	(243,221)
Other financial costs and income (Note 16)	1,163,759	1,102,753
Interest expense	(4,570,653)	(1,826,010)
Foreign exchange (loss) income, net	29,062	(705,102)
	(4,649,414)	(1,641,828)
(Loss) income before income taxes	(634,636)	641,217
Income taxes (Note 14)	1,120,998	345,994
Net (loss) income for the year	\$ (1,755,634)	\$ 295,223
Attributable to:		
Controlling entity owners	\$ (1,993,517)	\$ 274,557
Non-controlling interest	237,883	20,666
	\$ (1,755,634)	\$ 295,223

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

SITIOS LATINOAMÉRICA, S.A. DE C.V. AND SUBSIDIARIES

Consolidated statements of other comprehensive income

(Amounts in thousands of Mexican pesos)

	For the year ended December 31 2023	For the period from August 8 to December 31 2022
Net (loss) income for the period	\$ (1,755,634)	\$ 295,223
Other comprehensive income:		
Other comprehensive income that may not be reclassified to income in subsequent periods, net of taxes:		
Revaluation of assets, net of deferred taxes.	8,639,228	-
Translation effect	(9,573,340)	2,632,918
Comprehensive (loss) income for the year	\$ (2,689,746)	\$ 2,928,141
Controlling interest	\$ 2,338,196	\$ 2,545,434
Non-controlling interest	\$ 351,550	\$ 382,707

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

SITIOS LATINOAMÉRICA, S.A. DE C. V. AND SUBSIDIARIES

Consolidated statements of changes in shareholders' equity

As of December 31, 2023 and 2022

(Amounts in thousands of Mexican pesos)

	Shareholders' equity	Retained earnings	Asset revaluation surplus	Effect of translation	Total equity controlling interest	Non-controlling interest	Total shareholders' equity
Balances as of August 8, 2022	\$ 1,001,572	\$ (28,773,908)	\$ 28,318,685	\$ 263,345	\$ 809,694	\$ 74,980	\$ 884,674
Asset revaluation transfer, net of taxes	-	697,417	(697,417)	-	-	-	-
Comprehensive income:							
Income for the year	-	274,557	-	-	274,557	20,666	295,223
Effect of translation of foreign entities	-	-	-	2,632,918	2,632,918	(21,515)	2,611,403
Comprehensive loss for the year		274,557	-	2,632,918	2,907,475	(849)	2,906,626
Balances as of December 31, 2022	1,001,572	(27,801,934)	27,621,268	2,896,263	3,717,169	74,131	3,791,300
Asset revaluation transfer, net of taxes	-	1,181,698	(1,181,698)	-	-	-	-
Comprehensive loss:							
Income for the year	-	(1,993,517)	-	-	(1,993,517)	237,883	(1,755,634)
Revaluation of assets net of deferred taxes	-	-	8,639,228	-	8,639,228	-	8,639,228
Effect of translation of foreign entities	-	-	(3,172,160)	(6,401,180)	(9,573,340)	103,558	(9,469,782)
Comprehensive loss for the year	-	(1,993,517)	5,467,068	(6,401,180)	(2,927,628)	341,441	(2,586,188)
Balances as of December 31, 2023 (Note 12)	\$ 1,001,572	\$ (28,613,753)	\$ 31,906,638	\$ (3,504,917)	\$ 789,540	\$ 415,572	\$ 1,205,112

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

SITIOS LATINOAMÉRICA, S.A. DE C.V. AND SUBSIDIARIES

Consolidated statements of income

(Amounts in thousands of Mexican pesos)

	For the year ended December 31, 2023	For the period from August 8 to December 2022
Operating activities		
(Loss) income before income taxes	\$ (634,636)	\$ 641,217
Income items that did not affect cash:		
Depreciation and amortization	3,915,823	1,068,396
Depreciation for rights of use	4,015,119	1,459,502
Accrued interest receivable	(298,812)	(29,752)
Accrued interest expense	6,141,047	2,069,231
Comprehensive financing cost	294,914	(1,102,753)
Foreign exchange loss	(740,598)	705,102
Changes in operating assets and liabilities:		
Accounts receivable	(179,816)	206,274
Related parties	(1,324,329)	(1,685,166)
Recoverable taxes	(1,993,399)	127,498
Other assets current and non-current portion	(9,220,671)	(811,428)
Accounts payable and accrued liabilities	7,282,398	(205,777)
Taxes and contributions payable	(800,924)	(240,088)
Net cash flows from operating activities	6,456,114	2,202,256
Investment activities		
Property and equipment	(6,209,072)	(453,268)
Interest earned on investments	298,813	29,752
Net cash flows used in investment activities	(5,910,259)	(423,516)
Financing activities		
Lease interest	(1,570,394)	(243,221)
Bank debt obtained	5,977,331	-
Bank debt repaid	(4,191,364)	(5,081,682)
Lease payment	(2,988,836)	(1,936,027)
Net cash flows used in financing activities	(2,773,263)	(7,260,930)
Net decrease in cash and cash equivalents	(2,227,408)	(5,482,190)
Foreign exchange fluctuation of cash	(312,188)	81,603
Cash and cash equivalents at beginning of period	4,106,942	9,507,529
Cash and cash equivalents at year-end	\$ 1,567,346	\$ 4,106,942

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

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to the consolidated financial statements

As of December 31, 2023 and 2022

(Amounts in thousands of Mexican pesos, unless other currency is indicated)

1. Corporate information and relevant events

I. Corporate Information

Sitios Latinoamérica, S.A.B. de C.V. and its subsidiaries (hereinafter “Sitios Latam” or “the Company”), were incorporated under the laws of Mexico on August 8, 2022, as a result of the spin-off of América Móvil, S.A.B. de C.V. (AMX). The Company’s corporate purpose is that of a holding company, in addition to granting the lease of passive infrastructure installed in physical spaces such as open spaces, floors, roofs and rooftops for the installation of transmission and reception equipment and Telecommunications equipment (e.g., power plants or backup batteries, air conditioning systems, alarms and other devices) for telecommunications.

Sitios Latam has 35,380 telecommunications towers, which can be accessed and used by all wireless telecommunications service operators in the Latin American countries where it has towers and operates: Argentina, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Puerto Rico, Dominican Republic, Uruguay, Peru, Colombia and Brazil.

AMX, through its subsidiaries in Latin America, entered into a lease agreement for the use of spaces in the telecommunications towers owned by Sitios Latam.

The Company is based in Mexico City, at Avenida Paseo de las Palmas, No. 781, 2nd floor, office 202, Colonia Lomas de Chapultepec III Section, Miguel Hidalgo, zip code 11000.

The period of operations considered in the Company’s consolidated financial statements and the fiscal years 2023 and 2022, cover from January 1 to December 31, 2023 and August 8 to December 31, 2022, respectively.

Once the conditions were fulfilled and the preliminary steps required for the spin-off the telecommunications towers and other associated infrastructure deployed in certain countries in Latin America were completed, on August 8, 2022 the spin-off of AMX, as surviving company, and Sitios Latam, as spun-off company, whereby certain assets, liabilities and capital were transferred to the spun-off company, including the ownership of shares of the Company’s subsidiaries was agreed through a General Shareholders’ Meeting.

On September 29, 2022, the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) authorized the registration of Sitios Latam's shares, which allowed the listing process as a public company to be completed as of that date.

The issuance of the financial statements and corresponding notes was authorized by Javier Galicia, Chief Financial Officer, on May 28, 2024. These financial statements must be approved at a later date by the Board of Directors and the Shareholders' Meeting. These bodies have the power to modify the attached financial statements. Subsequent events were considered up to this date.

II. Relevant events

a) On January 3, 2023, the Company announced the acquisition of 500 telecommunications towers owned by América Móvil Perú S.A.C. This initiated the acquisition of passive infrastructure in that country.

b) On February 3, 2023, the Company concluded the purchase of 1,388 telecommunications towers owned by Compañía Dominicana de Teléfonos, S.A.

c) On March 31, 2023, the Company completed the purchase of 2,980 telecommunications towers owned by América Móvil Perú S.A.C.

d) On July 31, 2023, the Company completed the purchase of 224 telecommunication towers, owned by América Móvil Perú S.A.C.

e) On September 21, 2023, the Company, through its subsidiary Sites del Perú, S.A.C., issued and placed Senior Notes due 2033 for an amount of S/872,080,000 Peruvian soles (approximately US\$235 million), which are subject to the laws of New York, United States of America. Said Senior Notes were registered in the Luxembourg Stock Exchange, as well as with the Peruvian Securities Market Superintendency (*Superintendencia del Mercado de Valores*)."

2. Basis for preparation of consolidated financial statements and accounting policies and practices

a) Basis for preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board (“IASB”), hereinafter referred to as “IFRS”, effective as of December 31, 2023 and 2022.

The consolidated financial statements have been prepared on a historical cost basis; except for the passive infrastructure of mobile telecommunication towers, post-employment and other employee benefit fund assets and equity investments at fair value, which are presented at market value.

Effective July 1, 2018, the Argentine economy is considered hyperinflationary in accordance with the criteria of IAS 29 “Financial Reporting in Hyperinflationary Economies” (“IAS 29”). Consequently, our subsidiary in Argentina has included the inflation adjustments and reclassifications required by this standard for purposes of the information presented in the consolidated financial statement.

The preparation of these 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, as well as certain revenues and expenses. It also requires management to exercise judgment in the process of applying the Company’s accounting policies; therefore, actual results could differ from those estimates or assumptions.

The Mexican peso is the functional currency of the subsidiaries in Mexico and is the reporting currency of the Company’s consolidated financial statements.

Reclassifications for consistent reporting in the Consolidated Financial Statements

The Company has made certain reclassifications in the Consolidated Statement of Financial Position as of December 31, 2022, in order to provide consistent reporting of the financial information as of December 31, 2023, with respect to Recoverable Taxes (see note 5) and Taxes Payable (see note 12).

The aforementioned, for purposes of reporting the following items of the Taxes payable caption on a net basis:

- Income tax payable determined in the year 2023 decreased by the annual income tax advances paid in 2023 and recorded in the asset line item.

- VAT payable on December 31, 2023, reduced by the creditable VAT paid and, if applicable, by the application of the VAT credit and debit balances to which the subsidiaries are entitled individually.

A summary of reclassifications is presented below:

Recoverable tax line item	Balance on December 31, 2022 (as initially reported)	Reclassification effects	Balance as of December 31, 2022 (reclassified)
VAT credit balances	\$ 1,096,725	\$ (49,856)	\$ 1,046,869
Income tax withheld	210,366	-	210,366
Advances on account of annual income tax	641,757	(641,757)	-
Social security contributions	3,148	-	3,148
Other taxes	364,967	-	364,967
Total Recoverable Taxes	\$ 2,316,963	\$ (691,613)	\$ 1,625,350
Taxes payable line item			
Income taxes payable	\$ 977,651	\$ (641,757)	\$ 335,894
Local taxes payable	246,763	-	246,763
VAT payable	104,002	(49,856)	54,146
Withholding taxes	63,667	-	63,667
Other	16,186	-	16,186
Total taxes payable	\$ 1,408,269	\$ (691,613)	\$ 716,656

i) Consolidation

The consolidated financial statements include the accounts of Sitios Latam and those of its controlled subsidiaries. The financial statements of the subsidiaries were prepared for the same period in which Sitios Latam reports, applying consistent accounting policies. The companies operate in the telecommunications industry or provide services to companies in the telecommunications industry. Balances and transactions with related parties have been eliminated in the consolidated financial statements.

The results of operations of the subsidiaries were incorporated in the Company's financial statements as of August 8, 2022 and in accordance with the application of a prospective approach to the spin-off, since, at such date, the Company had control of the subsidiaries.

Changes in the interest in a subsidiary that do not result in the loss of control are recorded as equity transactions. The amounts of equity attributable to the holding company and the non-controlling interest are adjusted to reflect the changes in the proportional interest in the subsidiary. Any difference between the values of the non-controlling interests and the fair value of the amounts

paid or received in the transaction is recorded directly in equity attributable to owners.

Subsidiaries are deconsolidated from the date on which control is lost. When the Company ceases to have control over a subsidiary, it writes off the assets (including any goodwill) and liabilities of the subsidiary to their carrying amounts, writes off the carrying amount of the non-controlling interests in the former subsidiary and recognizes the fair value of the amounts received in the transaction. Any retained interest of the former subsidiary is adjusted to fair value.

All intercompany balances and transactions, and any unrealized gains or losses arising from intercompany transactions, are eliminated in the preparation of the consolidated financial statements.

Non-controlling interest represents the portion of profit or loss and net assets not owned by the Company and is presented separately in the consolidated statements of comprehensive income and within shareholders' equity in the consolidated statements of financial position.

The Company assesses, at each reporting date, whether there is objective evidence of impairment of the investment in subsidiaries. If so, the Company calculates the impairment value as the difference between the recoverable amount of the associated company and its book value.

The Company's shareholdings in its principal subsidiaries as of December 31, 2023 and 2022 are as follows:

Corporate name	Shareholding as of December 31,		Country
	2023	2022	
Torres Latinoamérica, S.A. de C.V. ^(a)	100%	100%	Mexico
Torres Latinoamérica II, S.A. de C.V.	100%	100%	Mexico
Tenedora de Torres ECU S.A. de C.V.	100%	100%	Mexico
Sitios Argentina, S.A.	100%	100%	Argentina
Sitios Telecomunicaciones Paraguay, S.A.	100%	100%	Paraguay
Sites Telecomunicaciones Costa Rica, S.A.	100%	100%	Costa Rica
Sites El Salvador, S.A. de C.V.	100%	100%	El Salvador
Sites Guatemala, S.A.	100%	100%	Guatemala
Sites Honduras, S.A. de C.V.	100%	100%	Honduras
Towers and Sites Dominicana, S.A.S.	100%	100%	Dominican Republic
Sites Ecuador, S.A.S.	100%	100%	Ecuador
AMOV Torres, S.A.S. ^(a)	100%	100%	Ecuador
Sites Chile, S.A.	100%	100%	Chile
Torres Do Brasil, S.A.	86.93%	86.93%	Brazil
Sites Puerto Rico, LLC	100%	100%	Puerto Rico
Sites del Perú, S.A.C.	100%	100%	Peru
Sites Latam Colombia, S.A.S.	100%	100%	Colombia

(a) Holding Companies

(b) Operating Companies

ii) Basis of translation of financial statements of foreign subsidiaries and affiliates

The assets of subsidiaries located abroad represent in aggregate approximately 99% of total consolidated assets in 2023 and 2022.

The financial statements of foreign subsidiaries have been prepared under or translated to IFRS in the local currency corresponding to their functional currency, and are translated to the Company's reporting currency as follows:

- all monetary assets and liabilities were translated at the year-end exchange rate;
- all non-monetary assets and liabilities were translated at the year-end exchange rate;
- equity accounts were translated at the exchange rate at the date capital contributions were made and earnings were generated;

- revenues, costs and expenses are translated at the average exchange rate for the period except for the operations of the subsidiaries in Argentina, whose economy is considered hyperinflationary as of 2018;
- consolidated statements of cash flows presented using the indirect method were translated using the weighted average exchange rate for the relevant period (except for Argentina), and the resulting difference is presented in the consolidated statement of cash flows under the caption “Adjustment to cash flows due to exchange rate changes, net”.

The difference resulting from the translation process is recorded in shareholders’ equity under “*Effect of translation of foreign entities*”. When a foreign investment is disposed of, the component of other comprehensive income related to this investment is reclassified to the income statement.

The translation process for the operations of the subsidiaries in Argentina is described below:

In recent years, the Argentine economy has shown high inflation rates. Although metrics have not been consistent in recent years and different indexes have coexisted, Argentina’s cumulative inflation for the last three years exceeded 100% in 2018, which is one of the quantitative benchmarks established by IAS 29.

To restate its financial statements for hyperinflation, the subsidiary uses the series of indexes defined by resolution JG No. 539/18 issued by the Argentine Federation of Professional Councils of Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas*) (FACPCE), based on the National Consumer Price Index (*Índice de Precios Internos al Consumidor*) (IPC), published by the National Institute of Statistics and Censuses (*Instituto Nacional de Estadística y Censos*) (INDEC) of the Argentine Republic and the Internal Wholesale Price Index (*Índice de Precios Internos al Por Mayor*) (IPIM) published by FACPCE. The cumulative index as of December 31, 2023 is 3,533.1922, while the annual inflation for 2023 is 211.41%.

The main implications are the following:

- To adjust the historical cost of non-monetary assets and liabilities and the various items of shareholders’ equity from their date of acquisition or incorporation to the consolidated statement of financial position through year-end to reflect changes in the purchasing power of the currency resulting from inflation.
- The gain on net monetary position caused by the inflationary impact during the year is included in the statement of comprehensive income under the caption “Valuation of derivatives, financial costs of labor obligations and others”. To adjust the income statement and statement of cash flows accounts for the inflationary index from their origin with a counter-item in the statement of comprehensive income and an item in the statement of cash flows, respectively.
- To translate all components of the financial statements at the closing exchange rate, the corresponding exchange rate as of December 31, 2023 and 2022 is 0.0209 and 0.1096,

respectively, Argentine pesos to Mexican pesos.

The difference resulting from the translation process is recorded in shareholders' equity under "Effect of translation of foreign entities".

The exchange rates used for the translation of foreign currencies with respect to the Mexican peso are as follows:

Country or area	Currency	Average exchange rate in		Closing exchange rate as of December 31	
		2023	2022	2023	2022
Argentina ⁽¹⁾	Argentine peso (\$A)	0.0680	0.1582	0.0209	0.1096
Brazil	Real (\$R)	3.5537	3.9052	3.4895	3.7209
Guatemala	Quetzal	2.2667	2.5976	2.1584	2.4725
United States of America ⁽²⁾	U.S. dollar	17.7540	20.1239	16.8935	19.4143
Uruguay	Uruguayan Peso	0.4572	0.4894	0.4329	0.4845
Nicaragua	Cordoba	0.4872	0.5610	0.4613	0.5359
Honduras	Lempira	0.7181	0.8169	0.6819	0.7853
Chile	Chilean Peso	0.0212	0.0231	0.0193	0.0226
Paraguay	Guarani	0.0024	0.0029	0.0023	0.0026
Peru	Sol (PEN\$)	4.7376	5.2439	4.5498	5.0823
Costa Rica	Colon	0.0325	0.0310	0.0321	0.0323
Dominican Republic	Dominican Peso	0.3161	0.3514	0.2893	0.3436
Colombia	Colombian Peso	0.0041	0.0041	0.0044	0.0040

(1) Period-end rates are used for the translation of income and expenses if IAS 29 "Financial Reporting in Hyperinflationary Economies" is applied.

(2) Includes the United States, Ecuador, El Salvador, Puerto Rico and Panama.

b) Revenue recognition

Revenues from leases and fit-out services

The Company's main activity is the lease of passive infrastructure and fit-out services for telephone carriers.

Revenue from contracts with customers is recognized at the time control of the goods or services is transferred to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for such goods and services. The Company has concluded that it acts as principal in its revenue contracts in accordance with IFRS 16. Rents are reviewed and increased based on inflation and are established based on the characteristics of the leased space where the passive infrastructure is located.

c) Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates in the valuation of some of its items. The results finally obtained may differ from the estimates used. The Company based its estimates on parameters available when the consolidated financial

statements were prepared. However, existing circumstances and assumptions about future events may change due to changes in the market or circumstances beyond the control of Sitios LATAM. Such changes are reflected in the estimates and their effects on the financial statements when they occur.

d) Financial assets and liabilities

i. Financial assets

Initial recognition and valuation

Financial assets are classified, at initial recognition, as financial assets valued at amortized cost (instruments receivable for principal and interest “IFCPI”), at fair value with changes in OCI (Financial Instruments for collecting or selling, IFCV, for its acronym in Spanish (*Instrumentos Financieros para Cobrar o Vender*)) and at fair value through profit or loss (Negotiable Instruments, IFN, for its acronym in Spanish (*Instrumentos Financieros Negociables*)).

The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of the financial asset and the Company’s business model for managing such assets. Except for accounts receivable that do not contain a significant financing component, the Company initially measures a financial asset at fair value plus, in the case of a financial asset that is not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component are valued at the transaction price determined in accordance with IFRS 15. See accounting policy in Note 2.b “Revenue recognition”.

For a financial asset to be classified and measured at amortized cost or at fair value through OCI, the asset must generate cash flows that are solely payments of principal and interest in connection with the outstanding principal amount. This assessment is known as the financial instrument test for principal and interest receivable and is performed at instrument level.

The Company’s business model for financial asset management refers to how it manages its financial assets to generate cash flows for the business in the performance of its activities and not on a particular intent to hold an instrument. The business model determines whether cash flows will be derived from obtaining contractual cash flows, from the sale of financial assets, or both.

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

Subsequent measurement

For subsequent measurement purposes, financial assets are classified into the following categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of accumulated gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of accumulated gains and losses on derecognition (equity instruments)
- Financial assets at fair value through profit and loss

Derecognition of financial assets

A financial asset (or a part of a financial asset or a part of a group of similar financial assets) is derecognized primarily (*i.e.*, removed from the Company's 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 cash flows received in full without material delay to the third party under a "pass-through" arrangement and (a) the Company has transferred substantially all the risks and benefits of the asset, or (b) the Company has neither transferred nor retains substantially all the risks and benefits of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive the cash flows from an asset or has assumed an obligation to transfer them under a transfer agreement, it assesses whether and to what extent it has retained the risks and benefits of ownership. When it has neither transferred nor retained substantially all the risks and benefits 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 the asset. In such case, the Company also recognizes the related liability. The transferred asset and the related liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The continuing involvement that takes the form of a guarantee on the transferred asset is valued at the lower of the original net book value of the asset and the maximum amount of consideration that the Company would be required to repay.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments that are not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows payable under the contract and all cash flows that

the Company expects to obtain, discounted based on an approximation of the original effective interest rate. Expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, an allowance for expected credit losses is recognized for credit losses resulting from events of default that are possible within the next 12 months (one expected credit loss per 12 months). For credit risk exposures in which there has been a significant increase in credit risk since initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the date of default (an expected credit loss for the life of the instruments).

For trade receivables, the Company applies a simplified approach to calculate expected credit losses. Therefore, the Company does not monitor changes in credit risk, but recognizes an allowance for losses based on expected credit losses over the life of the receivables at each reporting date. The Company has established a provisioning matrix which is based on historical credit loss experience, adjusted to recognize specific forecasted factors of the debtors and the economic environment.

The Company considers a financial asset to be in default when contractual payments are more than 90 days past due. However, in certain cases, the Company may consider a financial asset to be in default when there is internal or external information indicating that it is unlikely that the Company will receive the outstanding contractual amounts in full before considering the credit enhancements maintained by the Company.

ii. Financial liabilities

Initial recognition and valuation

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, accounts payable or derivatives designated as hedging instruments in an effective hedge, as applicable.

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and accounts payable, are reported including directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The valuation of financial liabilities depends on their classification as follows:

- **Financial liabilities at fair value through profit or loss.**

Financial liabilities measured at fair value through profit or loss include financial liabilities for trading purposes and financial liabilities measured, at initial recognition, at fair value through profit or loss.

- **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in income when the liabilities are derecognized, as well as through the effective interest rate amortization process.

Amortized cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is recognized as finance costs in the statement of income.

- **Derecognition of financial liabilities**

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

iii. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The Company measures financial instruments, such as derivatives, and non-financial assets, such as investment property, at fair value at the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place, either:

- In the primary market for the asset or liability, or.
- In the absence of a primary market, the most favorable market for the asset or liability.

The primary or most favorable market must be a market that is accessible to the Company.

The fair value of an asset or liability is calculated applying the assumptions that market participants would use when making an offer for that asset or liability, assuming that such market participants are acting in their own economic interest.

The calculation of the fair value of a non-financial asset considers the ability of market participants to generate economic benefits from the highest and best use of that asset or by selling it to another market participant that could make the highest and best use of that asset.

The Company applies appropriate valuation techniques under the circumstances and with sufficient information available to calculate fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value determinations or disclosures are made in the financial statements are categorized within the fair value hierarchy described below, based on the smallest input that is significant to the determination of fair value as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical financial assets and liabilities.
- Level 2 - Valuation techniques for which the lowest level input used that is significant to the fair value calculation is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input used that is significant to the fair value calculation is not observable.

For assets and liabilities that are recorded at fair value in the financial statements on a recurring basis, the Company determines whether there have been transfers between hierarchy levels by reviewing their categorization (based on the lowest level input that is significant to the fair value calculation as a whole) at the end of each period.

d) Foreign currency transactions

The consolidated financial statements of the Group are presented in Mexican pesos, which is also the functional currency of the controlling entity. Each Group entity determines its own functional currency and the items included in the financial statements of each entity are measured using such functional currency. The Group uses the direct method of consolidation and for the translation of a foreign transaction, the gains or losses that are reclassified to profit or loss reflect the amount arising from the previous translation using this method.

The Group companies initially record foreign currency transactions at the spot exchange rate in effect at the transaction date of their respective functional currency. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot exchange rate prevailing at the balance sheet date.

All differences resulting from the settlement or translation of monetary items are recorded in the income statement, except for monetary items designated as part of the hedge of the Group's net investment in a foreign operation. These differences are recorded in other comprehensive income until the disposal of the net investment, at which time they are reclassified to the income statement. Tax adjustments attributable to exchange differences on these monetary items are also recognized in other comprehensive income.

Non-monetary items recognized at historical cost in foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items carried at fair value denominated in foreign currencies are translated at the exchange rates prevailing at the date the fair value was determined. Gains or losses arising from the translation of non-monetary items measured at fair value are recorded in accordance with the recognition of gains or losses arising from the change in the fair value of the related item (*i.e.*, realized exchange differences on items whose fair value gains or losses are recognized in other income or in profit or loss are also recognized in other income or in profit or loss, respectively).

This Interpretation further clarifies that, in determining the spot exchange rate to be used in the initial recognition of the asset, expense or income (or part thereof) arising on settlement of a nonmonetary asset or nonmonetary liability that was recorded for advance consideration, the date of the transaction on which the nonmonetary asset or nonmonetary liability arising from the advance consideration was initially recognized should be used. If there are multiple payments or prepayments, the Company must determine the date of the transactions for each payment or collection of the advance consideration.

e) Cash and cash equivalents

Cash and cash equivalents are represented by bank deposits and investments in liquid instruments

with maturities of less than three months. These amounts are stated at cost plus accrued interest, which is similar to their market value.

f) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Financial Position on the basis of current or non-current classification.

An asset is classified as current when:

- The significance of the right to defer settlement of a liability.
- The right to defer settlement of the liability must exist at the end of the period.
- The classification is not affected by the probability that the entity will exercise its right to defer settlement of the liability.
- Only if any embedded derivative in a convertible liability itself represents an equity instrument, the terms of the liability would not affect its classification.

The Company classifies all other assets and liabilities, including deferred tax assets and liabilities, as non-current.

g) Property and equipment, net

Property and equipment are recorded at acquisition cost, net of accumulated depreciation; except for the passive infrastructure of telecommunication towers, which are recognized at fair value under the revaluation model in accordance with the option established in IAS 16 "Property, Plant and Equipment". This value is reviewed periodically when the Company considers that there is a significant variation between the carrying value and fair value. Depreciation is calculated on the cost of the assets, using the straight-line method, from the month following the month in which they are available for use based on the estimated useful lives of the assets.

Borrowing costs incurred to finance construction in progress with a period greater than 6 months are capitalized as part of the cost of the asset. During 2023 and 2022 there were no new loans that have been capitalized as financing costs. 14.

In addition to the purchase price and the costs directly attributable to the process of preparing the asset, in terms of physical location and condition so that it can operate as intended by management, the cost of the assets also includes the estimated costs for dismantling and removal of the asset and for the restoration of the site on which it is located.

The passive infrastructure of the telecommunications towers will be recorded at revalued value, which is its fair value at the time of revaluation less accumulated depreciation; any loss or

impairment should also be considered within its value. Revaluations shall be performed with sufficient regularity to ensure that the carrying amount at all times does not differ materially from that which could be determined using fair value at the end of the reporting period.

The increase resulting from a revaluation is recognized in other comprehensive income (OCI) and accumulated in shareholders' equity as a revaluation surplus. To the extent that there is a revaluation decrease, it is recognized in profit or loss for the period, except to the extent that it offsets an existing surplus on the same asset.

An annual transfer of the asset revaluation surplus and retained earnings is made to the extent that the asset is used; therefore, the surplus is equal to the difference between the depreciation calculated on the revalued value and that calculated according to its original cost. Such transfers do not go through income for the period. A total transfer of the surplus may be made when the entity disposes of the asset.

ii) The net carrying amount of property, plant and equipment is derecognized in the consolidated statements of financial position when the asset is sold or when future economic benefits are no longer expected from its use or sale. Any gain or loss on the sale of property, plant and equipment represents the difference between the net proceeds from the sale and the net book value of the item at the time of sale and these gains or losses are recognized as other income or other operating expenses.

iii) The Company periodically evaluates the residual values, useful life and depreciation methods of its property, plant and equipment. If necessary, the effects of any changes in accounting estimates are recognized prospectively, at each year-end, in accordance with IAS 8, "Accounting policies, changes in accounting estimates and errors".

For property, plant and equipment comprising various components with different estimated useful lives, the relevant individual components are depreciated over their individual useful lives. Maintenance and repair costs are expensed as incurred.

The annual depreciation rates are as follows:

Passive infrastructure	3.33-4%
Computer equipment	30%
Transportation equipment	25%
Other equipment	10%

iv) The carrying value of property, plant and equipment is reviewed annually for indications of impairment in such assets. When the recoverable amount of an asset is less than the carrying value of such asset, the difference is recognized as an impairment loss. As of December 31, 2023

and 2022, no impairment losses were recognized.

v) Revaluation of telecommunication towers

The fair value of the passive infrastructure of the telecommunications towers was determined using the “income” technique through a discounted cash flow (DCF) model where inputs such as average rents per tower, term of the contracts and discount rates considering market information, among others, were used.

h) Licenses and software

Licenses and software acquired are intangible assets with definite lives that are recognized at acquisition cost. Amortization is calculated on the acquisition cost under the straight-line method over their useful life.

i) Impairment of long-lived assets

It is the Company’s policy to evaluate the existence of impairment indicators on the value of long-lived assets. If such indications exist, or in the case of assets whose nature requires an annual impairment analysis, the recoverable value of the asset is estimated to be greater than the fair value, net of costs of disposal, and its value in use. This value in use is determined by discounting the estimated future cash flows, applying a pre-tax discount rate that reflects the time value of money and considering the specific risks associated with the asset. When the recoverable amount of an asset is below its net book value, it is considered to be impaired. In this case, the carrying amount is adjusted to the recoverable amount, recording the loss in the results of the relevant period.

Depreciation and/or amortization charges for future periods are adjusted to the new carrying amount over the remaining useful life. Each asset is tested for impairment on an individual basis, except for assets that generate cash flows that are interdependent with those generated by other assets or groups of assets.

The value of property and equipment is reviewed annually to verify that there are no indications of impairment. When the recoverable amount, which is the higher of the selling price and its value in use (which is the present value of future cash flows), is lower than the net book value, the difference is recognized as an impairment loss.

As of December 31, 2023 and 2022, property and equipment showed no signs of impairment and therefore no impairment losses were determined.

j) Leases

The determination of whether a contract is or contains a lease is based on the economic substance of the agreement at the commencement date of the lease. The contract is, or contains, a lease if the fulfillment of the lease depends on the use of an asset (or assets), even if such asset (or assets) is not explicitly stated in the contract.

At the beginning of a contract, the Company should assess whether the contract is, or contains, a lease. That is, if the contract transfers the right to use an identified asset for a specified period of time in exchange for consideration. If not, it is a service contract.

The Company as lessee

The Company applies a single approach to the recognition and valuation of all leases, except for short-term leases and leases where the underlying asset is a low-value asset (based on materiality). The Company recognizes lease liabilities to realize lease payments and right-of-use assets that represent its right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets on the lease commencement date (*i.e.*, the date on which the underlying asset is available for use). Right-of-use assets are stated at acquisition cost, less accumulated depreciation or amortization and impairment losses, and are adjusted to reflect any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial valuation of lease liabilities recognized, lease payments made prior to or at the lease commencement date less any lease incentives received and initial direct costs incurred by the lessee. Right-of-use assets are depreciated or amortized on a straight-line basis over the shorter term of the lease period, as shown below:

Assets	Useful life
Lease of real estate	5 to 10 years
Vehicles and offices	1 to 5 years

Right-of-use assets are also subject to impairment testing. See policy 2.j on impairment of non-financial assets.

ii) Lease liabilities

At the lease commencement date, the Company recognizes lease liabilities at the present value of future lease payments to be made during the lease term.

Variable lease payments that are not index or rate dependent are recognized as an expense in the period in which the event or condition triggering the payment occurs.

To calculate the present value of lease payments, the Company discounts, at present value, the future cash flows for those leases that are within the scope of the standard, using an incremental discount rate, which is an estimate of the rate that the Company would obtain for a loan, at a period similar to the current lease obligations and with similar collateral, to obtain an asset similar to the leased asset. After the lease commencement date, the amount of lease liabilities is increased to reflect the accumulation of accrued interest and reduced in proportion to the lease payments made. In addition, the carrying amount of lease liabilities is recalculated if there is a change in the term of the lease, in the fixed lease payments, in substance or in the valuation to purchase the underlying asset.

The Company's lease liabilities are reported separately from other liabilities in the statement of financial position.

iii) Short-term leases and low-value leases.

The Company applies the short-term lease recognition exemption for its machinery and equipment leases (*i.e.*, those leases that have a lease term of 12 months or less from the commencement date and do not provide for a purchase option). The exemption also applies to equipment considered low-value equipment (*i.e.*, below US\$5,000). Short-term lease payments and low-value asset leases are recognized as an expense on a straight-line basis over the lease term.

k) Liabilities, provisions, contingent liabilities and commitments

Provision liabilities are recognized when (i) there is a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the obligation can be reasonably estimated.

When the effect of the time value of money is significant, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate applied in these cases is before tax, and reflects market conditions at the date of the statement of financial position and, where appropriate, the specific risk of the related liability. In these cases, the increase in the provision is recognized as an interest expense.

Provisions for contingent liabilities are recognized only when it is probable that an outflow of resources will be required to settle the liability. Likewise, contingencies are only recognized when they generate a loss.

l) Provision for asset retirement

The Company recognizes a provision for the decommissioning costs of the sites where it has leased its passive infrastructure. Decommissioning costs are determined as the present value of the expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the asset. The cash flows are discounted at a pre-tax discount rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognized in the income statement as a financial expense as it occurs.

Estimated future decommissioning costs are reviewed annually and adjusted as applicable. Changes in the estimated future costs or in the discount rate applied are added to or subtracted from the cost of the asset.

m) Employee benefits

Seniority premium costs are recognized annually, based on calculations made by independent actuaries using the projected unit credit method using financial assumptions net of inflation.

The Company recognizes a provision for the costs derived from paid leave, such as vacations, based on the accrual method.

o) Taxes

- Income taxes

Current income taxes are presented as a short-term liability net of prepayments made during the year.

The Company determines deferred income taxes based on the asset and liability method, referred to in IAS 12 "Income Taxes".

Deferred income taxes are determined using the asset and liability method, based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts at the date of presentation of the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted on the date of the consolidated financial statements. The carrying amount of deferred tax assets is reviewed by the Company at each reporting date of the consolidated financial statements and is reduced to the extent that it is probable that the Company will not have sufficient future taxable profits to allow the recovery of the extent or part of the deferred tax assets.

Unrecognized deferred tax assets are reassessed at each reporting date of the consolidated financial statements and are recognized to the extent that it is probable that future taxable profits will be sufficient to allow the realization of these assets. Deferred taxes related to items recognized in comprehensive income are recognized together with the item that generated such taxes.

Deferred taxes related to items recognized in comprehensive income are recognized together with the item that generated such deferred taxes. Deferred taxes resulting from unreimbursed earnings of subsidiaries are treated as temporary differences. Withholding taxes on foreign earnings remitted are creditable against Mexican taxes; therefore, to the extent that a remittance is made, the deferred tax would be limited to the incremental difference between the Mexican tax rate and the rate of the remitting country. As of December 31, 2023 and 2022, the Company has not recorded deferred tax on unrepatriated foreign earnings, as it complies with the exceptions established in IAS 12, which requires that the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The Company offsets tax assets and liabilities if it has a legally enforceable right to offset current tax assets and liabilities and deferred tax assets and liabilities that relate to income taxes due to the same tax authority.

- Sales taxes

Revenues, expenses and assets are recognized excluding the amount of any sales tax, except:

- When the sales tax incurred on an acquisition of assets or rendering of services is not recoverable from the tax authority, in which case, such tax is recognized as part of the acquisition cost of the asset or as part of the expense, as applicable.
- Accounts receivable and payable are stated inclusive of the amount of sales tax.

The net amount of sales tax expected to be recovered from, or payable to, the tax authorities is presented as a short-term receivable or payable in the consolidated statement of financial position, unless it is due in more than one year, in which case it is presented in the long-term.

p) Uncertain tax positions.

The Company periodically evaluates positions taken in tax returns with respect to situations where the applicable tax laws are subject to interpretation and considers whether it is probable that the tax authority will accept uncertain tax treatment. The Company measures its tax balances on a more-likely-than-not or expected basis, depending on which method provides a better prediction of the resolution of the uncertainty.

q) Statement of cash flows

The statement of cash flows shows the cash inflows and outflows that occurred during the year. In addition, the statement of cash flows begins with the income (loss) before income taxes, presenting first the cash flows from operating activities, then investing activities and finally, financing activities.

The statements of cash flows for the years ended December 31, 2023 and 2022 were prepared under the indirect method.

r) Financial risks

The main risks associated with the Company's financial instruments are: (i) liquidity risk, (ii) market risk (risk of fluctuation in foreign currency exchange rates and interest rate risk) and (iii) credit risk and counterparty risk. The Board of Directors approves the policies presented by the Company's management to mitigate these risks.

i) Liquidity risk

Liquidity risk is the risk that the Company will not be able to fulfill its financial obligations associated with financial instruments when due. Notes 8 and 9 include the Company's financial obligations and commitments.

ii) Market risk

The Company is exposed to market risks arising from changes in interest rates and fluctuations in foreign currency exchange rates. The Company's debt is denominated in foreign currencies, primarily U.S. dollars, other than its functional currency. The Company does not use derivatives to hedge the exchange rate risk arising from having operations in different countries.

iii) Credit risk

Credit risk represents the loss that would be recognized in the event that counterparties fail to meet their contractual obligations.

Financial instruments that potentially represent concentrations of credit risk are cash and short-term deposits, trade accounts receivable and financial instruments related to debt. The Company's policy is designed to limit its exposure to a single financial institution; therefore, its financial instruments are held with different financial institutions, which are located in different geographic regions.

A portion of excess cash is invested in time deposits with financial institutions with high credit

ratings.

iv) Market risk sensitivity analysis

The Company uses sensitivity analysis to measure potential losses in its results based on a theoretical increase of 100 basis points in interest rates and a 5% change in exchange rates:

Interest rates

If the agreed interest rates as of December 31, 2023 and 2022 were to decrease by 100 basis points and increase by 5% and 5.23%, respectively, in exchange rate fluctuations, net interest expense would have decreased by \$442,165 and \$234,041, respectively.

Exchange rate fluctuations

If the Company's debt as of December 31, 2023 and 2022, which amounts to \$53,162,310 and \$51,046,209, respectively, were to suffer a 5% increase/(decrease) in exchange rates, such debt would have increased/(decreased) by \$1,609,485 and \$1,524,385, respectively.

The main financial instruments used to finance the Company's operations are integrated by bank loans, credit facilities, accounts payable and accounts payable to related parties. The Company has various financial assets such as cash and cash equivalents, accounts receivable, accounts receivable from related parties and other assets that come directly from its operations.

s) Income statement presentation

The costs and expenses shown in the Company's consolidated statements of comprehensive income are presented on a combined basis (between function and nature), which allows a better understanding of the components of operating income. This classification allows comparability according to the industry in which the Company operates.

The Company presents operating income in its consolidated statements of comprehensive income, as it is a key indicator of the Company's performance. Operating income comprises revenues, operating costs and expenses.

t) Operating segments

Segment information is presented in accordance with the information used by management for decision making. The information is presented considering the geographic areas in which the Company operates.

The Company's management is responsible for deciding on the resources to be allocated to the different segments, as well as for evaluating their performance. Intersegment revenues and costs, intercompany balances and equity investments in consolidated entities are eliminated in consolidation and are reflected in the "eliminations" column.

u) Significant accounting assessments, estimates and assumptions

In preparing the consolidated financial statements, Sitios Latam makes estimates with respect to various items. Some of these items are highly uncertain and estimates involve assessments based on available information. In the discussion below, Sitios Latam has identified several of these matters that could materially affect the consolidated financial statements if (1) Sitios Latam uses estimates different from those we reasonably could have used, or (2) in the future Sitios Latam changes its estimates in response to changes that are likely to occur.

The following discussion addresses only those estimates that Sitios Latam considers most important based on the degree of uncertainty and the likelihood of a material impact if a different estimate were used. There are other different areas in which Sitios Latam uses estimates about uncertain matters, but in which the reasonably likely effect of using different estimates is not material with respect to the financial presentation for these areas.

Estimated useful life of plant, property and equipment

The Company currently depreciates the majority of its passive telecommunication tower structure based on an estimated useful life determined over the particular operating and maintenance conditions expected in each of the countries in which it operates. The estimates are based on historical experience with similar assets, anticipations of technological changes and other factors, considering the practices of other companies in the market in which it operates. Sitios Latam will annually review the estimated useful life to determine, for each particular class of assets, whether it should be changed. Sitios Latam may shorten or extend the estimated useful life of an asset class in response to technological changes, market changes or other developments. This generates an increase or reduction in depreciation expense.

Revaluation of passive infrastructure of telecommunication towers

The Company recognizes the passive structure of telecommunication towers at fair value, recognizing changes in OCI. The discounted cash flow (DCF) model was used. Prior to the spin-off, the Company engaged a valuation specialist with industry experience to measure the fair values as of December 31, 2023 and 2022. In estimating the fair value of the Dominican Republic and Peru Towers, Sitios Latam considers recent market transactions.

Impairment of Long-Lived Assets

The Company has large amounts of long-lived assets, including property, plant and equipment in the consolidated statements of financial position. The Company is required to test long-lived assets for impairment whenever circumstances indicate a potential impairment, in some cases, at least annually. The impairment analysis for long-lived assets requires estimating the recoverable amount of the asset, which would be the higher of its fair value (less any cost of disposal) and its value in use.

To estimate the fair value of a long-lived asset, Sitios Latam considers recent market transactions or, if such transactions cannot be identified, a valuation model which requires making certain assumptions and estimates is used. Likewise, to estimate the value in use of long-lived assets, several assumptions are usually made about the future prospects of the business related to the corresponding asset and market factors specific to that business are considered and the future cash flows that such business will generate are estimated.

Based on this asset impairment analysis, including all related assumptions and estimates, as well as the guidelines provided by IFRS regarding impairment of long-lived assets, the use of different assumptions and estimates may impact the results reported by the Company. More conservative assumptions of the anticipated future benefits of these businesses could result in asset impairment charges, which would reduce net income and decrease asset values in the Company's consolidated statement of financial position. Conversely, less conservative assumptions could result in lower or no asset impairment charges, higher net income and higher asset values. The key assumptions in determining the recoverable amount of the Company's CGUs.

Deferred taxes

The Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves estimating, on a jurisdiction-by-jurisdiction basis, the actual current tax exposure, as well as assessing temporary differences resulting from the deferred treatment of certain items, such as provisions and write-offs, for tax and accounting reporting purposes, as well as unamortized tax loss carryforwards and other tax credits. These items generate deferred tax assets and liabilities. The analysis is based on estimates of taxable income in the jurisdictions in which the group operates and the period over which the deferred tax assets and liabilities would be recovered or settled.

If actual results differ from these estimates or if these estimates are adjusted in future periods, the financial position and results of operations of Sitios Latam's consolidated operations may be materially affected.

In assessing the future realization of deferred tax assets, consideration is given to future taxable

income and ongoing planning strategies and future operating results. In the event that estimates of future taxable income are reduced, or upon the issuance of amendments to current tax regulations that impose restrictions on the timing or extent of Sitios Latam’s ability to utilize the tax benefits of unamortized tax loss carryforwards in the future, an adjustment would be made to the amount recorded in deferred tax assets with a related charge to income for the year.

Provisions

Provisions are recorded when, at the end of the period, the Company has a present obligation as a result of past events whose settlement requires an outflow of resources that is considered probable and can be reliably measured. This obligation may be legal or assumed derived from, among other aspects, regulations, contracts, common practice or public commitments, which have created a valid expectation to third parties that Sitios Latam will assume certain liabilities.

The amount recorded is the best estimate made by Sitios Latam’s management regarding the disbursement that will be required to fulfill the obligations, considering all information available on the date of the consolidated financial statements, which includes the opinion of external experts, such as legal advisors or consultants. Provisions are adjusted to account for changes in the circumstances of ongoing matters and the establishment of additional provisions for new matters.

If the Company cannot reliably measure the obligation, no provision is recorded and the information is then presented in the notes included in the consolidated financial statements. Due to the uncertainties inherent to these estimates, actual expenses may differ from the estimated amount originally recognized.

The Company is not subject to claims and contingencies relating to taxes, labor matters and legal judgments.

3. Cash and cash equivalents

Cash and cash equivalents consist of various short-term deposits with financial institutions. Cash and cash equivalents include instruments purchased with maturities of less than three months. This amount includes the deposit plus interest earned.

As of December 31, 2023 and 2022, cash and cash equivalents are integrated as follows:

	2023		2022
Cash	\$ 32	\$	61
Banks	1,222,793		1,768,759
Short-term investments	344,521		2,338,122
	\$ 1,567,346	\$	4,106,942

4. Trade accounts receivable, other accounts receivable and taxes payable, net

a) Accounts receivable per component as of December 31, 2023 and 2022 are integrated as follows:

	2023	2022
Clients	384,665	206,887
Other accounts receivable	2,865	-
Impairment of accounts receivable	(15,442)	(14,615)
Total net	\$ 372,088	\$ 192,272

b) The changes in the impairment of accounts receivable are as follows:

	2023	2022
Balance at beginning of the period	\$ (14,615)	\$ (11,001)
Increases recorded as expenses	(827)	(3,614)
Applications to estimate	-	-
Balance at the end of the period	\$ (15,442)	\$ (14,615)

5. Recoverable taxes

As of December 31, 2023 and 2022, recoverable taxes are integrated as follows:

	2023	2022
VAT refundable balances	\$ 1,581,228	\$ 1,046,869
Social security contributions	239,352	3,148
Withheld income tax	168,832	210,366
Local taxes	5,968	-
Income tax credit balances	5,521	-
Other taxes	-	364,967
Balance at the end of the period	\$ 2,000,901	\$ 1,625,350

6. Related parties

a) The following is an analysis of the balances with related parties as of December 31, 2023 and 2022. All companies are considered associates or affiliates of the Company, as their main shareholders are, directly or indirectly, shareholders of the related parties.

	2023	2022
Receivable:		
Claro S.A.	\$ 496,412	\$ 617,057
AMX Argentina S.A.	197,783	163,072
América Móvil Perú, S.A.C.	182,656	1,203
Compañía Dominicana de Teléfonos, S.A.	172,546	-
Telecomunicaciones de Guatemala S.A.	123,537	68,696
Claro Chile S.A.	103,790	463,136
Claro CR Telecomunicaciones S.A.	83,552	50,759
Consortio Ecuatoriano de Telecomunicaciones, S.A.	61,917	10,724
AM Wireless Uruguay S.A.	52,194	25,697
Comunicación Celular, S.A.	43,211	-
Empresa Nicaragüense de Telecomunicaciones, S.A.	43,018	23,258
Other related parties	98,751	191,414
	\$ 1,659,367	\$ 1,615,016
Payable:		
AMX Argentina S.A.	\$ 131,214	\$ 456,570
Telecomunicaciones de Puerto Rico, Inc	67,324	-
Compañía Dominicana de Teléfonos, S.A.	23,126	-
Claro CR Telecomunicaciones S.A.	17,938	13,794
Claro S.A.	7,438	3,741
Telecomunicaciones de Guatemala S.A.	6,841	194,343
Other related parties	23,529	888,940
	\$ 277,410	\$ 1,557,388

For the year ended December 31, 2023 and 2022 there were no impairment losses on accounts receivable from related parties.

b) During 2023 and 2022, the following related party transactions were carried out.

	Balance as of December 31, 2022	For the period from August 8 to December 31, 2022
Revenues:		
Infrastructure lease income ⁽¹⁾	\$ 6,582,862	\$ 3,247,721
Income from leased floor space ⁽¹⁾	4,709,083	1,614,137
	\$ 11,291,945	\$ 4,861,858

	Balance as of December 31, 2023	For the period from August 8 to December 31, 2023
Expenses:		
Administrative services ⁽²⁾	\$ 227,846	\$ 235,531
Interest ⁽³⁾	206,538	194,520
	\$ 434,384	\$ 430,051

- (1) The Company entered into contracts for the lease of its passive infrastructure and land use with an average term of 5 to 10 years. The lease of passive structure corresponds to non-electronic elements to service telecommunications networks including, without limitation, masts, towers, poles, sites, land and physical spaces.
- (2) América Móvil's telecommunications subsidiaries have entered into contracts with the Company for administrative services, office leases, support and maintenance; the term of the contract is indefinite and can be automatically extended upon expiration.
- (3) Loan interest generated with América Móvil and subsidiaries, as of December 31, 2023, only the loan with AMX Argentina S.A. remains in force and does not generate interest.

7. Net property and equipment

As of December 31, 2023 and 2022, property and equipment comprises of the following:

Investment	As of December 31, 2022	Additions	Disposals	Transfers	Hyperinflation	Effect of translation	Depreciation for the year	Balance as of December 31, 2023
Towers	\$ 80,155,665	\$ 20,215,916	\$ (2,070,367)	\$ 151,107	\$ 2,765,932	\$ (18,963,331)	-	\$ 82,254,922
Land and buildings	373,112	192	(36)	-	-	(373,122)	-	146
Construction in progress	288,597	1,169,238	(261,551)	(269,184)	3,475	58,291	-	988,866
Inventories	34,696	39,495	(32,433)	-	-	12,829	-	54,587
Transportation equipment	7,575	14,494	(937)	-	-	(2,181)	-	18,951
Other assets	11,256	51,625	(13,538)	-	539	5,401	-	55,283
Furniture and equipment	4,936	3,137	(221)	-	-	(4,786)	-	3,066
Total	\$ 80,875,837	\$ 21,494,094	\$ (2,379,083)	\$ (118,077)	\$ 2,769,946	\$ (19,266,899)	\$ -	\$ 83,375,821
Depreciation								
Towers	\$ 4,564,567	\$ 3,496,728	\$ 14,356	\$ -	\$ 36,242	\$ (901,923)	3,179,351	\$ 10,389,321
Other assets	8,739,061	13,643	(3,918,782)	-	-	(568,623)	32,152	4,297,451
	\$ 13,303,627	\$ 3,510,371	\$ (3,904,426)	\$ -	\$ 36,242	\$ (1,470,546)	\$ 3,211,503	\$ 14,686,772
Active dismantling								
Historical value	\$ 2,919,968	\$ 3,746,366	\$ (680,160)	\$ 1,084	\$ -	\$ (1,054,832)	-	\$ 4,932,426
Accumulated depreciation	(920,747)	(755,400)	(602,689)	-	-	306,713	(585,048)	(2,557,171)
	\$ 1,999,221	\$ 2,990,966	\$ (1,282,849)	\$ 1,084	\$ -	\$ (384,818)	\$ (585,048)	\$ 2,375,255
Net cost	\$ 69,571,430	\$ 20,974,689	\$ 242,494	\$ (116,993)	\$ 2,733,704	\$ (18,027,569)	\$ (3,796,551)	\$ 71,064,304

Investment	Balance as of August 8, 2022	Additions	Disposals	Transfers	Hyperinflation	Effect of translation	Depreciation for the year	Balance as of December 31, 2022
Towers	\$ 76,336,690	\$ 1,636,338	\$ (84,706)	\$ 99,303	\$ 2,766,705	\$ (598,665)	\$ -	\$ 80,155,665
Land and buildings	376,059	-	-	-	-	(2,947)	-	373,112
Construction in progress	96,907	293,623	(75)	(99,303)	-	(2,555)	-	288,597
Inventories	25,121	11,194	-	-	-	(1,619)	-	34,696
Transportation equipment	5,414	2,161	-	-	-	-	-	7,575
Other assets	5,358	5,953	-	-	-	(55)	-	11,256
Furniture and equipment	1,630	3,306	-	-	-	-	-	4,936
Total	\$ 76,847,179	\$ 1,952,575	\$ (84,781)	\$ -	\$ 2,766,705	\$ (605,841)	\$ -	\$ 80,875,837
Depreciation	Balance as of August 8, 2022	Additions	Disposals	Transfers	Hyperinflation	Effect of translation	Depreciation for the year	Balance as of December 31, 2022
Towers	\$ 2,886,141	\$ -	\$ (143,118)	\$ -	\$ 814,483	\$ (28,987)	\$ 1,036,048	\$ 4,564,567
Other assets	8,825,426	186	(84)	-	-	(86,367)	(100)	8,739,061
	\$ 11,711,567	\$ 186	\$ (143,202)	\$ -	\$ 814,483	\$ (115,354)	\$ 1,035,948	\$ 13,303,628
Active dismantling								
Historical value	\$ 2,640,009	\$ 422,951	\$ (142,992)	\$ -	\$ -	\$ -	\$ -	\$ 2,919,968
Accumulated depreciation	(892,602)	-	3,790	-	-	-	(31,935)	(920,747)
	\$ 1,747,407	\$ 422,951	\$ (139,202)	\$ -	\$ -	\$ -	\$ (31,935)	\$ 1,999,221
Net cost	\$ 66,883,019	\$ 2,375,340	\$ (80,781)	\$ -	\$ 1,952,222	\$ 490,487	\$ 1,067,883	\$ 69,571,430

Depreciation expense as of December 31, 2023 and 2022 amounted to \$3,796,551 and \$1,067,883, respectively.

The period of completion of construction in progress is variable and depends on the type of plant and equipment under construction.

As of December 31, 2023 the Company decided to revalue its towers in the Dominican Republic and Peru: The Company considered that this change provides more relevant and reliable information to management for decision making. Management has made this change considering the conditions and requirements of its operating and market environment, as well as considering that these assets, due to their specialized technological characteristics, are exposed to market price changes and to infrastructure changes for their operation.

The fair value of the passive infrastructure of the telecommunications towers was determined using the "Market Approach" technique based on the information of values from market references or auctions of similar assets in accordance with International Accounting Standard No. 16 "Property, Plant and Equipment" (hereinafter, "IAS 16"), as well as in accordance with International Financial Reporting Standard No. 13 "Fair Value" (hereinafter, "IFRS 13"). As of December 31, 2023, the date of the revaluation, the fair values of the passive infrastructure of the telecommunications towers were determined by a valuation specialist with experience in the industry. As a result, on December 31, 2023 Sitios Latinoamérica recognized an increase in its telecommunications towers of \$5,575,962 and a revaluation surplus in shareholders' equity of \$3,960,303 net of deferred taxes.

8. Asset removal provision

As of December 31, 2023 and 2022, the provision for asset removal is integrated as follows:

	2023	2022
Balance at beginning of period	\$ 5,436,307	\$ 4,622,317
Increase due to additions of passive infrastructure	1,586,996	422,951
Effect of translation	(935,142)	391,039
Balance as of December 31	\$ 6,088,161	\$ 5,436,307

The revision to the estimate of cash flows and discount rate during the year ended December 31, 2023 and 2022 relates, primarily, to a decrease in expected dismantling costs per asset, as well as an increase in the discount rate and expected long-term inflation.

9. Debt

a) Long-term debt is integrated as follows:

As of December 31, 2023 (thousands of Mexican pesos)					
Currency	Item	Rate	Maturity	Total	Level
Senior Notes					
U.S. Dollars					
	Fixed-rate senior notes (i)	5.375%	2032	\$ 16,893,500	1
	Subtotal U.S. dollars			\$ 16,893,500	
Peruvian soles					
	Fixed-rate senior notes (i)	9.125%	2033	\$ 3,961,767	1
	Subtotal Peruvian soles			\$ 3,961,767	
Credit facilities and others					
U.S. Dollars					
	Credit facilities (ii)	SOFR + 0.88%	2024	\$ 1,013,610	1
	Credit facilities (ii)	SOFR + 0.88%	2024	799,063	1
	Credit facilities (ii)	SOFR + 1.25%	2025	8,700,153	1
	Subtotal U.S. dollars			\$ 10,512,826	
Mexican Pesos					
	Credit facilities (ii)	TIIE + 1.25%	2027	\$ 20,558,500	1
	Subtotal Mexican pesos			\$ 20,558,500	
Peruvian soles					
	Credit facilities (ii)				
	Credit facilities (ii)	8.87%	2024	\$ 815,561	1
	Subtotal Peruvian soles			\$ 815,561	
	Subtotal Credit Facilities and Others			\$ 31,886,887	
	Total Debt			\$ 52,742,154	
	Minus: Short-term debt and current portion of long-term debt			\$ 2,628,234	
	Long Term Debt			\$ 50,113,920	

SOFR: Secured Overnight Funding Rate
TIIE: Interbank Equilibrium Interest Rate

As of December 31, 2022 (thousands of Mexican pesos)

Currency	Item	Rate	Maturity	Total	Level
<u>Senior Notes</u>					
U.S. dollars					
	Fixed-rate senior notes (i)	5.375%	2032	\$ 19,412,998	1
	Subtotal U.S. dollars			<u>\$ 19,412,998</u>	
<u>Credit Facilities and Others</u>					
U.S. dollars					
	Credit facilities (ii)	SOFR + 1.25%	2025	\$ 9,998,364	1
	Subtotal U.S. dollars			<u>\$ 9,998,364</u>	
Mexican Pesos					
	Credit facilities (ii)	TIE + 1.25%	2027	\$ 20,558,500	1
	Subtotal Mexican pesos			<u>\$ 20,558,500</u>	
	Subtotal Credit Facilities and Others			<u>\$ 30,556,864</u>	
	Total Debt			<u>\$ 49,969,862</u>	
	Minus: Short-term debt and current portion of long-term debt			<u>\$ -</u>	
	Long Term Debt			<u>\$ 49,969,862</u>	

SOFR: Secured Overnight Funding Rate
TIE: Interbank Equilibrium Interest Rate

The interest rates applied to the Company's debt are fixed rates and, in others, are subject to variations in international and local rates. The weighted average cost of debt in dollars as of December 31, 2023 and 2022 is 6.26% and 7.66%, respectively.

These interest rates do not include commissions or reimbursement to creditors for taxes withheld from foreign residents, generally at a rate of 4.9% on interest paid, which must be reimbursed by the Company.

The Company's long-term debt is integrated according to maturity, as follows:

Years	Amount
2025	\$ 8,700,153
2026 and subsequent	<u>41,413,767</u>
Total	<u><u>\$ 50,113,920</u></u>

Restrictions

Part of the aforementioned debt is subject to restrictions regarding the maintenance of certain financial ratios, and the restriction on the sale of a significant portion of groups of assets, among others. As of December 31, 2023 and 2022, the Company has complied with these requirements.

Some of the debt is also subject to early maturity or repurchase at the option of the holders, in the event of a change of control, as defined in the respective instruments. The definitions of change of control may differ, but none of them will occur as long as its existing shareholders continue to control a majority of the voting shares of the Company.

Obligations to do

Pursuant to the credit agreements, the Company is obligated to comply with certain financial and operating covenants. Such covenants limit, in certain cases, the Company's capacity.

Such covenants restrict Sitios Latam's ability to pay dividends or other distributions. The most restrictive financial covenants require the Company to maintain a consolidated debt to EBITDAaL ratio (operating income plus depreciation and amortization after lease payments) that does not exceed 8.5 to 1, a consolidated EBITDAaL to interest paid ratio that is not lower than 1.5 to 1 (in accordance with provisions set forth in the credit agreements) and a ratio of subsidiaries' gross debt to consolidated gross debt not higher than 20%.

Several of the Company's financing instruments are subject to early termination at the option of the lenders in the event of a change of control.

As of December 31, 2023 and for the first quarter of fiscal year 2024, the Issuer and its subsidiaries were up to date in the payment of principal and interest in connection with their contracted credit facilities, as applicable.

As of December 31, 2023 and 2022, the Company was in compliance with all covenants, except for the financial obligation not to allow the Interest Coverage Ratio of the Towers Business (*Negocio Torres*) to fall below 1.50 - 1.00., the Issuer, as well as Torres Latinoamérica, S.A. de C.V., in their capacity as borrowers, respectively, timely obtained the necessary waivers from the lenders of both Credit Agreements, with respect to such financial obligation, for the fourth period of fiscal year 2023 and for the first period of fiscal year 2024.

10. Rights-of-use assets and related long-term rights-of-use liabilities

The Company maintains leases for sites, property and other equipment used in its operations. Sites generally have lease terms of 5 to 10 years, while property and other equipment generally have lease terms of 2 to 5 years.

As of December 31, 2023 and 2022, right-of-use assets and lease liabilities are as follows:

	2023			
	Towers and sites	Property and other equipment	Total	Rights-of-use related liabilities
Beginning balance for 2023	\$ 12,848,071	\$ 137,156	\$ 12,985,227	\$ 13,099,281
Additions and disposals	4,152,499	(290)	4,152,209	4,152,209
Changes	6,574,511	-	6,574,511	6,434,039
Depreciation	(4,015,119)	-	(4,015,119)	-
Interest expense	-	-	-	1,570,394
Payments	-	-	-	(4,904,851)
Translation adjustment	(547,427)	-	(547,427)	(179,554)
Ending balance December 31, 2023	\$ 19,012,535	\$ 136,866	\$ 19,149,401	\$ 20,171,518

	2022			
	Towers and sites	Property and other equipment	Total	Rights of use related liabilities
Beginning balance as of August 8, 2022	\$ 14,696,769	\$133,943	\$ 14,830,712	\$ 12,127,722
Additions and disposals	786,448	27,594	814,042	814,042
Changes	1,166,581	33	1,166,614	1,166,614
Depreciation	(1,440,831)	(18,670)	(1,459,501)	-
Interest expense	-	-	-	243,221
Payments	-	-	-	(1,936,027)
Translation adjustment	(2,360,896)	(5,744)	(2,366,640)	683,709
Ending balance December 31, 2022	\$ 12,848,071	\$ 137,156	\$ 12,985,227	\$ 13,099,281

The Company's lease debt is integrated according to their maturities as follows:

	2023		2022	
Short-term	\$	1,763,098	\$	3,403,339
Long-term		18,408,420		9,695,942
Total	\$	20,171,518	\$	13,099,281

11. Accounts payable and accrued liabilities

a) Accounts payable and accrued liabilities as of December 31 are integrated as follows:

	2023	2022
Suppliers and other creditors	\$ 982,646	\$ 868,512
Provision for OPEX	572,841	307,475
Provision for leasing	345,621	64,139
Provision for payroll	78,101	71,574
Provision for bonuses	23,406	5,206
Fees	1,199	1,298
Total	\$ 2,003,814	\$ 1,318,204

12. Taxes and contributions payable

a) Taxes payable as of December 31 are integrated as follows:

	2023	2022
Income tax payable	\$ 445,452	\$ 335,894
Taxes withheld	54,940	63,667
Local taxes payable	14,482	246,763
Value added tax	15,368	54,146
Other	(1,144)	16,186
Total	\$ 529,098	\$ 716,656

13. Shareholders' equity

a) As of December 31, 2023 and 2022, shareholders' equity is integrated as follows:

Series	Equity	Shares	Amount
B-1	Fixed	<u>3,181,200</u>	<u>\$ 1,001,572</u>

c) On April 28, 2023, the Extraordinary General Shareholders' Meeting of Sitios Latinoamérica, S.A.B. de C.V. (the "Company") resolved to cancel 8,200,000 Series B-1 ordinary, nominative, no-par value shares held in the Company's treasury as a result of certain adjustments derived from the spin-off of América Móvil, S.A.B. de C.V., as well as a consequence resulting from the concentration (reverse split) of the Company's shares, without reducing the Company's capital stock (as it was not necessary), since the shares have no par value.

d) The capital stock is variable, with a fixed minimum of \$1,001,572, represented by a total of 3,181,200,000 registered shares with no par value; all shares are fully subscribed and paid.

e) In accordance with the General Corporations Law (*Ley General de Sociedades Mercantiles*) (LGSM), the Company is required to set aside at least 5% of its net income for each year to increase the legal reserve until it reaches 20% of its capital stock. The legal reserve is included in retained earnings.

f) Profits distributed in excess of the net taxable income account balance (*cuenta de utilidad fiscal neta*) (CUFIN) are subject to corporate income tax at the rate in effect at the time of distribution. The payment of such tax may be credited against income tax (ISR).

g) As a result of the 2014 Tax Reform (*Reforma Fiscal*), dividends paid to individuals and legal entities resident abroad on profits generated as of 2014 will be subject to an additional withholding tax of 10%. In accordance with current credit agreements, the Issuer is restricted from distributing dividends until March 23, 2025.

h) The following table provides the calculation of basic and diluted earnings per share, as follows:

	2023	2022
Net (loss) for the period attributable to controlling entity owners	\$ (1,993,517)	\$ 274,557
Weighted average number of shares (in millions)	3,181	3,189
(Loss) earnings per share attributable to the controlling shareholder	\$ (0.0015)	\$ 0.09

14. Income taxes

As of December 31, 2023 and 2022, income taxes recognized in profit or loss are integrated as follows:

	2023	2022
In Mexico:		
Current income tax	\$ 568,247	\$ 101,384
Deferred income tax	(501,718)	(3,374)
	\$ 66,529	\$ 98,010
Abroad:		
Current income tax	\$ 1,662,967	\$ 327,194
Deferred income tax	(608,498)	(79,210)
	\$ 1,054,469	\$ 247,984

Deferred tax related to items recognized in comprehensive income during the year:

	2023	2022
At the beginning of the period	\$ 14,251,277	\$ 16,448,982
Deferred income tax in profit for the year	(1,110,217)	(201,514)
Deferred income tax in other comprehensive income items	(497,028)	(1,996,191)
As of December 31	\$ 12,644,032	\$ 14,251,277

As of December 31, 2023 and 2022, the deferred income tax asset is integrated as follows:

Deferred assets	2023	2022
Provisions	\$ 97,222	\$ 342
Other	193,869	7,817
Deferred income tax asset	\$ 291,091	\$ 8,159

Deferred liabilities

Other	\$ 122,449	\$ 1,635
Property, plant and equipment	12,812,675	14,257,801
Deferred income tax liability	\$ 12,935,123	\$14,259,436
Total deferred liabilities	\$ 12,644,032	\$14,251,277

A comparison between the statutory income tax rate and the effective income tax rate recognized for accounting purposes by the Company is presented below:

	2023	2022
Statutory income tax rate	30.00%	30.00%
Impact of reconciling items:		
Tax inflationary effects	85.54%	1.36%
Non-deductible items	17.24%	19.08%
Tax rate differential	(2.67%)	(2.17%)
Effect of translation	25.33%	
Other	21.20%%	5.69%
Effective rate	176.64%	52.6%

Relevant foreign income tax aspects

a) Results of operations

Foreign subsidiaries determine income tax based on the individual results of each subsidiary in accordance with the specific tax regimes of each country and, in some cases, based on the value of book assets recorded in books at year-end 2023 and 2022.

The statutory rates in these jurisdictions vary, averaging 30%, although on an individual basis they range from 10% to 37.5%.

p) Limitation on deductible interest

As of fiscal year 2020, the Mexican Tax Law establishes new rules related to interest deduction limitations, in accordance with action 4 of the BEPS project, by the OECD, to which Mexico is a member.

In general terms, each Mexican company must calculate a tax adjusted EBITDA, then multiply it by the income tax assessment percentage and this product is the limit allowed to be deducted in the tax year for interest. It is important to mention that the amount that was not deductible due to this limitation may be deductible/applicable on a restated basis against taxable income over the next ten years.

vi) Revaluation of telecommunication towers

Deferred taxes related to the revaluation of the passive infrastructure of telecommunications towers have been calculated at the tax rate of the jurisdiction in which they are located.

15. Contingencies and commitments

a) Contingencies

At the date of issuance of the financial statements and in relation to the Company resulting from the spin-off described in Note 1, the Company is still in the process of complying with the tax requirements so that such spin-off will not be considered as a sale for tax purposes.

In this regard, and in accordance with the current procedure, the requirements will be deemed to be met when the shareholders owning at least 51% of the voting shares of the surviving and spun-off companies have been the same for a period of three years from the year immediately preceding

the date on which the spin-off takes place. In addition, the corresponding individual financial statements resulting from the spin-off must be available within the resulting terms established by Mexican law.

Therefore, if the requirements described above are not complied with, the tax authorities may consider the spin-off as a sale for tax purposes, with the implications that this may have according to the provisions of the Income tax law (*Ley del impuesto sobre la renta*), the value-added tax law and other applicable laws.

In each of the countries in which we operate, we are a party to legal proceedings in the ordinary course of business. These proceedings include tax, labor, antitrust, contractual, as well as administrative and judicial proceedings concerning regulatory matters relating to interconnection and tariffs. The following is a description of our material legal proceedings.

- Towers and Antennas

The Company is subject to regulatory requirements with respect to registration, zoning, construction, lighting, demarcation, maintenance and inspection of towers, and land use restrictions where the towers are located. Failure to comply with such regulations may result in preventive measures or penalties. The Company believes that it is in material compliance with all applicable regulations.

16. Other financial costs

a) Finance costs as of December 31 are integrated as follows:

	2023	2022
Changes in fair value of assets due to inflation recognition	\$ (1,458,673)	\$ 1,338,515
Interest expense	294,914	(235,762)
Total	\$ (1,163,759)	\$ 1,102,753

17. Segments

The Chief Executive Officer is the chief decision maker and is responsible for separately monitoring the results of the Company's operations for purposes of making decisions regarding the allocation of resources and performance evaluation. Segment performance is evaluated based on the results of their operations and is measured on a consistent basis with the profit or loss disclosed in the consolidated financial statements.

The Company has passive infrastructure installed in foreign locations. Its primary business segment is the leasing of such infrastructure, as of the date of the 2023 and 2022 consolidated financial statements the Company's business segment is geographically divided into the following countries / regions:

Concept	Argentina	Mexico	UP	Central America	Andean	Caribbean	Brazil	Eliminations	Total
Income	\$ 790,239	\$ 246,242	\$ 456,049	\$ 2,731,200	\$ 2,929,463	\$ 734,774	\$ 5,602,988	\$ (246,243)	\$13,244,712
Depreciation and Amortization	(467,835)	(1,379,187)	(142,892)	(1,457,658)	(2,235,742)	(396,357)	(1,774,928)	-	(7,854,599)
Operating income	117,114	(1,411,741)	261,969	990,902	414,254	272,491	3,392,632	(22,843)	4,014,778
Accrued interest receivable	158,472	1,903,487	-	2,255	143,121	-	-	(1,908,523)	298,812
Accrued interest expense	(587,351)	(4,263,909)	(174,090)	(819,159)	(823,192)	(576,097)	(618,140)	1,720,891	(6,141,047)
Income taxes	(13,630)	(109,327)	(22,398)	49,632	(27,657)	(82,543)	(915,075)	-	(1,120,998)
Segment Assets	5,005,255	71,890,645	2,302,723	12,952,102	29,576,100	4,741,197	14,958,673	(44,125,695)	97,301,000
Net plant and equipment	3,910,917	36,836,232	1,628,474	6,883,144	16,308,326	2,760,498	2,873,130	(136,417)	71,064,304

Concept	Argentina	Mexico	UP	Central America	Andean	Caribbean	Brazil	Eliminations	Total
Income	\$ 592,831	\$ -	\$ 185,205	\$ 1,110,913	\$ 924,794	\$ 72,531	\$ 2,323,431	\$ -	\$ 6,209,705
Depreciation and Amortization	(40,267)	715,733	81,552	700,768	245,316	23,740	801,056	-	2,527,898
Operating income	691,853	(835,250)	62,003	318,048	598,928	57,552	1,436,249	(46,337)	2,283,046
Accrued interest receivable	986	505,444	-	38	5,791	-	16,981	(499,488)	29,752
Accrued interest expense	109,845	1,986,228	33,406	119,676	106	16,115	72,666	(512,032)	1,826,010
Income taxes	2,886	57,236	15,652	7,122	16,226	9,016	237,856	-	345,994
Segment Assets	8,013,247	66,850,529	2,838,313	13,434,668	13,880,440	776,629	7,501,512	(22,124,566)	91,170,772
Net plant and equipment	7,121,006	41,821,688	2,198,201	7,923,284	6,966,665	587,479	2,953,107	-	69,571,430

18. Recently issued accounting standards

New and amended standards and interpretations

The Company first applied certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023 and 2022 (unless otherwise indicated). The Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 16: *Lease Liabilities in a Sale and Leaseback Transaction*

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

The amendments are effective for annual periods beginning on or after January 1, 2024, and should be applied retroactively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Early application is allowed provided that this information is disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraph 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify the following points:

- The meaning of the right to defer settlement of a liability.
- That the right to defer settlement of the liability must exist at the end of the period.
- That the classification is not affected by the likelihood that the entity will exercise its right to defer settlement of the liability
- That only if any embedded derivative in a convertible liability itself represents an equity instrument, the terms of the liability would not affect its classification.

In addition, a disclosure requirement was introduced when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is subject to the fulfillment of future commitments within a period within twelve months.

The amendments are effective for periods beginning on or after January 1, 2024 and should be applied retroactively. The Group is evaluating the impact of these amendments on its current practices and whether any of its existing loan agreements may require renegotiation.

Vendor Financing Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of vendor financing arrangements and require additional disclosures regarding such arrangements. The objective of the disclosure requirements imposed by the amendments is to assist users of financial statements to better understand the effects of vendor financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted provided that this fact is disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

19. Subsequent events

As of the reporting date, no subsequent events that should be included in the consolidated financial statements as of December 31, 2023 have occurred.

ISSUER

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