

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S (“REGULATION S”) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”).

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum following this notice, and you are advised to read this important notice 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 OR A SOLICITATION OF AN OFFER TO BUY SECURITIES BY ANY PERSON 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.

THE SECURITIES DESCRIBED IN THIS 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, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (AS AMENDED, THE “EU PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “EU 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 EU PRIIPS REGULATION.

THE SECURITIES DESCRIBED IN THIS 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 UNITED KINGDOM (THE “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 COMMISSION DELEGATED REGULATION (EU) NO 2017/565, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE “EUWA”) AND AS AMENDED; (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 (SUCH RULES AND REGULATIONS AS AMENDED) 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 UK DOMESTIC LAW BY VIRTUE OF THE EUWA AND AS AMENDED (“UK MIFIR”); OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA AND AS AMENDED (THE “UK PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA AND AS AMENDED (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.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – SOLELY FOR THE PURPOSES OF THE MANUFACTURER’S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE SECURITIES DESCRIBED IN THIS OFFERING MEMORANDUM HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE SECURITIES DESCRIBED IN THIS OFFERING MEMORANDUM IS ONLY ELIGIBLE COUNTERPARTIES, AS DEFINED IN THE FCA HANDBOOK CONDUCT OF BUSINESS SOURCEBOOK, AND PROFESSIONAL CLIENTS, AS DEFINED IN UK MIFIR; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE SECURITIES DESCRIBED IN THIS OFFERING MEMORANDUM TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE SECURITIES DESCRIBED IN THIS OFFERING MEMORANDUM (A “DISTRIBUTOR”) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER’S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE SECURITIES DESCRIBED IN THIS OFFERING MEMORANDUM (BY EITHER ADOPTING OR REFINING THE MANUFACTURER’S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

IN THE UK, THIS OFFERING MEMORANDUM ANY OTHER MATERIAL IN RELATION TO THE SECURITIES DESCRIBED IN THE OFFERING MEMORANDUM ARE BEING DISTRIBUTED ONLY TO, AND ARE DIRECTED ONLY AT, PERSONS WHO ARE “QUALIFIED INVESTORS” (AS DEFINED IN THE UK PROSPECTUS REGULATION) WHO ARE (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 (AS AMENDED, THE “ORDER”), OR (II) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (III) PERSONS TO WHOM IT WOULD OTHERWISE BE LAWFUL TO DISTRIBUTE THEM, ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS.” IN THE UK, 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. THIS 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 THIS OFFERING MEMORANDUM OR ITS CONTENTS.

THIS 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 SUCH DOCUMENT 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 securities, investors must be outside the United States. This offering memorandum is being sent at your request. By accepting the e-mail and accessing this offering memorandum, you shall be deemed to have represented to the Issuer (as defined in this offering memorandum) that: (1) you consent to delivery of this offering memorandum by electronic transmission; and (2) you and any customers you represent are outside the United States and the e-mail address that you gave the Issuer and to which the e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia.

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 the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.

**Sites del Perú S.A.C.****S/ 872,080,000 9.125% Senior Notes due 2033**

Sites del Perú S.A.C. (the “Issuer”) is offering S/ 872,080,000 aggregate principal amount of its 9.125% Senior Notes due 2033 (the “notes”). Interest on the notes will accrue at a rate of 9.125% per year from September 21, 2023. Interest on the notes will be payable on March 21 and September 21 of each year, beginning on March 21, 2024. The notes will mature on September 21, 2033. Payment of principal, interest and any additional amounts, including without limitation any payment upon redemption of the notes or payment to purchase the notes upon a Change of Control Triggering Event, will be made in U.S. dollars, as calculated by the calculation agent by converting the soles amount due into U.S. dollars at the Average Representative Market Rate (as defined herein) on the applicable FX Determination Date (as defined herein). See “Description of the Notes—Payment Provisions—Currency of Payments.” Investors will make the payment of the issue price of the notes in U.S. dollars based on an exchange rate for the conversion of soles into U.S. dollars of S/ 3.7032 per U.S.\$1.00, which was the Representative Market Rate (as defined herein) in effect on September 13, 2023.

Prior to June 21, 2033 (the date that is three months 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 amounts thereon. On or after to June 21, 2033, 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 amounts 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—Redemption—Tax Redemption.” If a specified Change of Control Triggering Event (as defined herein) occurs, unless the Issuer has exercised its option to redeem the notes, the Issuer will be required to offer to purchase the notes at the price described in this offering memorandum. See “Description of the Notes—Purchase of Notes Upon Change of Control Triggering Event.”

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 Sitios Latinoamérica, S.A.B. de C.V. (“Sitios”), Torres Latinoamérica, S.A. de C.V. (“Torres Latinoamérica”) and Torres do Brasil S.A. (“Torres do Brasil”) and, together with Sitios and Torres 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 (the “Prospectus Law”). 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 22 of this offering memorandum.

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, except as provided below, and are being offered only 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.”

THE NOTES AND THIS OFFERING MEMORANDUM HAVE BEEN REGISTERED WITH THE INSTITUTIONAL INVESTORS SEGMENT OF THE PUBLIC REGISTRY OF THE CAPITAL MARKETS (*REGISTRO PÚBLICO DEL MERCADO DE VALORES*, OR THE “RPMV”) OF THE PERUVIAN SUPERINTENDENCY OF CAPITAL MARKETS (*SUPERINTENDENCIA DEL MERCADO DE VALORES*, OR THE “SMV”). IN PERU, THIS OFFERING WILL BE CONSIDERED A PUBLIC OFFERING DIRECTED EXCLUSIVELY TO “INSTITUTIONAL INVESTORS” (AS SUCH TERM IS DEFINED UNDER SMV RESOLUTION NO. 021-2013-SMV-01, AS AMENDED) (THE “INSTITUTIONAL INVESTORS REGULATIONS”). HOWEVER, THE DISCLOSURE OBLIGATIONS SET FORTH THEREIN WILL NOT BE APPLICABLE TO THE ISSUER BEFORE OR AFTER THE NOTES ARE ISSUED. THIS OFFERING MEMORANDUM AND THE OFFERING MATERIALS RELATING TO THE OFFERING OF THE NOTES HAVE BEEN SUPPLIED TO THOSE PERUVIAN INVESTORS WHO HAVE EXPRESSLY REQUESTED THEM AND WHO QUALIFY AS INSTITUTIONAL INVESTORS AS THIS TERM IS DEFINED IN THE INSTITUTIONAL INVESTORS REGULATIONS. SUCH MATERIALS MAY NOT BE DISTRIBUTED OR DISSEMINATED TO ANY OTHER PERSON OR ENTITY. IN MAKING AN INVESTMENT DECISION, INSTITUTIONAL INVESTORS (AS SUCH TERM IS DEFINED BY THE INSTITUTIONAL INVESTORS REGULATIONS) MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE NOTES IN ORDER TO DETERMINE THEIR LEGAL ABILITY TO INVEST IN THE NOTES.

Issue Price: 100.000% plus accrued interest, if any, from September 21, 2023

The notes will be issued in fully registered form in denominations of S/ 500,000 and integral multiples of S/ 1,000 in excess thereof and will be registered in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”), on or about September 21, 2023.

Initial Purchaser and Sole Book-Runner

Scotiabank

The date of this offering memorandum is September 15, 2023

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In this offering memorandum, the terms “Sites” or the “Issuer” refer to Sites del Perú S.A.C., and the terms “Sitios,” “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 purchaser has authorized any person to give you any other information, and neither we nor the initial purchaser takes 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 purchaser 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 purchaser reserve the right to reject any offer to purchase for any reason.

None of the U.S. Securities and Exchange Commission (the “SEC”), the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the “CNBV”), any state securities commission nor any other regulatory authority has approved or disapproved the offering of the notes (other than in Peru); 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. The public offering of the notes in Peru, addressed exclusively to institutional investors (as such term is defined in the Institutional Investors Regulations), has been recognized by the SMV and registered with the Institutional Investors Segment of the RPMV. 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 purchaser 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 purchaser or any person affiliated with the initial purchaser 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 us, 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 and applicable Peruvian law (including, but not limited to, the Institutional Investors Regulations). 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 purchaser 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 purchaser or the trustee. To the fullest extent permitted by law, neither the initial purchaser nor the trustee accepts any responsibility for the contents of this offering memorandum or for any other statement made or purported

to be made by the initial purchaser or the trustee or on their behalf in connection with the Issuer or the issuance and offering of the notes. The initial purchaser 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 purchaser, 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 purchaser assumes 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 IN MEXICO

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 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*) and regulations thereunder. Neither the Issuer nor Sitios will notify the CNBV of the offering and issuance of the notes outside of Mexico. The issuance does not constitute or imply a certification from the CNBV as to the investment quality of the notes, of the solvency, liquidity or credit quality of the Issuer or Sitios 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, us, and the terms of this offering memorandum and the notes, including the merits and risks involved.

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”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “EU Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “EU PRIIPs Regulation”) for offering or selling the notes 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 EU PRIIPs Regulation.

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 (the “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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “EUWA”) and as amended; (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 (such rules and regulations as amended) 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 UK domestic law by virtue of the EUWA and as amended (“UK MiFIR”); or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA and as amended (the “UK Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA and as amended (the “UK PRIIPs Regulation”) for offering or selling the notes 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.

UK MIFIR product governance / Professional Investors and ECPs only target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

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. The Issuer is a private closed corporation (*sociedad anónima cerrada*) incorporated under the laws of Peru, with its principal place of business (*domicilio social*) in the City of Lima, Peru. 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 Sitios, 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 Peru, 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 than Peru, Mexico or Brazil, including judgments predicated upon civil liabilities under the U.S. federal securities laws or other laws of the United States.

Peru

We have been advised by our Peruvian counsel, Rodrigo, Elías & Medrano Abogados, that any final and conclusive judgment for a fixed and final sum obtained against the Issuer in any foreign court having jurisdiction in respect of any suit, action or proceeding against the Issuer for the enforcement of any of its obligations under the notes that are governed by New York law will, upon request, be deemed valid and enforceable in Peru through an exequatur judiciary proceeding (without re-examination, review of the merits of the cause of action in respect of which such judgment was given, or re-litigation of the merits adjudicated upon), provided that: (i) there is a treaty in effect between the country where such foreign court sits and Peru regarding the recognition and enforcement of foreign judgments; or (ii) in the absence of such a treaty, the reciprocity rule is applicable (such reciprocity rule being presumed), under which a judgment given by a foreign competent court will be admissible in the Peruvian courts and will be enforceable thereby, except if according to such foreign law: (a) judgments issued by Peruvian courts are not admissible in such foreign country, or (b) judgments issued by Peruvian courts are subject to re-examination by such competent court of the issues dealt with therein, provided, further, that the following conditions and requirements are met:

- (i) the judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts (and the matters contemplated in respect of this offering memorandum or the notes are not matters under the exclusive jurisdiction of Peruvian courts);
- (ii) the court rendering such judgment had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;
- (iii) the Issuer received service of process in accordance with the laws of the place where the proceeding took place, was granted a reasonable opportunity to appear before such foreign court and was guaranteed due process rights;
- (iv) the judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
- (v) no pending litigation in Peru between the same parties for the same dispute was initiated before the commencement of the proceeding that concluded with the foreign judgment;
- (vi) the judgment is not incompatible with another judgment that fulfills the requirements of recognition and enforceability established by Peruvian law, unless such foreign judgment was rendered first;

- (vii) the judgment is not contrary to Peruvian public order (*orden público*) or good morals;
- (viii) it is not proven that such foreign court has denied enforcement of Peruvian judgments or has engaged in a review of the merits thereof;
- (ix) such judgment has been (a) duly apostilled by the competent authority of the jurisdiction of the issuing court, in case of jurisdictions that are party to the Hague Convention for Abolishing the Requirement of Legalization for Foreign Public Documents dated October 5, 1961 (the “Hague Apostille Convention”), or (b) certified by (x) a notary public, the Ministry of Foreign Affairs or other corresponding entity of the relevant jurisdiction, and (y) the Peruvian consular authorities, in case of jurisdictions that are not party to the Hague Apostille Convention, and, in each case, is accompanied by a certified and officially translated copy of such judgment into Spanish by a Peruvian certified translator; and
- (x) the applicable court taxes or fees have been paid.

We have no reason to believe that any of the Issuer’s obligations relating to the notes would be contrary to Peruvian public order (*orden público*), good morals and international treaties binding upon Peru or generally accepted principles of international law. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters with Peru. Therefore, unless the above-mentioned requirements are satisfied, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Peru. However, if the party in whose favor such final judgment was rendered brings a new suit in a competent court in Peru, such party may submit to the Peruvian court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Issuer could be regarded by a Peruvian court only as evidence of the outcome of the dispute to which such judgment relates, and a Peruvian court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere are unenforceable in Peru. In the past, Peruvian courts have enforced judgments rendered in the United States based on legal principles of reciprocity and comity.

Mexico

We have been advised by our Mexican counsel, DRB Consultores Legales, 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.”

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 purchaser has 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 Peruvian, 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.

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, including the Sitios unaudited pro forma consolidated financial statements;
- statements regarding plans, objectives or goals, including those relating to acquisitions, competition and rates;
- statements concerning regulation or regulatory developments;
- a resurgence of the COVID-19 pandemic or the widespread outbreak of any illness or any other communicable diseases, or other public health crisis;
- 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 generally, and Peru specifically, and depreciation and volatility of currencies in which we conduct business, including the sol;
- 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 “sol,” “soles” or “S/” are to Peruvian sol, the legal currency of Peru; references 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; 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’ 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.

The audited balance sheet of Sitios and its consolidated subsidiaries, including the Issuer, as of December 31, 2022, 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, and the audited consolidated income statement of Sitios for the period from August 8, 2022 to December 31, 2022 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”).

Prior to the Sitios Spin-off (as defined below), Sitios’ assets and certain of its consolidated subsidiaries were part of the América Móvil, S.A.B. de C.V. (“América Móvil”) group of companies and none of Sitios, the Issuer, or any of the other consolidated subsidiaries of Sitios then in existence prepared standalone financial statements, and so no other audited historical financial statements of Sitios are included in this offering memorandum.

The unaudited pro forma consolidated financial statements of Sitios as of and for the twelve months ended December 31, 2022 and December 31, 2021, including the review report delivered by EY Mexico in connection with the preparation thereof, have been prepared in accordance with IFRS as well as on the basis of key assumptions established by our management (the “Sitios unaudited pro forma consolidated financial statements”). The Sitios unaudited pro forma consolidated financial statements present, on a pro forma basis, the effect of the Sitios Spin-off as if it had occurred on January 1, 2021. See “—Sitios Unaudited Pro Forma Consolidated Financial Statements” for more information on the basis of presentation for the Sitios unaudited pro forma consolidated financial statements.

This offering memorandum also contains (i) certain limited unaudited interim consolidated financial information of Sitios as of and for the six months ended June 30, 2023 (the “Sitios unaudited interim consolidated financial information”), and (ii) certain limited unaudited interim financial information of the Issuer as of and for the six months ended June 30, 2023 (the “Issuer unaudited interim financial information”). Neither has been subject to any review by any external auditor. However, the Sitios unaudited interim consolidated financial information and the Issuer unaudited interim financial information has been derived from the unaudited financial statements of Sitios prepared as of and for the six months ended June 30, 2023 in accordance with IFRS that are publicly available at the CNBV.

The Issuer is a subsidiary of Sitios and the notes will be guaranteed by Sitios and, other than the Issuer unaudited interim financial information, there is no other financial information regarding the Issuer presented in this offering memorandum.

The financial information of Sitios included in this offering memorandum is presented in Mexican pesos in millions. 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 Sitios or 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 that have been translated from Mexican pesos have been so translated at the applicable exchange rate reported by Mexican Central Bank for settlement of obligations in foreign currencies, as published in the Mexican Official Gazette of the Federation.

The financial information of the Issuer included in this offering memorandum is presented in soles in millions. This offering memorandum contains translations of certain soles amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by Sitios or the Issuer that the soles 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 that have been translated from soles have been so translated at the applicable exchange rate reported by the Peruvian Superintendency of Banks, Insurance and Pension Fund Administrators (*Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones del Perú*, or the “SBS”).

Certain figures included in this offering memorandum have been rounded for ease of presentation. Percentage figures included in this offering memorandum, if any, 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.

Sitios Unaudited Pro Forma Consolidated Financial Statements

The Sitios unaudited pro forma consolidated financial statements were prepared to comply with the regulatory provisions established by the CNBV and include the accounts of Sitios and its subsidiaries which, as of December 31, 2022, owned towers (“relevant subsidiaries”). The Sitios unaudited consolidated financial statements do not include any subsidiary of Sitios that did not own towers as of December 31, 2022. Intercompany accounts have been eliminated in the consolidation process.

The assets acquired in the Sitios Spin-off comprised cash, accounts receivable, other current assets, property and equipment, as well as other non-current assets. Both financial assets and liabilities were separated at their fair value as of August 8, 2023.

Provisions were transferred at the value at which the future outflow was estimated as of August 8, 2023.

Property and equipment were transferred at their revalued cost as of August 8, 2023.

Net assets (liabilities) were valued as of August 8, 2023 in accordance with the methodologies set forth in the notes to the Sitios unaudited pro forma consolidated financial statements contained elsewhere in this offering memorandum and in accordance with IFRS.

Basis of Preparation

The Sitios unaudited pro forma consolidated financial statements were prepared in accordance with IFRS, issued by the International Accounting Standards Board, as well as the key assumptions established by Sitios’ management.

Measurement Bases

The Sitios unaudited pro forma consolidated financial statements were prepared on the basis of historical cost, except for certain financial assets and liabilities that were valued at their fair value at the end of each period, such as cash and cash equivalents, accounts receivable, accounts payable and loans obtained from third parties, as set forth in the notes to the Sitios unaudited pro forma consolidated financial statements contained elsewhere in this offering memorandum.

Historical Cost

The historical cost was generally based on the fair value of payment made in exchange for goods and services.

Fair Value

Fair value was based on the price that would be paid for selling an asset or that would be payable for transferring a liability in an arm's length transaction between participants in the market at the date of valuation regardless of whether that price was observable or could have been estimated directly using another valuation technique.

Revaluation of Property and Equipment

The revaluation of property and equipment was derived from the model allowed under IFRS to value fixed assets at their revalued cost. The net effect of deferred taxes on any surplus was included in Sitios' pro forma stockholders' equity. The revaluation of the properties and equipment was carried out based on the analysis of the useful lives of the properties and equipment and pursuant to a valuation carried out by an independent expert. Based on such analyses and estimates, after the Sitios Spin-off, the balances presented in the Sitios unaudited pro forma consolidated financial statements reflected their fair value. This approach is consistent with the accounting policies applied in the Sitios audited consolidated financial statements.

Consolidation Basis

The Sitios unaudited pro forma consolidated financial statements include the accounts of Sitios and its relevant subsidiaries as of December 31, 2022 and December 31, 2021. The base figures used correspond to those from the Sitios audited consolidated financial statements, while the pro forma adjustments column reflects the estimated adjustments of Sitios' relevant subsidiaries based on their historical results as compiled for the purposes of the Sitios unaudited pro forma consolidated financial statements. In addition, estimates were made with respect to Sitios' Brazilian subsidiary, which was incorporated on June 24, 2022, and, for purposes of the Sitios unaudited pro forma consolidated financial statements, was assumed to have been incorporated on January 1, 2022. The Sitios unaudited pro forma consolidated financial statements also assumed that the recognition of the effects of other transactions that were effected in the period generated their corresponding cash flow effects, with such effect being recognized in the cash and cash equivalents line item.

The pro forma unaudited financial statements of Sitios' relevant subsidiaries were prepared for the same period as Sitios, applying consistent accounting policies and assumptions. All of Sitios' relevant subsidiaries operate in the telecommunications infrastructure leasing services sector.

Subsidiaries are entities over which Sitios has control. Sitios is deemed to have control over a company (i) where Sitios has power over such company, (ii) when Sitios is exposed to or has rights to variable returns from its interest in such company and (iii) where Sitios has the ability to use its power over such company to affect the amount of the returns. Relevant subsidiaries are consolidated line by line from the date Sitios acquired control. Sitios reassesses whether or not it has control over an entity, if the facts and circumstances indicate that there are changes to one or more of the control elements.

When Sitios has less than the majority of the voting rights of an entity, it has power over it when the voting rights are sufficient to give it the practical ability to conduct its relevant activities unilaterally. Sitios considered all relevant facts and circumstances to evaluate whether the voting rights of Sitios in a given entity were sufficient to grant it power, including:

- the percentage of Sitios' participation in the voting rights in relation to the percentage and dispersion of the voting rights of the other holders of the voting rights;
- potential voting rights maintained by Sitios, other shareholders or third parties;
- rights resulting from other contractual agreements; and

- any additional facts and circumstances that indicate that Sitios has, or does not have, the current ability to conduct relevant activities at the time decisions must be made, including voting trends of shareholders in previous meetings.

Changes in the participation in a relevant subsidiary that do not result in a loss of control were recorded as capital transactions.

All consolidating intercompany balances and transactions, and any unrealized gains or losses arising from consolidating intercompany transactions, were eliminated in the preparation of the Sitios unaudited pro forma consolidated financial statements.

As of December 31, 2022 and December 31, 2021, the Sitios unaudited pro forma consolidated financial statements include the relevant subsidiaries set forth below.

Company	Country of incorporation	Functional Currency	% of direct or indirect participation	
			2022	2021
Sitios Argentina, S.A.	Argentina	Argentine peso	100%	100%
Torres do Brasil	Brazil	Brazilian real	86.93%	86.93%
Sites Chile, S.A.	Chile	Chilean peso	100%	100%
Sites Telecomunicaciones Costa Rica, S.A.	Costa Rica	Costa Rican Colon	100%	100%
Sites Ecuador, S.A.S.	Ecuador	U.S. dollar	100%	100%
Sites El Salvador, S.A. de C.V.	El Salvador	U.S. dollar	100%	100%
Sites Guatemala, S.A.	Guatemala	Guatemalan Quetzal	100%	100%
Sites Honduras, S.A. de C.V.	Honduras	Honduran Lempira	100%	100%
Sites Nicaragua, S.A.	Nicaragua	Nicaraguan Cordoba	100%	100%
Sites Telecomunicaciones Panamá, S.A.	Panamá	U.S. dollar	100%	100%
Sites Telecomunicaciones Paraguay, S.A.	Paraguay	Paraguayan Guarani	100%	100%
Sites Puerto Rico, LLC	Puerto Rico	U.S. dollar	100%	100%
Sitios Telecomunicaciones Uruguay, S.A.	Uruguay	Uruguayan Peso	100%	100%

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 net profit (loss) plus interest expense, income taxes, depreciation and amortization, (ii) “EBITDAaL” as EBITDA minus land lease revenues, and (iii) “EBITDAaL margin” as the ratio of EBITDAaL to tower lease revenues. 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—Current Trading of the Issuer” for a reconciliation of EBITDAaL to EBITDA 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 land lease agreements generally arise from passing on costs for land 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.

EXCHANGE RATE INFORMATION

The sol is freely traded in the exchange market. The notes will be issued in soles and payments made on the notes may be affected by fluctuations of the sol/U.S. dollar exchange rate. Future fluctuations in the value of the sol against the U.S. dollar may adversely affect the Issuer's results of operations and financial condition, as there would be a difference between assets and liabilities denominated in foreign currencies. See "Risk Factors."

Since March 1991, Peru has not applied exchange control practices and there has been a free market for trading currencies in the country. During the previous two decades, however, the Peruvian currency experienced a significant number of large devaluations. Therefore, in the past Peru has adopted and operated under various exchange rate control practices and exchange rate determination policies. These policies have ranged from strict control over exchange rates to market determination of rates. Currently, investors are allowed to purchase foreign currency at free market exchange rates.

The following table sets forth, for the periods indicated, the low, high, period average and period-end exchange rates between the sol and the U.S. dollar published by the SBS as the "*Tipo de Cambio Contable*" which rate is available at <http://www.sbs.gob.pe>, is rounded to the fourth decimal place (e.g., 1.0000), and is referred to as the "SBS Exchange Rate."

	Low⁽¹⁾	High⁽¹⁾	Period Average⁽²⁾	Period End
	<i>(soles per U.S.\$1.00)</i>			
Year:				
2018.....	3.2070	3.3840	3.2862	3.3730
2019.....	3.2830	3.4040	3.3369	3.3140
2020.....	3.3030	3.6580	3.4961	3.6210
2021.....	3.5960	4.1340	3.8826	3.9870
2022.....	3.6300	3.9980	3.8350	3.8140
	Low⁽¹⁾	High⁽¹⁾	Period Average⁽³⁾	Period End
	<i>(soles per U.S.\$1.00)</i>			
Month:				
January 2023	3.7810	3.8960	3.8336	3.8480
February 2023	3.8020	3.8660	3.8410	3.8060
March 2023	3.7570	3.8060	3.7795	3.7620
April 2023	3.7150	3.7850	3.7655	3.7150
May 2023	3.6540	3.7170	3.6886	3.6790
June 2023	3.6280	3.6890	3.6511	3.6280
July 2023	3.5550	3.6440	3.6012	3.6080
August 2023	3.6300	3.7260	3.6963	3.6950
September 2023 (through September 7)	3.6890	3.7110	3.7006	3.7110

Source: SBS

⁽¹⁾ Exchange rates are the actual low and high rates, on a day-to-day basis, for each period using the SBS Exchange Rate.

⁽²⁾ Calculated as the average of the month-end or day-end exchange rates during the relevant period, as applicable, using the SBS Exchange Rate.

⁽³⁾ Calculated as the monthly average rate published by the SBS using the SBS Exchange Rate.

The SBS Exchange Rate published by SBS on September 7, 2023 was S/ 3.7110 per U.S. dollar.

In the past, the Peruvian economy has suffered balance of payment deficits and shortages in foreign exchange reserves. While the Peruvian government does not currently restrict the ability of Peruvian or foreign persons or entities to convert soles to U.S. dollars, it may do so in the future. Any such restrictive exchange control policy could adversely affect the Issuer's ability to make payments on the notes in U.S. dollars, and could also have a material adverse effect on the Issuer's business, financial condition and results of operations.

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 order to consummate a spin-off of certain Passive Infrastructure (as defined below) 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 July 31, 2023, Sitios owned 34,464 wireless telecommunications sites in 15 countries, comprised of Argentina, Brazil, Chile, 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. These figures include 224 towers acquired in Peru as part of the July Towers Acquisition (see “—Recent Developments—Peru”). As of June 30, 2023, Sitios also had operations in Colombia, with 76 towers in advanced stages of construction pursuant to “build-to-suit” agreements (see “—Recent Developments—Colombia”) for a more detailed description of Sitios’ business activities in Colombia).

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.

The Issuer

The Issuer, Sites del Perú S.A.C., was incorporated on June 6, 2014 as AMX Torres Perú S.A.C. On July 16, 2021, the Issuer’s name was changed to Sites del Perú S.A.C. Prior to the Sitios Spin-off, the Issuer acted as a holding company and owned no assets (including any Passive Infrastructure). Following the Sitios Spin-off and as of the date of this offering memorandum, the Issuer’s Passive Infrastructure portfolio comprises 3,724 wireless telecommunications communications towers in Peru. See “—Recent Developments—Peru” for a more detailed description of the Issuer’s history of tower acquisitions.

The Issuer is a private closed corporation incorporated under the laws of Peru. The principal executive offices of the Issuer are at Carlos Portocarrero No. 262, 11th floor, Urb. Santa Catalina, district of La Victoria, Lima, Peru.

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 (as defined below) for the installation of our customers’ Active Infrastructure (as defined below). 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.

When used in this offering memorandum, “Passive Infrastructure” means the 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.

Unless the context otherwise requires, references to “sites” in this offering memorandum will be deemed to refer to telecommunications towers and other associated Passive Infrastructure.

When used in this offering memorandum, “Active Infrastructure” means the components of telecommunications or broadcasting networks that emit, process, receive or transmit texts, images, sounds, signals, or any other type of data.

Recent Developments

Set forth below is a summary of certain recent developments in our business and operations:

- **Peru.** On December 31, 2022, the Issuer, as buyer, and América Móvil Perú S.A.C. (“América Móvil Perú”), as seller, entered into an asset purchase agreement pursuant to which the Issuer acquired 500 telecommunications towers in Peru, 18 of which remain under construction as of the date of this offering memorandum. On March 31, 2023, the Issuer completed the acquisition of an additional 2,980 telecommunications towers from América Móvil Perú (the “March Towers Acquisition”). S/ 931.7 million of the consideration payable to América Móvil Perú in respect of the March Towers Acquisition was left outstanding at the closing thereof and is due and payable on November 27, 2023 (the “March Towers Deferred Consideration”). Additionally, on July 31, 2023, the Issuer completed the acquisition of a further 224 telecommunications towers from América Móvil Perú (the “July Towers Acquisition”). S/ 83.7 million of the consideration payable to América Móvil Perú in respect of the July Towers Acquisition was left outstanding at the closing thereof and is due and payable on November 27, 2023 (the “July Towers Deferred Consideration”). Following the March Towers Acquisition and the July Towers Acquisition, as of July 31, 2023, the Issuer’s portfolio totaled 3,724 telecommunications towers.
- **Colombia.** On December 22, 2022, our subsidiary, Sites Latam Colombia, S.A.S. (“Sites Colombia”) entered into two agreements with Comunicación Celular, S.A. Comcel, S.A. (“Comcel Colombia”): (i) a master service agreement for Passive Infrastructure leasing, which provides for access and leasing of physical spaces and other non-electronic elements on such Passive Infrastructure in Colombia by Sites Colombia, allowing installation of Active Infrastructure by Comcel Colombia; and (ii) a “build-to-suit” agreement which governs services related to determining the target location of the sites for the construction of Passive Infrastructure, drafting of construction plans, the carrying out of all the procedures for obtaining occupancy titles for each of the respective properties, and tailored construction of Passive Infrastructure. In addition, on January 18, 2023, Sites Colombia and Comcel Colombia entered into a telecommunications infrastructure management and maintenance services agreement, which provides for the terms of the administration and maintenance of Passive Infrastructure owned by Comcel Colombia by Sites Colombia.
- **Dominican Republic.** On February 3, 2023, our subsidiary, Towers and Sites Dominicana, S.A.S., as buyer, and Compañía Dominicana de Teléfonos, S.A., as seller, entered into an asset purchase agreement pursuant to which it acquired 1,388 telecommunications towers in the Dominican Republic.

After giving effect to the acquisitions noted above and based on our own estimates, as of the date of this offering memorandum, our total site inventory in the 15 countries in which we own telecommunications towers accounted for approximately 21% of the aggregate number of all sites in those countries.

Certain Recent Financial and Operational Information for Sitios

Sitios currently operates in 16 countries in Latin America, where it is primarily engaged in the construction, installation, maintenance, operation and commercialization of Passive Infrastructure. As of July 31, 2023, Sitios owned Passive Infrastructure in 15 of those countries, comprised of Argentina, Brazil, Chile, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay.

As of June 30, 2023, Sitios also had operations in Colombia, with 76 towers in advanced stages of construction pursuant to “build-to-suit” agreements (see “—Recent Developments—Colombia” for a more detailed description of Sitios’ business activities in Colombia).

As of the date of this offering memorandum, Sitios has the largest footprint in Latin America (not including Mexico) of all Passive Infrastructure providers. As of the date of this offering memorandum, Sitios has the second largest footprint in Latin America (including Mexico) of all Passive Infrastructure providers.

For the six months ended June 30, 2023, Sitios reported Ps.6,569 million of total revenues, Ps.3,982 million of tower lease revenues and Ps.3,269 million of EBITDAaL, representing an EBITDAaL margin of 82%.

As of June 30, 2023, we had total consolidated liabilities of Ps.90,424 million, of which Ps.52,632 million constituted interest-bearing debt and Ps.13,061 million constituted lease obligations, while our consolidated net profit was Ps.437 million. Sitios’ consolidated stockholder’s equity as of June 30, 2023 was Ps.6,054 million.

The table below sets forth our consolidated financial results for the six months ended June 30, 2023:

Consolidated Financial Results	Six months ended June 30, 2023
	<i>(in millions of Ps.)</i>
Revenues	
Tower lease revenues	3,982
Land lease revenues	2,587
Total	6,569
Cost and Expenses	713
EBITDA	5,856
EBITDA margin	89%
EBITDAaL	3,269
EBITDAaL margin	82%
Net Debt / EBITDAaL	7.74x

As of June 30, 2023, Sitios held a portfolio of 34,240 wireless telecommunication towers. The following map sets forth Sitios' operations in the 16 Latin American countries.



The following table sets forth selected information in relation to the Passive Infrastructure that Sitios owned as of June 30, 2023 by region (encompassing the 15 countries in which Sitios owns Passive Infrastructure).

Country or Region	Number of Towers	Tenancy Ratio ⁽¹⁾	Portfolio Distribution
Brazil	11,262	1.35x	33%
Andean Region	8,479	1.09x	25%
Central America	7,581	1.16x	22%
Argentina, Uruguay, and Paraguay (AUP)	5,432	1.20x	16%
Caribbean	1,486	1.13x	4%
Total	34,240	1.21x	100.0%

⁽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.

Performance by Country/Region

Brazil

For the six months ended June 30, 2023, Sítios' operations in Brazil had tower lease revenues of Ps.1,630 million, representing 41% of Sítios' total tower lease revenues on a consolidated basis for the same period. Sítios' Brazil EBITDAaL was Ps.1,446 million, representing an EBITDAaL margin of 89%.

As of June 30, 2023, Sítios had a portfolio of 11,262 towers in Brazil, which accounted for 33% of the total Passive Infrastructure portfolio of Sítios. Brazil remains one of Sítios' most relevant markets and as of June 30, 2023 Sítios had 15,163 individual Passive Infrastructure leasing agreements in Brazil.

	Six months ended June 30, 2023
	(in millions of Ps.)
Tower lease revenues	1,630
Land lease revenues.....	1,149
Operating costs and expenses	184
EBITDAaL	1,446
EBITDAaL margin.....	89%

Chile, Ecuador, and Peru (Andean Region)

For the six months ended June 30, 2023, Sítios' operations in the Andean region had tower lease revenues of Ps.718 million, representing 18% of Sítios' total tower lease revenues on a consolidated basis for the same period. Andean region EBITDAaL was Ps.586 million, representing an EBITDAaL margin of 82%.

As of June 30, 2023, Sítios had a portfolio of 8,479 towers in the Andean region, which accounted for 25% of the total Passive Infrastructure portfolio of Sítios and represented Sítios' second largest market after the addition of the new Peruvian portfolio in July (see “—Recent Developments—Peru”). As of June 30, 2023, Sítios had 9,251 individual Passive Infrastructure leasing agreements in the Andean region, with a large number of new agreements in Peru, demonstrating the growth potential of the region.

	Six months ended June 30, 2023
	(in millions of Ps.)
Tower lease revenues	718
Land lease revenues.....	659
Operating costs and expenses	131
EBITDAaL	586
EBITDAaL margin.....	82%

Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama (Central America)

For the six months ended June 30, 2023, Sítios' operations in Central America had tower lease revenues of Ps.795 million, representing 20% of Sítios' total tower lease revenues on a consolidated basis for the same period. Central America EBITDAaL was Ps.654 million, representing an EBITDAaL margin of 82%.

As of June 30, 2023, Sítios had a portfolio of 7,581 towers in Central America, which accounted for 22% of the total Passive Infrastructure portfolio of Sítios. As of June 30, 2023, Sítios had 8,795 individual Passive Infrastructure leasing agreements in Central America, with a significant number of new agreements having been

signed in this period, demonstrating Sitios' commitment to further expand its tenancy ratio and operations in the region.

	Six months ended June 30, 2023
	<u>(in millions of Ps.)</u>
Tower lease revenues	795
Land lease revenues.....	532
Operating costs and expenses	141
EBITDAaL	654
EBITDAaL margin.....	82%

Argentina, Uruguay, and Paraguay ("AUP" Region)

For the six months ended June 30, 2023, Sitios' operations in the AUP region had tower lease revenues of Ps.631 million, representing 16% of Sitios' total tower lease revenues on a consolidated basis for the same period. AUP EBITDAaL was Ps.514 million, representing an EBITDAaL margin of 81%.

As of June 30, 2023, Sitios had a portfolio of 5,432 towers in the AUP region, which accounted for 16% of the total Passive Infrastructure portfolio of Sitios. As of June 30, 2023, Sitios had 6,491 individual Passive Infrastructure leasing agreements in the AUP region, maintaining a stable operational performance and demonstrating the resilience of operations in the AUP region.

	Six months ended June 30, 2023
	<u>(in millions of Ps.)</u>
Tower lease revenues	631
Land lease revenues.....	141
Operating costs and expenses	117
EBITDAaL	514
EBITDAaL margin.....	81%

Puerto Rico and the Dominican Republic (Caribbean)

For the six months ended June 30, 2023, Sitios' operations in the Caribbean had tower lease revenues of Ps.208 million, representing 5% of Sitios' total tower lease revenues on a consolidated basis for the same period. Caribbean EBITDAaL was Ps.155 million, representing an EBITDAaL margin of 74%.

As of June 30, 2023, Sitios had a portfolio of 1,486 towers in the Caribbean, which accounted for 4% of the total Passive Infrastructure portfolio of Sitios. As of June 30, 2023, Sitios had 1,678 individual Passive Infrastructure leasing agreements in the Caribbean.

	Six months ended June 30, 2023
	<u>(in millions of Ps.)</u>
Tower lease revenues	208
Land lease revenues.....	106
Operating costs and expenses	54
EBITDAaL	155
EBITDAaL margin.....	74%

Certain Recent Financial Information for the Issuer

The Issuer's revenues for the six months ended June 30, 2023 amounted to S/ 55 million, and the Issuer incurred S/ 29 million of operating expenses. The Issuer's operating income for the six months ended June 30, 2023 amounted to S/ 23 million, and the Issuer had a net loss of S/ 7 million for the six months ended June 30, 2023. As of June 30, 2023, the Issuer had total assets of S/ 1,374 million, total liabilities of S/ 1,381 million and total net debt (calculated as total debt less cash and cash equivalents) of S/ 937 million.

As of June 30, 2023, the Issuer's liabilities included the March Tower Deferred Consideration of S/ 932 million and intragroup liabilities owed to Sitios of S/ 196 million. In July and August 2023, Sitios capitalized S/ 30 million and S/ 43 million, respectively, of the intragroup liabilities owed to it by the Issuer. After giving pro forma effect to the capitalization of the intragroup liabilities and the incurrence of the July Tower Deferred Consideration, the Issuer had total liabilities, which included the March Tower Deferred Consideration and the July Tower Deferred Consideration of S/ 999 million and intragroup liabilities owed to Sitios of S/ 124 million. It is expected that a portion of the March Tower Deferred Consideration will be paid with the proceeds of this offering. See "Use of Proceeds." The Issuer does not intend to pay the July Towers Deferred Consideration using the proceeds of this offering.

For the same period, the Issuer had EBITDA and EBITDAaL of S/ 52 million and S/ 34 million, respectively.

The following table reconciles net profit (loss) to EBITDA and EBITDAaL of the Issuer for the six months ended June 30, 2023:

	Six months ended June 30, 2023	
	<i>(in millions of U.S.\$)⁽¹⁾</i>	<i>(in millions of soles)</i>
Net profit (loss)	(2)	(7)
Income taxes.....	2	7
Comprehensive financing cost ...	6	23
Depreciation	8	29
EBITDA	14	52
Land lease revenues	(5)	(18)
EBITDAaL	9	34

⁽¹⁾ For the convenience of our readers, we have converted the soles amounts into U.S. dollars using the average exchange rate for the six months ended June 30, 2023 of S/ 3.77 to U.S.\$1.00.

Competitive Strengths

Our Principal Existing and Expected Strengths

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

New Investment Vehicle

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.

Independence

We expect to improve our competitiveness by focusing our efforts and resources on strengthening our market position.

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.

Leading Infrastructure Platform in Latin America

We aim to consolidate ourselves as the leading builder and provider of Passive Infrastructure in Latin America. As of June 30, 2023, we owned 34,240 towers in 15 countries. According to TowerXchange's LATAM Regional Guide Q2 2023, we are the most geographically diversified provider of Passive Infrastructure in Latin America and one of the leading provider of Passive Infrastructure in at least seven 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), in "The Mobile Economy 2022" report, mobile penetration in Latin America is approximately 70%, well below the estimates for Europe, China and North America. This circumstance offers significant market penetration opportunities for companies specializing in the provision of Passive Infrastructure for the telecommunications sector.

Sitios Benefits From its Leading Position in Countries with Sustained Requirements for Site Construction and Sharing Arrangements

After giving effect to certain post-Sitios Spin-off adjustments per country, our acquisitions and the construction of new sites, in 2022 we increased our total number of towers by 611. In 2023, we anticipate building between approximately 1,500 and 2,200 new sites in the countries in which we operate. As of the date of this offering memorandum, 327 towers have been completed, 364 are in advanced stages of construction and construction has already commenced on 1,376 towers. The Latin American tower market is in its early development stages and we believe that the quality of our Passive Infrastructure places us in a solid position 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 six months ended June 30, 2023, we had EBITDAaL of Ps.3,269 million, representing an EBITDAaL margin of 82%. For the twelve-month period ended December 31, 2022, we had pro forma EBITDAaL of Ps.7,300 million, representing an EBITDAaL margin of 87%. In addition, we enjoy of a geographically diversified source of revenues.

High-Quality and Long-Term Arrangements with América Móvil, its 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 our current principal customer, América Móvil, and its potential future customers, given the strength of their respective business models. The wireless communications site infrastructure that we provide is an important component of the operations of its 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.

High Potential Operating Leverage and Limited Expenditures

We believe that our high potential operating leverage (which we define to be operating expenses (excluding depreciation) 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.

On a pro forma basis, operating expenses (excluding depreciation) represented approximately 8% of our operating revenue for the twelve months ended December 31, 2022. 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.

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

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."

Single Business Model

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;

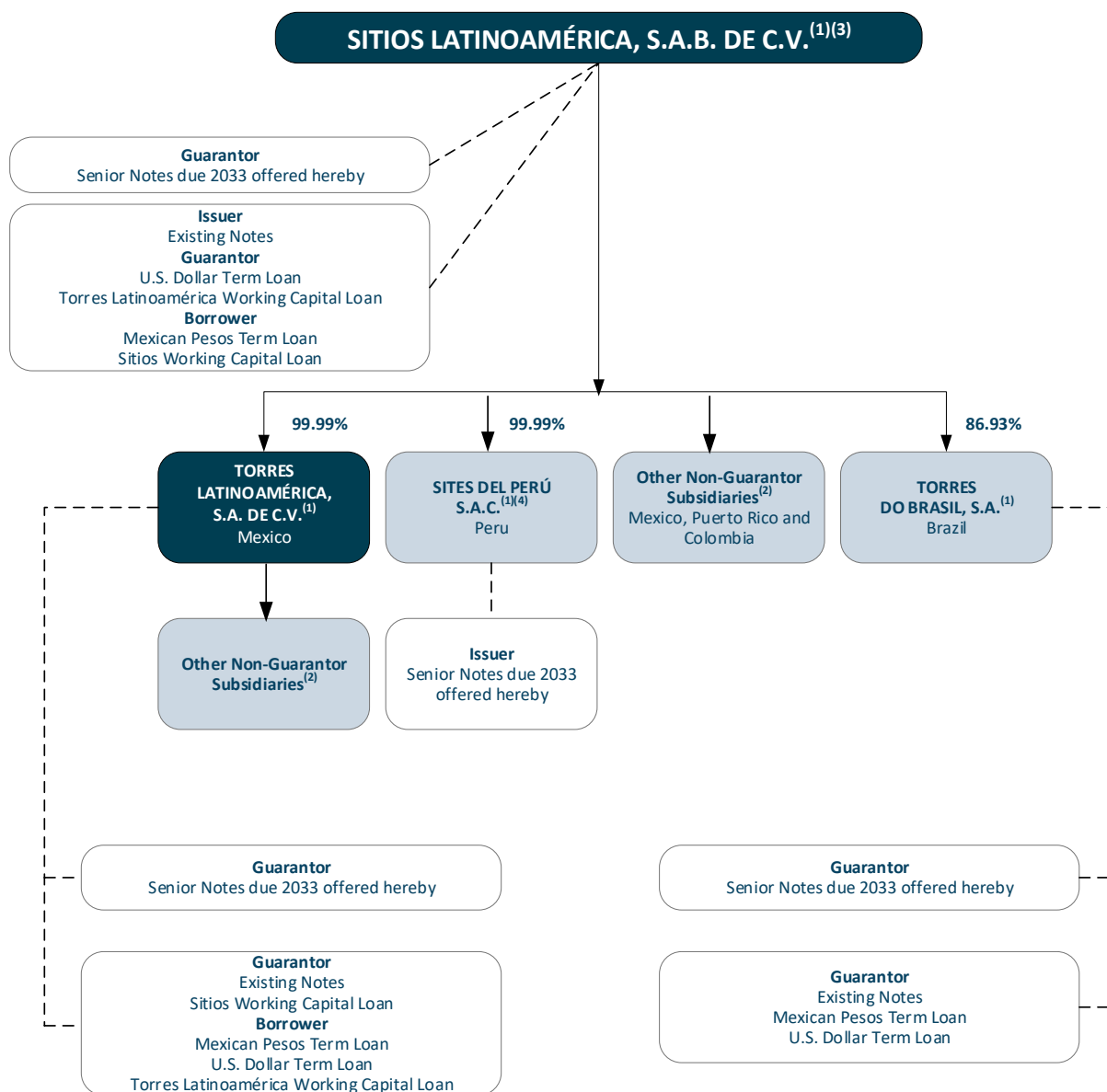
- *Opportunity for Growth.* The allocation of our costs and investments to a greater number of wireless carriers will provide such carriers with increased flexibility to focus on the expansion of their infrastructure to locations where network coverage is currently unavailable, which we anticipate will 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 on 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
- *Multi-Pronged Strategy.* We plan 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.

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.

CORPORATE STRUCTURE

The following chart summarizes our corporate structure and principal indebtedness after giving effect to the issuance of the notes offered hereby. 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 Sitios and each of Torres do Brasil and Torres Latinoamérica.

(2) For the six months ended June 30, 2023, our non-guarantor subsidiaries represented approximately 54% of our revenues and approximately 53% and 53% of our EBITDA and EBITDAaL, respectively. As of June 30, 2023, our non-guarantor subsidiaries represented approximately 35% of our total assets (excluding

intercompany receivables and investments in subsidiaries) and approximately 22% of our total liabilities (excluding intercompany payables).

- (3) Sitios had total direct and indirect indebtedness of Ps.52,632 million (U.S.\$3,083 million) as of June 30, 2023, comprising the March Towers Deferred Consideration, as well as the amounts outstanding under the Existing Notes, the Mexican Pesos Term Loan and the Sitios Working Capital Loan, and the guarantees in respect of the U.S. Dollar Term Loan and the Torres Latinoamérica Working Capital Loan (each as defined herein). See “Description of Certain Indebtedness” for a description of these debt obligations.
- (4) The Issuer intends to use the net proceeds from the sale of the notes to repay a portion of the March Towers Deferred Consideration. See “Use of Proceeds.”

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	Sites del Perú S.A.C.
Guarantors	Sitios Latinoamérica, S.A.B. de C.V., Torres Latinoamérica, S.A. de C.V. and Torres do Brasil S.A. (the “guarantors”).
Notes Offered	S/ 872,080,000 aggregate principal amount of 9.125% Senior Notes due 2033 (the “notes”).
Issue Price	100.000% of principal amount, plus accrued interest, if any, from September 21, 2023. Investors will make payment of the issue price of the notes in U.S. dollars based on an exchange rate for the conversion of soles into U.S. dollars of S/ 3.7032 per U.S.\$1.00, which was the Representative Market Rate (as defined herein) in effect on September 13, 2023.
Issue Date	The notes will be issued on September 21, 2023.
Maturity Date	The notes will mature on September 21, 2033.
Interest Rate	Interest on the notes will accrue at the rate of 9.125% per year.
Interest Payment Dates	Interest on the notes will be payable on March 21 and September 21 of each year, beginning on March 21, 2024.
Conversion of Payment Amounts	The principal of and interest on the notes and any additional amounts, including without limitation any payment upon redemption of the notes or payment to purchase the notes upon a Change of Control Triggering Event will be payable in U.S. dollars, as calculated by the calculation agent by translating the soles amount into U.S. dollars at the Average Representative Market Rate (as defined herein) on the applicable FX Determination Date (as defined herein). See “Description of the Notes—Payment Provisions—Currency of Payments.”
Ranking	<p>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.</p> <p>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</p>

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 June 30, 2023, the Issuer had unsecured and unsubordinated indebtedness of approximately S/ 956 million (U.S.\$263 million).

As of June 30, 2023, Sitios had, on an unconsolidated basis, unsecured and unsubordinated indebtedness of approximately Ps.38,438 million (U.S.\$2,252 million) excluding guarantees of its subsidiaries' indebtedness. As of June 30, 2023, Sitios' subsidiaries had indebtedness (excluding guarantees of indebtedness of Sitios and its other subsidiaries) of approximately Ps.14,194 million (U.S.\$831 million).

Use of Proceeds	The Issuer intends to use the net proceeds from the sale of the notes to repay a portion of the March Towers Deferred Consideration. 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.
Payment of Additional Amounts	Payments of interest on the notes or payments on the guarantees will be made after withholding and deduction for any Peruvian, Mexican or Brazilian taxes. In the event of any such withholding or deduction, the Issuer or the relevant guarantor will pay such additional amounts as will result in receipt by the holders of notes of such amounts as would have been received by them had no such withholding or deduction for Peruvian, Mexican or Brazilian taxes been required, subject to certain exceptions described under "Description of the Notes—Payment of Additional Amounts."
Optional Redemption	<p>Prior to June 21, 2033 (the date that is three months 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 amounts thereon to, but not including, the redemption date. On or after such date, the Issuer may, at its option, redeem the notes, in whole or in part, at 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts thereon to, but not including, the redemption date.</p> <p>See "Description of the Notes—Redemption—Optional Redemption With "Make-Whole" Amount or at Par."</p>
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 amounts, if any, to, but excluding, the redemption date, upon the occurrence of specified events relating to Peruvian, Mexican or Brazilian tax law.

	See “Description of the Notes—Redemption—Tax Redemption.”
Change of Control Offer	Upon the occurrence of a Change of Control Triggering Event, we will be required to make an offer to purchase all of the notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. See “Description of the Notes—Purchase of Notes Upon Change of Control Triggering Event.”
Listing	Application will 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.
Peruvian Registration	The notes and the information contained in this offering memorandum have been registered with the Institutional Investors Segment of the RPMV of the SMV. In Peru, this offering will be considered a public offering directed exclusively to “institutional investors” (as such term is defined under the Institutional Investors Regulations, as amended).
ISIN	XS2693815156
Common Code	269381515
Form and Denominations	<p>The notes will be issued only in registered form without coupons, registered in the name of a nominee of a common depository for Euroclear and Clearstream and in minimum denominations of S/ 500,000 and integral multiples of S/ 1,000 in excess thereof.</p> <p>The notes will be evidenced by one or more separate notes in global form (collectively, the “global note”) and be deposited with a nominee of a common depository for Euroclear and Clearstream.</p>
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.”
Trustee, Registrar, Transfer Agent and Calculation Agent	The Bank of New York Mellon.
Paying Agent	The Bank of New York Mellon, London Branch.
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 Sitios unaudited pro forma consolidated financial statements and the Sitios audited 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 Sitios audited consolidated financial statements, the Sitios unaudited pro forma consolidated financial statements, and the Sitios unaudited interim consolidated financial information included elsewhere in this offering memorandum.

The Sitios unaudited interim consolidated financial information is not necessarily indicative of the financial results that will be obtained for the full twelve months ended December 31, 2023 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	Six months ended June 30,		Year ended December 31,		
	2023		2022	2022	2021
	<i>Historical</i>		<i>Pro Forma</i>		
	<i>(in millions of U.S.\$)⁽¹⁾</i>	<i>(in millions of Ps.)</i>	<i>(in millions of U.S.\$)⁽²⁾</i>	<i>(in millions of Ps.)</i>	
Revenues:					
Tower lease revenues	219	3,982	414	8,324	7,253
Land lease revenues	142	2,587	195	3,917	4,884
Total.....	361	6,569	608	12,241	12,137
Operating costs and expenses:					
Cost of service	(11)	(191)	(21)	(428)	(619)
Operating expenses	(28)	(521)	(30)	(610)	(617)
Depreciation	(211)	(3,828)	(367)	(7,390)	(6,512)
Total	(250)	(4,541)	(418)	(8,428)	(7,748)
Operating profit.....	111	2,028	189	3,813	4,389
Net interest expense	(141)	(2,573)	(152)	(3,061)	(4,657)
Net foreign exchange gain (loss)	100	1,817	(56)	(1,127)	(863)
Other financial costs	(6)	(108)	65	1,299	(487)
Profit before income taxes	64	1,164	46	924	(1,618)
Income taxes	(33)	(608)	57	1,145	(518)
Net profit (loss)	31	556	(11)	(221)	(1,100)
Attributable to minority interest.	7	119	(1)	(29) ⁽³⁾	279 ⁽³⁾
Net profit (loss) attributable to Sitios	24	437	(10)	(192)⁽³⁾	(1,379)⁽³⁾

⁽¹⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars using the average exchange rate for the six months ended June 30, 2023 of Ps.18.2060 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, 2022 of Ps.20.1239 to U.S.\$1.00.

⁽³⁾ Represents Sitios’ best estimate as of the latest practicable date prior to the publication of this offering memorandum. Net profit (loss) attributable to minority interest was not disclosed in the Sitios unaudited pro forma consolidated financial statements for the twelve months ended December 31, 2022 or December 31, 2021 at the time of preparation thereof.

**Consolidated Statements of
Financial Position**

	As of June 30, 2023		As of December 31,		
			2022	2022	2021
	<i>Historical</i>		<i>Pro Forma</i>		
	<i>(audited)</i>		<i>(unaudited)</i>		
	<i>(in millions of U.S.\$)⁽¹⁾</i>	<i>(in millions of Ps.)</i>	<i>(in millions of U.S.\$)⁽²⁾</i>	<i>(in millions of Ps.)</i>	
Assets					
<i>Current assets:</i>					
Cash and cash equivalents	119	2,037	306	5,938	12,210
Accounts receivable, income tax assets and others, net ...	317	5,411	232	4,498	3,424
Total current assets	436	7,448	538	10,436	15,634
<i>Non-current assets:</i>					
Property and equipment, net.	4,529	77,316	3,544	68,802	64,844
Other assets	-	4	-	10	166
Right-of-use assets	686	11,710	622	12,073	15,521
Total assets	5,651	96,477	4,704	91,321	96,165
Liabilities and equity					
Short-term debt and current portion of long-term debt	382	6,515	17	339	16,896
Short-term liability related to right-of-use assets	143	2,433	175	3,403	3,298
Accounts payable	213	2,403	221	4,284	905
Total current liabilities	737	12,590	413	8,026	21,099
<i>Non-current liabilities:</i>					
Long-term debt	2,719	46,423	2,574	49,970	42,816
Long-term liability related to right-of-use assets	623	10,628	500	9,696	12,285
Deferred income taxes	908	15,499	718	13,930	12,401
Asset retirement obligations ..	310	5,285	280	5,436	4,187
Total non-current liabilities ..	4,560	77,834	4,071	79,032	71,689
Total liabilities	5,297	90,424	4,484	87,059	92,788
<i>Equity:</i>					
Total equity	355	6,054	220	4,262	3,377
Total liabilities and equity .	5,651	96,477	4,704	91,321	96,165

(1) Mexican peso amounts have been converted, for convenience, into U.S. dollars at the June 30, 2023 exchange rate of Ps. 17.0720 to U.S.\$1.00.

(2) Mexican peso amounts have been converted, for convenience, into U.S. dollars at the December 31, 2022 exchange rate of Ps.19.4143 to U.S.\$1.00.

Other financial and operating data	Six months ended June 30,		Year ended December 31,		
	2023		2022	2022	2021
	<i>Historical</i>		<i>Pro Forma</i>		
	<i>(in millions of U.S.\$)⁽¹⁾</i>	<i>(in millions of Ps.)</i>	<i>(in millions of U.S.\$)⁽²⁾</i>	<i>(in millions of Ps.)</i>	
Net profit (loss)	31	556	(11)	(221)	(1,100)
Income taxes.....	33	608	57	1,145	(517)
Comprehensive financing cost.....	47	864	144	2,889	6,006
Depreciation	210	3,828	367	7,390	6,512
EBITDA	322	5,856	557	11,203	10,901
Land lease revenues	(142)	(2,587)	(195)	(3,917)	(4,884)
EBITDAaL	179	3,269	362	7,286	6,017

⁽¹⁾ Mexican peso amounts have been converted, for convenience, into U.S. dollars using the average exchange rate for the six months ended June 30, 2023 of Ps.18.2060 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, 2022 of Ps.20.1239 to U.S.\$1.00.

The following tables set forth certain financial data for the periods indicated on a historical and pro forma basis and include certain pro forma adjustments.

The Sitios unaudited pro forma consolidated financial statements include the accounts of Sitios and its relevant subsidiaries as of December 31, 2022 and December 31, 2021. The historical figures used correspond to those from the Sitios audited consolidated financial statements, while the pro forma adjustments column reflects the estimated adjustments of Sitios' subsidiaries based on their historical results as compiled for the purposes of the Sitios unaudited pro forma consolidated financial statements. In addition, estimates were made with respect to Sitios' Brazilian subsidiary, which was incorporated on June 24, 2022, and, for purposes of the Sitios unaudited pro forma consolidated financial statements, was assumed to have been incorporated on January 1, 2022. The Sitios unaudited pro forma consolidated financial statements also assumed that the recognition of the effects of other transactions that were effected in the period generated their corresponding cash flow effects, with such effect being recognized in the cash and cash equivalents line item.

Consolidated Statements of Comprehensive Income	Period of August 8, 2022 to December 31, 2022		Year ended December 31, 2022	
	Historical ⁽¹⁾		Pro Forma Adjustments	Pro Forma ⁽²⁾
	(audited)		(unaudited)	
	(in millions of U.S.\$) ⁽³⁾	(in millions of Ps.)	(in millions of Ps.)	
Revenues:				
Tower lease revenues	175	3,480	4,844	8,324
Land lease revenues	90	1,781	2,136	3,917
Total.....	265	5,262	6,980	12,241
Operating costs and expenses:				
Depreciation and amortization	(54)	(1,068)	(2,378)	(3,446)
Depreciation of right-of-use assets	(74)	(1,460)	(2,484)	(3,944)
Cost of service.....	(7)	(141)	(287)	(428)
Operating costs.....	(15)	(310)	(301)	(610)
Operating profit.....	115	2,283	1,530	3,813
Net interest expense	(103)	(2,039)	(1,021)	(3,061)
Net foreign exchange gain (loss) ..	(36)	(705)	(422)	(1,127)
Other financial costs	56	1,103	196	1,299
Profit before income taxes.....	32	641	282	924
Income taxes.....	(17)	(346)	799	1,145
Net profit.....	15	295	(516)	
Attributable to minority interest ..	1	21	-	-
Net profit (loss) after minority interest.....	14	275	-	-

(1) The "Historical" column represents Sitios audited consolidated financial statements.

(2) The "Pro Forma" column represents the impact of certain pro forma adjustments related to Sitios subsidiaries. See "Presentation of Financial Information—Sitios Unaudited Pro Forma Consolidated Financial Statements" and the notes to the Sitios unaudited pro forma consolidated financial statements included elsewhere in this offering memorandum.

(3) Mexican peso amounts have been converted, for convenience, into U.S. dollars using the average exchange rate for the period from August 8, 2022 to December 31, 2022 of Ps.19.8385 to U.S.\$1.00.

Consolidated Statements of Financial Position	As of December 31, 2022			
	Historical ⁽¹⁾		Pro Forma Adjustments	Pro Forma ⁽²⁾
	(audited)		(unaudited)	
	(in millions of U.S.\$) ⁽³⁾	(in millions of Ps.)	(in millions of Ps.)	
Assets				
<i>Current assets:</i>				
Cash and cash equivalents.....	212	4,107	1,831	5,938
Accounts receivable, income tax assets and others, net.....	232	4,497	-	4,497
Total current assets.....	443	8,604	1,831	10,436
<i>Non-current assets:</i>	-			
Property and equipment, net	3,583	69,571	(770)	68,802
Other assets	1	10	-	10
Right-of-use assets	669	12,985	(912)	12,073
Total assets.....	4,696	91,171	150	91,321
Liabilities and equity	-			
Short-term debt and current portion of long-term debt	17	339	-	339
Short-term liability related to right-of-use assets	175	3,403	-	3,403
Accounts payable	221	4,284	-	4,284
Total current liabilities	413	8,026	-	8,026
<i>Non-current liabilities:</i>	-			
Long-term debt.....	2,574	49,970	-	49,970
Long-term liability related to right- of-use assets	499	9,696	-	9,696
Deferred income taxes.....	734	14,251	(321)	13,930
Asset retirement obligations.....	280	5,436	-	5,436
Total non-current liabilities.....	4,087	79,353	(321)	79,032
Total liabilities	4,501	87,379	(321)	87,059
<i>Equity:</i>				
Total equity	195	3,791	471	4,262
Total liabilities and equity	4,696	91,171	150	91,321

(1) The “Historical” column represents Sitios audited consolidated financial statements.

(2) The “Pro Forma” column represents the impact of certain pro forma adjustments related to Sitios subsidiaries. See “Presentation of Financial Information—Sitios Unaudited Pro Forma Consolidated Financial Statements” and the notes to the Sitios unaudited pro forma consolidated financial statements included elsewhere in this offering memorandum.

(3) Mexican peso amounts have been converted, for convenience, into U.S. dollars at the December 31, 2022 exchange rate of Ps.19.4143 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, 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.

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 Sitios unaudited pro forma consolidated financial statements, the Sitios audited financial statements and the Sitios unaudited consolidated interim financial information 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 our long-term trends.

None of the Sitios unaudited pro forma consolidated financial statements, the Sitios unaudited interim consolidated financial information or the Issuer unaudited interim financial information included in this offering memorandum has been audited or reviewed, may be subject to change, and may not be comparable with our or the Issuer's future financial results

The Sitios unaudited pro forma consolidated financial statements were prepared using assumptions and estimates about certain matters. In preparing such financial statements, our management used estimates about our revenues, based on our projected number of telecommunications towers and the expected average lease term per tower, the expected cost of managing our towers as a separate entity and the functional currency of each of our operating subsidiaries based on the local currency of its respective jurisdiction. In addition, such financial statements were prepared in accordance with IFRS, which requires the use of additional estimates that affect the valuation of certain items. Our actual results could differ from those estimates. Moreover, such financial statements have not been audited.

The Sitios unaudited interim consolidated financial information was 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 Sitios' or the Issuer's financial condition or results of operations. Investors should therefore not place undue reliance on such unaudited interim financial information. Neither the Sitios unaudited interim consolidated financial information nor the Issuer unaudited interim financial information are necessarily indicative of the financial results that will be obtained for the full twelve months ended December 31, 2023 and should not be viewed as indicative of the results of operations or financial position of Sitios or the Issuer in future periods. In addition, neither the Sitios unaudited interim consolidated financial information nor the Issuer unaudited interim financial information has been audited, no independent registered accounting firm has expressed an opinion or given any form of assurance thereon, and such financial information may, accordingly, be subject to change. The outcome of any audit, review or other similar assessment could give rise to significant changes in the financial information included herein.

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 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, such as our ongoing expansion into Colombia, 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, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay. We also have limited operating experience in Colombia, where we are pursuing an expansion. Consequently, we may be unable to develop constructive relationships with the local authorities and with our customers and employees in Colombia or in any 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 as described under "Summary—Recent Developments," 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 no 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.

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.

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.

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 who 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 June 30, 2023, we had Ps.52,632 million (U.S.\$3,083 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.

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 levels of inflation, including hyperinflation;
- changes in currency values;
- exchange controls or restrictions on expatriation of earnings;
- 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 lead, 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. The presidential elections held in Brazil in 2022 resulted in a change of administration. In 2023, Brazil held congressional elections and the incumbent political party secured a majority of seats in the Senate, which is aligned with the elected administration. Mexico will hold presidential and congressional elections in 2024, and

we cannot predict the outcome of such elections. In addition, Peru has been subject to recent political crises and events of unrest, which included the impeachment and removal from office of the former Peruvian president in December 2022, and subsequent congressional proposals and debates aimed at accelerating the 2026 general elections to take place either in 2023 or in 2024. We cannot predict the outcome of any such elections, 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, including Peru.

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, 2022, such fluctuations led us to report a foreign exchange gain, net, of Ps.803.8 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.

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.

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.

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 seven 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 land 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 land 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 land 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.

Although the World Health Organization declared an end to the COVID-19 pandemic in May 2023, if there is a significant resurgence in the spread of COVID-19 through known strains or new variants or the markets in which we operate face another public health emergency, the demand for our services could decrease (including, among other things, as a result of border closures, global or local travel restrictions, quarantines, the adoption of preventive measures, perceptions about human health and safety or a generalized decrease in spending), our customers and employees could be affected and we could experience disruptions in our supply chain, all or any of which could exacerbate its impact on our 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 June 30, 2023, all of our employees in Brazil (representing approximately 28% 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 10 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.

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 Performance."

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.

For our purposes, we calculate (i) “EBITDA” as net profit (loss) plus interest expense, income taxes, depreciation and amortization, (ii) “EBITDAaL” as EBITDA minus land lease revenues, and (iii) “EBITDAaL margin” as the ratio of EBITDAaL to tower lease revenues. Our revenues from land lease agreements generally arise from passing on costs for land 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 a 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.

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 six months ended June 30, 2023, we derived 85% of our tower lease revenues from subsidiaries or affiliates of América Móvil and the remaining 15% from unrelated customers, such as WOM 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.

We rely on third party service providers for the provision of certain corporate functions and services, and América Móvil for certain limited support services based on legacy arrangements. If we fail to continue to procure these services on favorable terms and at an affordable cost to us, and if we are unable to secure alternative providers for such services in a timely manner, our business, financial condition and results of operations could be impacted

In the past, we operated as part of América Móvil and América Móvil provided us with assistance in connection with various corporate functions. However, as a result of the completion of the Sitios Spin-off, América Móvil is no longer required to provide us with any such assistance. Accordingly, the significant majority of the functions and services, formerly performed or provided to us by América Móvil are now performed in-house, or are provided by independent third parties sourced by us. These functions and services relate primarily to IT, research and development, finance, legal affairs, insurance, regulatory compliance and human resources. In addition, América Móvil continues to provide very limited support services in certain areas based on legacy arrangements. The adequate and effective performance of these functions and services is critical to our operations and if we are unable to continue to secure them from alternative sources

in a timely manner or on the terms and conditions as favorable as those afforded to us previously by América Móvil our business, financial condition and results of operations may be adversely affected.

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 between 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 and Regulatory Issues

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 adverse 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.

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 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 Sitios unaudited pro forma consolidated financial statements, the Sitios audited consolidated financial statements, the Sitios unaudited interim consolidated financial information or the Issuer unaudited interim financial information. 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 pro forma consolidated financial statements, as well as the Sitios unaudited interim consolidated financial information and the Issuer unaudited interim financial information 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.

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 geopolitical climate, which can affect our ability to plan, forecast and budget for our operations and expansion efforts.

For the six months ended June 30, 2023, 44% of our revenues were denominated in U.S. dollars, 42% were denominated in Brazilian reais, 10% were denominated in Chilean pesos converted into inflation-adjusted units called *unidades de fomento*, and 4% were denominated in soles. 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 our functional currencies, including the U.S. dollar, could result in an apparent decrease in revenues attributable to the effect of foreign currency translations.

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.

If the sol depreciates against the U.S. dollar, the effective yield on the notes in U.S. dollars will decrease and the principal amount of the notes in U.S. dollars may be less than your initial investment, resulting in a loss to you

Payments of interest on and principal of the notes or additional amounts thereon, if any, will be calculated in soles and converted by the calculation agent into U.S. dollars at the Average Representative Market Rate on the applicable FX Determination Date. See “Description of the Notes.” You are assuming the foreign exchange risk in connection with payments on the notes. Rates of exchange between the U.S. dollar and the sol have varied significantly over time. Historical trends do not necessarily indicate future fluctuations in exchange rates, and should not be relied upon as indicative of future trends. Currency exchange rates can be volatile and unpredictable. If the sol depreciates against the U.S. dollar after the date on which you invested in the notes, the interest payable on the notes in U.S. dollar terms will decrease and the amount of principal payable in U.S. dollars may be less than your investment, resulting in a loss to you. Depreciation of the sol against the U.S. dollar may also adversely affect the market value of the notes. For a history of the exchange rate between the sol and the U.S. dollar, see “Exchange Rate Information.”

Exchange controls could adversely affect the exchange rate of the Mexican peso, Brazilian real or sol, 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.

Prior to 1991, Peru exercised control over the foreign exchange markets by imposing multiple exchange rates and placing restrictions on the possession and use of foreign currencies. In 1991, the Fujimori administration eliminated all foreign exchange controls and unified exchange rates. Currently, foreign exchange rates are determined by market conditions, with regular open-market transactions by the Peruvian Central Bank (*Banco Central de Reserva del Perú*) in the foreign exchange market in order to reduce volatility in the value of Peru’s currency against the U.S. dollar. The imposition of exchange controls and transfer restrictions could impair the ability to exchange soles for U.S. dollars and/or transfer either of them outside Peru as well as cause the value of the sol to depreciate against the U.S. dollar, resulting in a reduced yield to you, a possible loss on the notes and a possible adverse 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 Peru, Mexico or Brazil or another governmental entity in such jurisdictions were to reduce or eliminate our ability to remit U.S. dollars outside Peru, 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 sol, 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.

We and the Issuer 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 our ability, or the ability of the Issuer, to incur additional debt that ranks on an equal and ratable basis with the notes and the guarantees. If we or the Issuer 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 us or 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 and the Issuer may incur additional indebtedness. If we, the Issuer, 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 and that of the Issuer 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 or the Issuer are unable to service our indebtedness, we and the Issuer 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 and the Issuer 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 (other than the Issuer) will have priority over the holders of the notes in claims to assets of the subsidiaries of the guarantors

Sitios and 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, except for the Issuer. Sitios and Torres Latinoamérica conducts substantially all of its business and holds substantially all of its assets through subsidiaries. Claims of creditors of Sitios' and Torres Latinoamérica's 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. Sitios' and Torres Latinoamérica's ability to meet its obligations, including under its 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 Peruvian 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 Sitios, 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 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.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture pursuant to which the notes will be issued

Under the indenture pursuant to which the notes will be issued, if a Change of Control Triggering Event (as defined in the indenture) occurs, the Issuer must offer to purchase the notes for a price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of purchase. In the event of a Change of Control Triggering Event, the Issuer may need to refinance all of its indebtedness, including the notes. The Issuer may not have sufficient funds available to make any required repurchases of the notes upon a Change of Control Triggering Event. If the Issuer fails to repurchase the notes in those circumstances, the Issuer will be in default under the indenture, which default may, in turn, trigger cross-default provisions in our other debt instruments. Any future debt that the Issuer incurs may also contain restrictions on repurchasing the notes upon a Change of Control Triggering Event.

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

Securities disclosure requirements in Peru and 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 or Sitios than is regularly published about companies in the U.S. and certain other jurisdictions. Neither the Issuer nor Sitios will 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 and Sitios 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 the Peruvian Insolvency Law (*Ley General del Sistema Concursal*), the obligations of the Issuer under the notes are subordinated to certain statutory preferences. In the event of the insolvency, reorganization or liquidation of the Issuer, such statutory preferences, including claims for salaries, wages, social security and taxes, will have preference over any other claims, including claims by any investor in respect of the notes. In addition, the Issuer’s creditors may hold negotiable instruments or other instruments governed by local law that may grant rights to attach our assets at the inception of judicial proceedings in Peru, which attachment is likely to result in priorities benefitting those creditors over the rights of holders of the notes.

Similarly, 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 Mexico’s Law on Commercial Reorganization (*Ley de Concursos Mercantiles*), if either Sitios or Torres Latinoamérica was declared insolvent, was declared bankrupt or in bankruptcy reorganization, Sitios’ or Torres Latinoamérica’s obligations under its guarantee:

- 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 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.

In addition, under Mexican law, it is possible that, in the event either Sitios or Torres Latinoamérica was declared insolvent, bankrupt or become subject to *concurso mercantil*, any amount by which the stated principal amount of the notes exceeds their accreted value may be regarded as not matured and, therefore, claims of holders of the notes may only be permitted to the extent of the accreted value of the notes. There are very few Mexican legal precedents regarding bankruptcy or *concurso mercantil* in Mexico on this point and, accordingly, uncertainty exists as to how a Mexican court would measure the claims of holders of the notes.

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 and/or Sitios. The initial purchaser is 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 the Issuer's securities and adversely affect our ability to raise additional financing

The market value of securities of Peruvian 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 Peru, investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Peruvian issuers. Crises in the United States, the European Union and emerging market countries may diminish investor interest in securities of Peruvian 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.

In Peru, the notes have been registered as part of a public offering directed exclusively to "institutional investors" (as such term is defined under the Institutional Investors Regulations). Accordingly, the notes may be offered (through a public offering) and sold in Peru, on a private placement basis, exclusively to investors in Peru that qualify as

“institutional investors” (as such term is defined under the Institutional Investors Regulations). In Peru, the notes are subject to transfer and resale restrictions set forth in the Institutional Investors Regulations, and shall not be transferred or resold except as permitted by Peruvian law.

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.

Credit ratings of the Issuer and/or Sitios 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 and/or Sitios’ 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 and Sitios’ 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 Peru. Sitios’ 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 and/or Sitios 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 or to Sitios 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.

Credit ratings of the Issuer and Sitios 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 private closed corporation incorporated under the laws of Peru. Sitios 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 Peru, 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 Peru, Mexico and Brazil predicated upon civil liabilities under the laws of

jurisdictions other than Peru, 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 purchaser's discounts and estimated transaction expenses, are expected to be approximately S/ 872,080,000. The Issuer intends to use the net proceeds from the sale of the notes to repay a portion of the March Towers Deferred Consideration.

CAPITALIZATION

The following table sets forth the capitalization of Sitios in accordance with IFRS as of June 30, 2023, and as adjusted to give effect to the offering of the notes and the intended uses of proceeds thereof.

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

	As of June 30, 2023			
	Actual		As Adjusted ⁽¹⁾	
	(in millions of U.S.\$) ⁽²⁾	(in millions of Ps.)	(in millions of U.S.\$) ⁽²⁾	(in millions of Ps.)
Cash and cash equivalents.....	119	2,037	119	2,037
Debt:				
Existing Notes ⁽³⁾	1,000	17,072	1,000	17,072
Mexican Pesos Term Loan	1,204	20,558	1,204	20,558
U.S. Dollar Term Loan ⁽⁴⁾	515	8,792	515	8,792
March Towers Deferred Consideration ⁽⁵⁾	256	4,378	21	365
9.125% Senior Notes due 2033 offered hereby ⁽⁶⁾ ..	-	-	235	4020
Sitios Working Capital Loan ⁽⁷⁾	47	808	47	808
Torres Latinoamérica Working Capital Loan ⁽⁸⁾ ...	60	1,024	60	1,024
Total debt⁽⁹⁾	3,083	52,632	3,083	52,632
Equity:				
Total equity	355	6,054	355	6,054
Total capitalization⁽¹⁰⁾	3,437	58,686	3,437	58,686

(1) Unless otherwise disclosed in the footnotes to this table, the numbers in the “As Adjusted” column give effect to the offering of the notes and the intended use of proceeds thereof as described under the “Use of Proceeds.” The “Actual” column and the “As Adjusted” column do not include the liability of Ps.313 million (U.S.\$18.3 million) related to the July Towers Deferred Consideration outstanding as of the date of this offering memorandum. The Issuer does not intend to pay the July Towers Deferred Consideration using the proceeds of this offering.

(2) Mexican peso amounts have been converted, for convenience, into U.S. dollars at the June 30, 2023 exchange rate of Ps.17.0720 to U.S.\$1.00.

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

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

(5) Reflects the approximate Mexican pesos-equivalent of the aggregate principal amount of the March Towers Deferred Consideration. As of the date of this offering memorandum, we also had liabilities of Ps.313 million (U.S.\$18.3 million) related to the July Towers Deferred Consideration. The Issuer does not intend to pay the July Towers Deferred Consideration using the proceeds of this offering.

(6) Represents the approximate Mexican pesos equivalent of the aggregate principal amount of the notes offered hereby and does not reflect the initial purchaser’s discounts and commissions or estimated fees and expenses related to this offering.

(7) Represents the approximate Mexican pesos equivalent of the aggregate principal amount of the Sitios Working Capital Loan.

- (8) Represents the approximate Mexican pesos equivalent of the aggregate principal amount of the Torres Latinoamérica Working Capital Loan.
- (9) Total debt does not take into account the liability of Ps.313 million (U.S.\$18.3 million) related to the July Towers Deferred Consideration outstanding as of the date of this offering memorandum. The Issuer does not intend to pay the July Towers Deferred Consideration using the proceeds of this offering.
- (10) 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 Sitios unaudited pro forma consolidated financial statements, the Sitios audited consolidated financial statements and the Sitios unaudited interim consolidated financial information, 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 and the rules and regulations of CNBV, as applicable.

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 Information" and "Risk Factors" and the Sitios audited consolidated financial statements, the Sitios unaudited pro forma consolidated financial statements, the Sitios unaudited interim financial information 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 order to consummate 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 July 31, 2023, Sitios owned 34,464 wireless telecommunications sites in 15 countries, comprised of Argentina, Brazil, Chile, 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. These figures include 224 towers acquired in Peru as part of the July Towers Acquisition (see "Summary—Recent Developments—Peru"). As of June 30, 2023, Sitios also had operations in Colombia, with 76 towers in advanced stages of construction pursuant to "build-to-suit" agreements (see "Summary—Recent Developments—Colombia" for a more detailed description of Sitios' business activities in Colombia).

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 15 of those countries.

For the six months ended June 30, 2023, 44% of our revenues were denominated in U.S. dollars, 42% were denominated in Brazilian reais, 10% were denominated in Chilean *unidades de fomento*, and 4% were denominated in soles.

During the twelve months ended December 31, 2022, 43% of our revenues were denominated in U.S. dollars, 46% were denominated in Brazilian reais and 11% were denominated in Chilean *unidades de fomento*.

The operating costs and expenses incurred by each our subsidiaries are typically denominated in local currency.

Financial information is translated to Mexican pesos for presentation and reporting purposes and, accordingly, such information includes translation-related adjustments.

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

Factors Affecting our Results of Operations

Limited Impact of the COVID-19 Pandemic on our Results of Operations for the Twelve Months Ended December 31, 2022 and December 31, 2021

The unprecedented health crisis arising from the spread of the COVID-19 pandemic resulted in a severe global economic downturn and caused significant volatility, uncertainty, and disruption in the twelve months ended December 31, 2021 and, to a lesser extent, December 31, 2022.

We took preventive measures to ensure the continuity of operations and safeguard the health and safety of our personnel and customers. The main effects of the COVID-19 pandemic on our business and results of operations for the twelve months ended December 31, 2021 and December 31, 2022 can be summarized as follows:

- During most of 2021, practically all of the countries in which we operate were subject to lockdown and other measures implemented to control the spread of COVID-19. The COVID-19 pandemic has not had a material impact on our revenues.
- In 2022, the economy in most of the countries in which we operate recovered as a result of the increased availability of COVID-19 vaccines. Latin American currencies, which had depreciated sharply against the U.S. dollar as the pandemic spread, strengthened notably in 2022. The Brazilian real appreciated versus the U.S. dollar, as did the Chilean peso.
- The measures to slow the spread of COVID-19 had a material impact on the global economy in the twelve months ended December 31, 2021 and, to a lesser extent, December 31, 2022. Given the changing nature of COVID-19 and the limited amount of recent experience in the economic and financial impacts of such an unprecedented pandemic, companies around the world were forced to evaluate the changes and effects thereof on their financial information. These changes and effects did not pose significant challenges in connection with the valuation, presentation and disclosure of our financial statements for the twelve months ended December 31, 2021 and December 31, 2022, including our liquidity, cash flows, creditworthiness and viability as an ongoing concern, taking into consideration that the telecommunications industry is among the least affected by the pandemic. As part of our course of action, we assessed the impact of the pandemic, primarily on the estimates involved in the valuation of our assets and liabilities, and we did not identify any material change under the scenarios we considered.

Although as of the date of this offering memorandum we consider that the effects of the COVID-19 pandemic on our operational and financial performance were limited, we can give no assurance as to the effect of the outbreak and spread of any other communicable disease or a further global resurgence of the COVID-19 pandemic.

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' 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 cost 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 land 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.

Exchange Gain (Loss), Net

Our exchange gain (loss) primarily reflects the gains (or losses) attributable to the depreciation of our functional currencies against the U.S. dollar.

Income Taxes

The principal component of our tax expense is our income tax liability. Our income tax liability consists primarily of accrued and deferred taxes as determined in accordance with IFRS. The principal difference between tax and book value is depreciation, followed by 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.

For the Six Months Ended June 30, 2023

The following table was derived from the Sitios unaudited interim consolidated financial information as of and for the six months ended June 30, 2023:

Consolidated Statements of Comprehensive Income	Six months ended June 30, 2023 <i>(in millions of Ps.)</i>
Revenues:	
Tower lease revenues	3,982
Land lease revenues	2,587
Total.....	6,569
Operating costs and expenses:	
Cost of service.....	(191)
Operating expenses	(521)
Depreciation	(3,828)
Total	(4,541)
Operating profit.....	2,028
Net interest expense	(2,573)
Net foreign exchange gain (loss)	1,817
Other financial costs.....	(108)
Profit before income taxes.....	1,164
Income taxes.....	(608)
Net profit (loss)	556
Attributable to minority interest.	119
Net profit (loss) attributable to Sitios	437

Operating Results

As of June 30, 2023, we held a portfolio of 34,240 sites: 11,262 located in Brazil; 8,479 in Chile, Ecuador, and Peru (Andean Region); 7,581 in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama (Central America); 5,432 in Argentina, Uruguay and Paraguay (AUP); and 1,486 in Puerto Rico and the Dominican Republic (Caribbean).

During the six months ended June 30, 2023, 171 new sites began to operate, mainly in Brazil, Ecuador, Peru, El Salvador, and Honduras. As of June 30, 2023, 211 sites were in advanced stages of construction, primarily in the Andean region and Central America. As expected, the construction pace has increased as the year progresses.

As of June 30, 2023, we had entered into 41,392 individual site agreements and our consolidated tenancy ratio (average number of customers per site divided by the total number of sites) was 1.209 tenants per tower. Our tenancy ratio has 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. In total, we have entered into 404 new individual site agreements with customers other than América Móvil's subsidiaries.

We estimate that approximately 85% 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 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 six months ended June 30, 2023, our revenues totaled Ps.6,569 million, of which tower lease revenues accounted for Ps.3,982 million. The increased revenues from tower leases were driven mostly by our newly acquired portfolios in Peru and the Dominican Republic.

For the six months ended June 30, 2023, we had EBITDAaL of Ps.3,269 million, representing an EBITDAaL margin of 82%. EBITDAaL showed a good performance across the board, reflecting constant revenue streams and an effective cost control policy.

Following the Sitios Spin-off, as a result of a significant majority of certain business support functions and services, formerly performed or provided to us by América Móvil being performed in-house, or provided by independent third parties sourced by us, we were able to reduce costs and expenses, operating profit amounted to Ps.2,028 million for the six months ended June 30, 2023.

For the six months ended June 30, 2023, capital expenditures totaled Ps.7,079 million.

As of June 30, 2023, our gross debt totaled Ps.52,632 million, while our cash and cash equivalents amounted to Ps.2,037 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.

Assets, Liabilities and Stockholders' Equity

As of June 30, 2023, we had total consolidated assets of Ps.96,477 million, of which Ps.77,316 million were property and equipment, net, and Ps.11,710 million were right-of-use assets. As of June 30, 2023, we had total consolidated liabilities of Ps.90,424 million, of which Ps.52,632 million constituted interest-bearing debt and Ps.13,061 million constituted lease obligations. Our consolidated net profit for the six months June 30, 2023 was Ps.437 million. Sitios' consolidated stockholder's equity as of June 30, 2023 was Ps.6,054 million.

For the Twelve Months Ended December 31, 2022 and December 31, 2021

The following table was derived from the Sitios unaudited pro forma consolidated financial statements as of and for the twelve months ended December 31, 2022 and December 31, 2021:

Consolidated Statements of Comprehensive Income	Year ended December 31,	
	2022	2021
	(Pro forma)	
	(in millions of Ps.)	
Revenues:		
Tower lease revenues	8,324	7,253
Land lease revenues.....	3,917	4,884
Total.....	12,241	12,137
Operating costs and expenses:		
Cost of service.....	(428)	(619)
Operating expenses	(610)	(617)
Depreciation	(7,390)	(6,512)
Total	(8,428)	(7,748)
Operating profit.....	3,813	4,389
Net interest expense.....	(3,061)	(4,657)
Net foreign exchange gain (loss)	(1,127)	(862)
Other financial costs.....	1,299	(487)
Profit before income taxes.....	924	(1,617)
Income taxes.....	1,145	(517)

Net profit (loss)	(221)	(1,100)
Attributable to minority interest.	-	-
Net profit (loss) attributable to Sitios	(221)	(1,100)

Revenues

Our pro forma revenues for the twelve months ended December 31, 2022 were Ps.12,241 million, a 1% increase over our pro forma revenues of Ps.12,137 million for the same period in 2021. This change was primarily attributable to an increase in inflation and to the stabilization of our operations following the Sitios Spin-off, partially offset by the effect of foreign currency translations.

During the twelve months ended December 31, 2022, our tower or infrastructure leasing business accounted for 68% of our total pro forma revenues, compared with 60% during the same period in 2021.

Operating Costs and Expenses

Our pro forma operating costs and expenses for the twelve months ended December 31, 2022 were Ps.8,428 million, an 9% increase over our pro forma operating costs and expenses of Ps.7,748 million for the same period in 2021. This change was primarily attributable to 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.

Net Interest Expense

During the twelve months ended December 31, 2022, we recorded pro forma interest expense, net, of Ps.3,061 million, a 34% decrease from our pro forma interest, expense, net of Ps.4,657 million for the same period in 2021. This change was primarily attributable to a decrease in our indebtedness levels in 2022. Our pro forma interest expense consisted primarily of interest accrued under our financing arrangements, which amounted to Ps.2,271 million for the twelve months ended December 31, 2022, and interest accrued under our right-of-use arrangements, which amounted to Ps.790 million for the twelve months ended December 31, 2022.

Exchange Gain (Loss), Net

Our pro forma foreign exchange loss, net, for the twelve months ended December 31, 2022, was Ps.1,127 million, a 31% decrease over our pro forma foreign exchange loss of Ps.862 million for the same period in 2021. This change was attributable to the depreciation of our functional currencies against the U.S. dollar.

Income Taxes

Our pro forma income tax income (expense) for the twelve months ended December 31, 2022 was Ps.(1,145) million, compared with Ps.(517) million for the same period in 2021. This change was primarily attributable to the adjustments in depreciation, as well as to the costs and expenses incurred in connection with the Sitios Spin-off.

Consolidated Net Profit (Loss)

Our pro forma consolidated net loss for the twelve months ended December 31, 2022 was Ps.221 million, which represented an increase with respect to our pro forma consolidated net income of Ps.1,100 million for the same period in 2021.

Assets, Liabilities and Stockholders' Equity

As of December 31, 2022, we had total consolidated assets of Ps.91,321 million, of which Ps.68,802 million were property and equipment, net, and Ps.12,073 million were right-of-use assets. As of December 31, 2022, we had total consolidated liabilities of Ps.87,059 million, of which Ps.50,309 million constituted interest-bearing debt and Ps.13,099

million constituted lease obligations. Our consolidated net profit (loss) for the twelve months ended December 31, 2022 was Ps.(221) million. Sitios' consolidated stockholder's equity as of December 31, 2022 was Ps.4,262 million.

As of December 31, 2021, we had total consolidated assets of Ps.96,165 million, of which Ps.64,844 million were property and equipment, net, and Ps.15,521 million were right-of-use assets. As of December 31, 2021, we had total consolidated liabilities of Ps.92,788 million, of which Ps.59,713 million constituted interest-bearing debt and Ps.15,583 million constituted lease obligations. Our consolidated net profit (loss) for the twelve months ended December 31, 2021, was Ps.1,100 million. Sitios' consolidated stockholder's equity as of December 31, 2021 was Ps.3,377 million.

As of December 31, 2022, the amount of our cash and cash equivalents had decreased as a result of the repayment of certain indebtedness in connection with the Sitios Spin-off, but we also reported lower balances of debt.

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.

Debt

In addition to the cash flows generated by our operating activities or 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 "Description of Certain Indebtedness" for a more detailed discussion of our currently outstanding indebtedness.

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. Because we were organized only recently, we are working in conjunction with our management bodies on the development of a treasury policies manual. 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 of a change of currency), so as to speculative activity involving foreign currency exchange.

Income Tax Assets and Liabilities

During the twelve months ended December 31, 2021 and December 31, 2022, we did not accrue any income assets or liabilities.

Capital Investments

Except for the acquisition of Passive Infrastructure in Peru, as described under “Summary—Recent Developments,” during the twelve months ended December 31, 2022 and December 31, 2021, we did not make any capital expenditures.

Off-Balance Sheet Arrangements

As of June 30, 2023 and December 31, 2022, we did not have any off-balance sheet arrangement.

Transactions with Derivative Financial Instruments

As of June 30, 2023 and December 31, 2022, we had not entered into any transaction with derivative financial instruments. However, we may use derivative instruments in the future if we deem it advisable.

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 pro forma 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 order to consummate 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 July 31, 2023, Sitios owned 34,464 wireless telecommunications sites in 15 countries, comprised of Argentina, Brazil, Chile, 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. These figures include 224 towers acquired in Peru as part of the July Towers Acquisition (see “Summary—Recent Developments—Peru”). As of June 30, 2023, Sitios also had operations in Colombia, with 76 towers in advanced stages of construction pursuant to “build-to-suit” agreements (see “Summary—Recent Developments—Colombia” for a more detailed description of Sitios’ business activities in Colombia).

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 Q2 2023, as of June 30, 2023, our site inventory accounted for approximately 21% of the aggregate number of sites available in the countries in which we operate, taken as a whole. We own those sites through our operating subsidiaries. Brazil, the largest market for wireless communications in the region, where we own approximately 33% of our total number of sites, followed by Argentina, Peru, Guatemala, Chile and Ecuador, where, in aggregate, we own approximately 46% of our total number of sites, in each case, as of June 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 June 30, 2023, we owned and operated telecommunication towers in Argentina, Brazil, Chile, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay. We also had operations in Colombia, where we are engaged predominantly in the construction of Passive Infrastructure only and consequently own no towers in Colombia (see “Summary—Recent Developments—Colombia” for a more detailed description of our business activities in Colombia). We constantly evaluate business and investment opportunities to expand our presence to other countries and regions.

The following table provides selected information for the six months ended and as of June 30, 2023 for all the sites we currently own, by region:

Country or Region	Number of Towers	Tenancy Ratio ⁽¹⁾	Tower Lease Revenues for the six months ended June 30, 2023 ⁽²⁾⁽³⁾
Brazil	11,262	1.35x	1,630
Andean Region	8,479	1.09x	718
Central America	7,581	1.16x	795
AUP	5,432	1.20x	631
Caribbean	1,486	1.13x	208
Total	34,240	1.21x	3,982

- (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 land leases.

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 rollout 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.

Sitios Spin-off

The following is a timeline of the events and transactions that resulted in our organization and the organization of our principal subsidiaries:

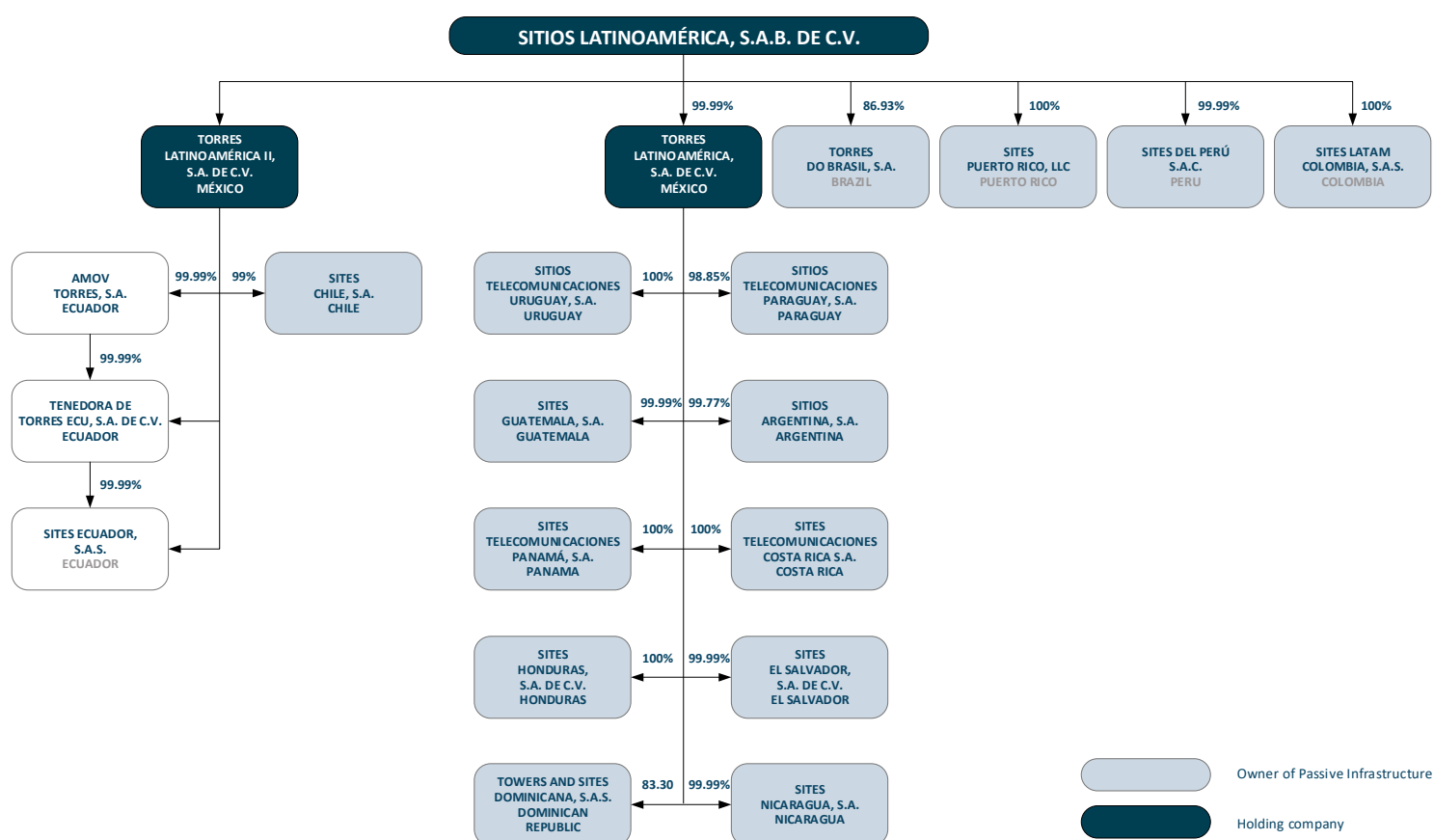
- (1) **Approval by América Móvil's board.** On February 9, 2021, the board of directors of América Móvil approved the commencement of a process to spin-off the Passive Infrastructure assets of its wireless carrier subsidiaries in Latin America in order to allow for the commercialization of such assets to third parties.
- (2) **Extraordinary general meeting of shareholders of América Móvil.** At the extraordinary general meeting of shareholders of América Móvil held on September 29, 2021, América Móvil's shareholders approved the Sitios Spin-off, subject to certain conditions, and, accordingly, the assignment to us of certain assets, liabilities and capital.
- (3) **Confirmation of the taxation regime by the Mexican Tax Revenue Service.** On August 1, 2022, the Mexican Tax Revenue Service (*Servicio de Administración Tributaria*) confirmed the accuracy of the interpretation of certain provisions of Mexican tax law by América Móvil and its subsidiaries Sercotel, S.A. de C.V., Amov Ecuador S.A., América Móvil Ecuador, S.A. de C.V., Amov I, S.A. de C.V. and Controladora de Servicios de Telecomunicaciones, S.A., which are residents of Mexico for tax purposes.
- (4) **Organization.** Sitios was organized as a variable capital public company under the laws of Mexico pursuant to public instrument No. 67,162, dated August 8, 2022, issued by notary public No. 195 for Mexico City, Patricio Garza Bandala, which instrument is registered with the Public Registry of Commerce for Mexico

City under file No. 2022055607 effective August 9, 2022. We have our registered address in Mexico City (but we are authorized to maintain offices, branches, agencies, terminals, facilities or other operations elsewhere within Mexico or abroad). Pursuant to Article Four of our bylaws, our duration is for an indeterminate period of time.

- (5) **Registration with the National Securities Registry; Listing on the Mexican Stock Exchange.** Pursuant to official communication No. 153/3293/2022, dated September 22, 2022, the CNBV authorized the registration of Sitios' shares in the RNV maintained by the CNBV, without need for a public offering of Sitios' shares. On September 29, 2022, Sitios' shares were listed for trading and began trading on the Mexican Stock Exchange.

Our Corporate Structure

The following chart depicts our organizational structure as of June 30, 2023:



Competitive Strengths

Our Principal Existing and Expected Strengths

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

New Investment Vehicle

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.

Independence

We expect to improve our competitiveness by focusing our efforts and resources on strengthening our market position.

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.

Leading Infrastructure Platform in Latin America

We aim to consolidate ourselves as the leading builder and provider of Passive Infrastructure in Latin America. As of June 30, 2023, we owned 34,240 towers in 15 countries. According to TowerXchange's LATAM Regional Guide Q2 2023, we are the most geographically diversified provider of Passive Infrastructure in Latin America and one of the leading provider of Passive Infrastructure in at least seven 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), in "The Mobile Economy 2022" report, mobile penetration in Latin America is approximately 70%, well below the estimates for Europe, China and North America. This circumstance offers significant market penetration opportunities for companies specializing in the provision of Passive Infrastructure for the telecommunications sector.

Sitios Benefits From its Leading Position in Countries with Sustained Requirements for Site Construction and Sharing Arrangements

After giving effect to certain post-Sitios Spin-off adjustments per country, our acquisitions and the construction of new sites, in 2022 we increased our total number of towers by 611. In 2023, we anticipate building between approximately 1,500 and 2,200 new sites in the countries in which we operate. As of the date of this offering memorandum, 327 towers have been completed, 364 are in advanced stages of construction and construction has already commenced on 1,376 towers. The Latin American tower market is in its early development stages and we believe that the quality of our Passive Infrastructure places us in a solid position 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 six months ended June 30, 2023, we had EBITDAaL of Ps.3,269 million, representing an EBITDAaL margin of 82%. For the twelve-month period ended December 31, 2022, we had pro forma EBITDAaL of Ps.7,300 million, representing an EBITDAaL margin of 87%. In addition, we enjoy of a geographically diversified source of revenues.

High-Quality and Long-Term Arrangements with América Móvil, its 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 our current principal customer, América Móvil, and its potential future customers, given the strength of their respective business models. The wireless communications site infrastructure that we provide is an important component of the operations of its 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.

High Potential Operating Leverage and Limited Expenditures

We believe that our high potential operating leverage (which we define to be operating expenses (excluding depreciation) 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.

On a pro forma basis, operating expenses (excluding depreciation) represented approximately 8% of our operating revenue for the twelve months ended December 31, 2022. 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.

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

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."

Single Business Model

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 on 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
- *Multi-Pronged Strategy.* We plan 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.

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.

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 Q2 2023 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 Q2 2023 Report, approximately 40% 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 June 30, 2023, the Latin American tower industry was comprised of more than 10 independent tower operators that collectively owned nearly 180,000 towers.

In Europe, Vodafone Group, PLC recently 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

Following the Sitios Spin-off, we have been 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.

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.

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.

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 25% 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 2022 Mobile Economy Report for Latin America, there were 439 million unique mobile subscribers as of 2021 by 2025 that figure is expected to reach 487, which represents a compound annual growth rate of 2.6%. Wireless penetration in Latin America, measured as total unique mobile subscribers divided by total population, reached 70% in 2022 and is expected to reach 74% by 2025. Wireless penetration is still low in Latin America when compared to Eastern and Central Europe, where the average penetration was 90% in 2022. 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 June 30, 2023 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		

Master Service Agreements for Passive Infrastructure Leasing							
No.	Country	Parties	Agreement Date	Term	Renewal	Currency	Inflation Index
2	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
3	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
4	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
5	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
6	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
7	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
8	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
9	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
10	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
11	Nicaragua	<ul style="list-style-type: none"> Empresa Nicaraguense de Telecomunicaciones, S.A. Sites Nicaragua, S.A. 	November 30, 2021	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
12	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

Master Service Agreements for Passive Infrastructure Leasing							
No.	Country	Parties	Agreement Date	Term	Renewal	Currency	Inflation Index
13	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
14	Dominican Republic	<ul style="list-style-type: none"> Compañía Dominicana de Telefonos, S.A. Towers and Sites Dominicana, S.A.S. 	February 3, 2023	10 years	Automatic	U.S. dollars	U.S. Consumer Price Index
15	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	sol	U.S. Consumer Price Index

⁽¹⁾ The original five year term of this master service agreement was mutually 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.

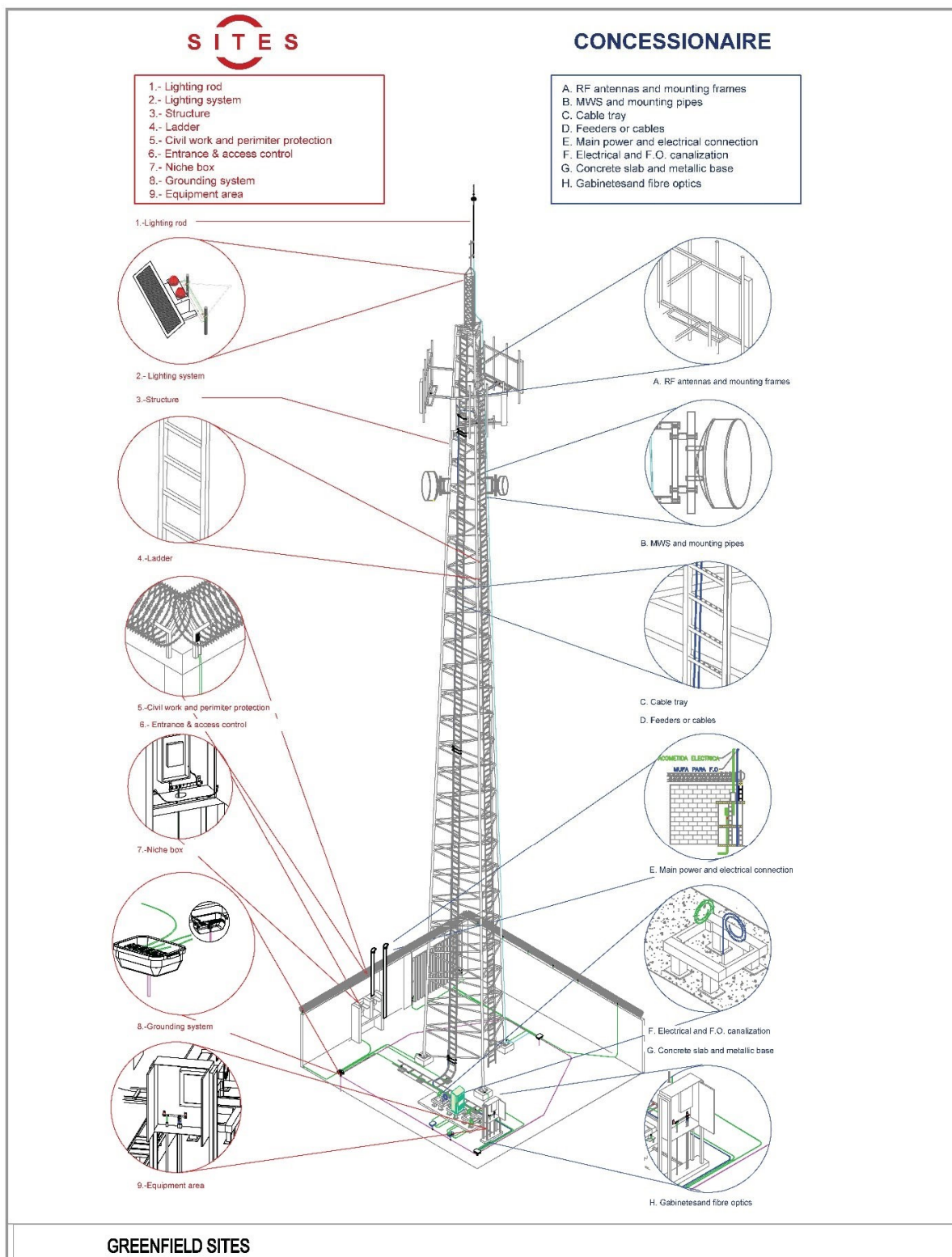
We will continue to seek to enter into new site agreements with third parties, in addition to subsidiaries of América Móvil. We anticipate that we would enter into site agreements with other telecommunications carriers on substantially the same terms as those of our existing agreements with América Móvil's 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 June 30, 2023, 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 land lease in order for both agreements to expire concurrently. In a majority of cases, the site agreement is subject to renewal at the customer' 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.



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 house 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 June 30, 2023, after giving effect to the adjustments subsequent to the Sitios Spin-off:

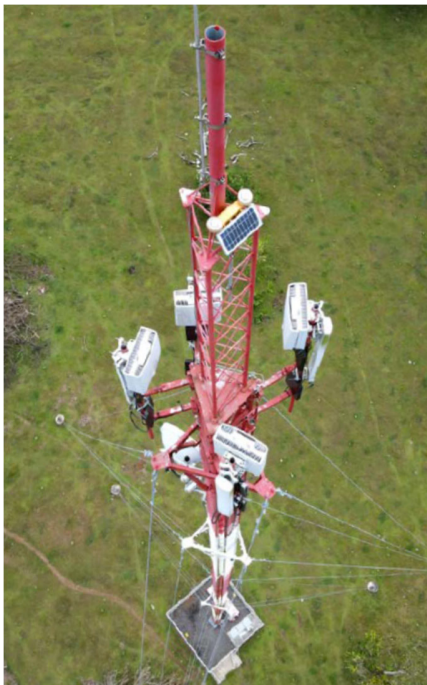
Country	Number of sites	Percent of total number of sites
Argentina	4,130	12%
Brazil	11,262	33%
Chile	2,516	7%
Costa Rica	576	2%
Dominican Republic	1,388	4%
Ecuador	2,463	7%
El Salvador	1,213	3%
Guatemala	3,071	9%
Honduras	1,399	4%

Country	Number of sites	Percent of total number of sites
Nicaragua	778	2%
Panama	544	2%
Paraguay	751	2%
Puerto Rico	98	1%
Uruguay	551	2%
Peru	3,500	10%
Total	34,240	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. It is important that this type of tower cannot support overly heavy accessories and other equipment.



The following table contains a breakdown of our tower portfolio by type of tower as of June 30, 2023, after giving effect to the adjustments subsequent to the Sitios Spin-off:

Type of tower	Number of towers installed	Percent of total number of towers
Guyed	2,276	7%
Self-supporting	16,521	48%
Monopole	6,754	20%
Rooftop	7,212	21%
Mastil	1,477	4%
Total	34,240	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 land 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 June 30, 2023, 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 June 30, 2023, we had not experienced any material change in the normal course of our business as it relates to working capital.

Environmental 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 are committed to promoting sustainable development, which is why we have integrated excellence standards in our environmental matters. Given our operations most relevant activities, we focus on waste, biodiversity and water stewardship.

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 Sitios.

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 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

Sitios' 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 June 30, 2023, 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 Q2 2023), 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 June 30, 2023 we held 15% 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 23% share of the market. We own approximately 21% of the total tower count in the 15 countries where we own Passive Infrastructure (i.e., excluding Colombia).

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 consider 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 June 30, 2023, we had an aggregate of 424 employees, directly and indirectly, 117 or 28% 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 June 30, 2023, we had been awarded 97 trademarks (10 of them in Mexico and 87 in other countries) and had 77 trademark registration applications pending (including 2 in Mexico and 51 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 June 30, 2023, 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, 2022, we did not engage in any research and development activities.

Principal Clients

As of June 30, 2023, 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
Costa Rica	Claro CR Telecomunicaciones, S.A.	December 22, 2020	2%	10 years
Dominican Republic	Compañía Dominicana de Telefonos, S.A	February 3, 2023	4%	10 years
Ecuador	Consortio Ecuatoriano de Telecomunicaciones, S.A.	April 8, 2021	7%	10 years
El Salvador	Compañía de Telecomunicaciones de El Salvador, S.A. de C.V.	May 26, 2021	3%	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	1%	10 years
Peru	América Móvil Perú	August 29, 2023 (effective January 1, 2023)	6%	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.

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 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 is the *Instituto Nicaragüense de Telecomunicaciones y Correos* (“TELCOR”). It is worth mentioning that 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 tower 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 Telecommunications 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 June 30, 2023, 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 on undergoing reorganization if we incur in any of the events contemplated by such laws.

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

As of the date of this offering memorandum, the Issuer has not initiated, nor received any notice of the commencement of, any insolvency or bankruptcy proceedings (*procedimientos concursales*) initiated under the Peruvian Insolvency Law (*Ley General del Sistema Concursal*).

MANAGEMENT

Directors

The board of directors of Sitios consists of eight directors, who are as follows as of June 30, 2023:

Name	Title	Age	Gender	Member Since
Arturo Elias Ayub	Chairman of the Board, Director	57	Male	2022
Carlos Slim Helú	Director	83	Male	2022
Gerardo Kuri Kaufmann	Director	39	Male	2022
Daniel Hajj Slim	Director	29	Male	2022
Mauricio Hajj Slim	Director	23	Male	2022
Miriam Guadalupe de la Vega Arizpe	Independent Director	63	Female	2022
Juan Pablo del Valle Perochena	Independent Director	50	Male	2023
José Shedid Merhy	Independent Director	83	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 is pursuing a degree in Industrial Engineering at 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 Juarez 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.

Juan Pablo Del Valle 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, as of August 8, 2022, Francisco Javier Arnau Quiroga served as 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:

Sergio Javier Galicia Sánchez – *Chief of Finance and Administration Officer* – Mr. Galicia Sánchez holds a degree in public accounting from Instituto Politécnico Nacional. From 2000 to 2015, he held various positions at Grupo Financiero Inbursa, S.A.B. de C.V., including Audit Manager, AFORE Manager, SIEFORE Manager, Insurance Sector Accounting Manager and Financial Information Manager. From 2015 to 2020 he served as Controller at Telesites, S.A.B. de C.V. and from 2020 to 2023, as Chief Financial Officer at Minera Frisco, S.A.B. de C.V.

Francisco Javier Arnau Quiroga – *General Counsel* – Mr. Arnau holds a degree in law from Universidad Iberoamericana in 2013 and a Diploma in Real Estate Law from Escuela Libre de Derecho in Mexico City. Mr. Arnau has been working at América Móvil since 2014, serving as counsel and senior counsel. During 2020 and 2021, Mr. Arnau practiced law as a foreign associate in the New York office of Willkie Farr & Gallagher, LLP, and prior to América Móvil, he worked as an attorney at SAI Consultores, S.C.

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.

María Paloma Vértiz Robleda – *Director of Investor Relations* – Ms. Vértiz Robleda held various positions within América Móvil's Finance Department beginning in 2015, including in its Investor Relations area and as Manager of Corporate Development. Prior to that, from 2012 to 2015 she worked in various capacities in both the private and public sectors, including in Mexico's Economic Mission to the European Union in Brussels, Belgium. Ms. Vértiz Robleda holds a degree in International Relations from Universidad Iberoamericana and various certifications on European Studies and Digital Economics.

Karla Ileana Arroyo Morales – *Business Intelligence* – Ms. Arroyo Morales served as Business Intelligence Manager at Carso Energy, S.A. de C.V. and Minera Frisco, S.A.B. de C.V. from 2019 to 2022. Prior to that, she served as Director of Investor Relations at Telesites, S.A.B. de C.V. from 2019 to 2022. Ms. Arroyo Morales holds a degree in Economics from Universidad Nacional Autónoma de México and a diploma in Financial Analysis and Assessment of Investment Projects.

The General Manager of the Issuer is Elí Sondón García.

Elí Sondón García – General Manager of the Issuer and Country Manager in Peru – Mr. Sondón holds a degree in electrical engineering and communications from the Universidad Autónoma Metropolitana, a diploma in Administration and Business Development from the Instituto Tecnológico Autónomo de México (ITAM) and a diploma in Finance from Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM). From 1993 to 2002, he worked at Telmex México, and from 2003 to 2010, at Telmex Perú, in each case as a Commercial Director. From 2010 to 2022, he held various positions at América Móvil Perú, including Deputy Director of Corporate Affairs and Deputy Director of Strategic Alliances.

The business address of the General Manager of the Issuer is at the principal executive offices of the Issuer, which are located at Carlos Portocarrero No. 262, 11th floor, Urb. Santa Catalina, district of La Victoria, Lima, Peru.

For a private closed corporation, which has no board of directors, the company's management is entrusted to its General Manager, who is appointed and may be removed by the shareholders of the company assembled at a shareholders' meeting. In the case of the Issuer, the General Manager has been appointed for an indefinite term.

DESCRIPTION OF CERTAIN INDEBTEDNESS

Existing Notes

Overview and Structure

On April 4, 2022, América Móvil issued U.S.\$1,000,000,000 in aggregate principal amount of 5.375% Senior Notes due 2032 (the “Existing 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 Notes and all liabilities with respect thereto and América Móvil was released from all its obligations with respect to the Existing Notes.

The Existing 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 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 Notes accrue interest at 5.375% per annum. Interest on the Existing 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 Notes, in whole or in part, by paying the greater of the principal amount of the Existing 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 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 Notes in excess of the additional interest attributable to a Mexican withholding tax rate of 4.9%, Sitios may redeem the outstanding Existing 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 Notes are guaranteed by Torres do Brasil and Torres Latinoamérica on a joint and several basis.

Security

The Existing 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 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 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.20,558,500,000 (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.\$50,000,000, 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.\$50,000,000, 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. 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.\$515,000,000 (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. 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.\$50,000,000, 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.\$50,000,000, 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. 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 April 14, 2023, 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.\$60,000,000, which will mature and become due and payable in full on November 13, 2023 (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 13th 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 April 14, 2023, 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.\$47,300,000 which will mature and become due and payable in full on November 13, 2023 (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 13th 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.

DESCRIPTION OF THE NOTES

This section of the offering memorandum summarizes the material terms of the indenture, the notes and the guarantees. Because this section is a summary, it does not describe every aspect of the indenture, the notes and the guarantees, 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, the notes and the guarantees. 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 “Description of the Notes” section to:

- the “Issuer” are to Sites del Perú S.A.C.;
- “Sitios” are to Sitios Latinoamérica, S.A.B. de C.V. only and not to any of its subsidiaries or affiliates; and
- “we,” “us” and “our” are to Sitios Latinoamérica, S.A.B. de C.V. and to its subsidiaries (including the Issuer),

in each case unless the context otherwise requires.

References to “holders” mean those persons 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 Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”) or in notes registered in street name. Owners of beneficial interests in notes should refer to “Book-Entry, Delivery and Form.”

General

Indenture

The notes will be issued under a base indenture, to be dated as of September 21, 2023, and a supplemental indenture to be dated as of September 21, 2023. References to the “indenture” are to the base indenture as supplemented by the supplemental indenture. The indenture is an agreement among the 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 indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended. Holders of the notes will not be entitled to registration rights.

Trustee

The trustee has the following two main roles:

- First, the trustee can enforce the rights of holders against the Issuer and the guarantors if the Issuer or any guarantor defaults in respect of its obligations under the indenture, the notes or the guarantees. There are some limitations on the extent to which the trustee acts on behalf of holders, which are described 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

Sitios is a holding company and its principal assets are shares that Sitios holds in its subsidiaries (including the Issuer). The notes will not be secured by any of the assets or properties of Sitios, the Issuer or any other person. As a result, by owning the notes, holders will be one of the unsecured creditors of the Issuer, Sitios and the other guarantors. The notes and the guarantees will not be subordinated to any of the Issuer’s or the applicable guarantor’s other unsecured

debt obligations. In the event of a bankruptcy, *procedimiento concursal*, *concurso mercantil*, *quiebra* or liquidation proceeding against the Issuer, Sitios or any of the other guarantors, the notes would rank equally in right of payment with all of the Issuer's, Sitios' and the other guarantors' 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 Sitios' subsidiaries. Claims of creditors of Sitios' subsidiaries, including trade creditors and bank and other lenders, will have priority over the holders of the notes in claims to assets of Sitios' subsidiaries that do not guarantee the notes.

Guarantees

Sitios, Torres Latinoamérica S.A. de C.V. and Torres do Brasil S.A. (collectively, the “guarantors” and each, a “guarantor”) will irrevocably and unconditionally guarantee (collectively, the “guarantees” and each, a “guarantee”), on a joint and several basis, the full and punctual payment of principal, premium, if any, interest, additional amounts, if any, and any other amounts that may become due and payable by the Issuer in respect of the notes. If the Issuer fails to pay any such amount, the guarantors will immediately pay the amount that is due and required to be paid. If any such payments are subject to deduction or withholding for or on account of any taxes, assessments, fees or other governmental charges imposed with respect to that payment by a taxing authority, the guarantors will pay additional amounts to the holders of the notes so that the net amount received equals the amount that would have been received absent such deduction or withholding, as described under, and subject to the limitations set forth under, “—Payment of Additional Amounts.”

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

The guarantee of a guarantor will terminate upon:

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

Sitios shall have the right to designate, in its sole discretion, any of its subsidiaries as an additional guarantor of the notes.

Payment Provisions

Interest Payments

The aggregate principal amount of the notes offered hereby will be S/ 872,080,000. The notes will mature on September 21, 2033. The notes will bear interest at a rate of 9.125% per year from September 21, 2023.

Interest on the notes will be payable on March 21 and September 21 of each year, beginning on March 21, 2024, to the holders in whose names the notes are registered at the close of business on the March 6 or September 6 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, New York, Mexico City, Mexico or Lima, Peru generally are authorized or obligated by law, regulation or executive order to close and (b) a day on which banks and financial institutions in Peru and 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 Euroclear and Clearstream as in effect from time to time. Under those procedures, the Issuer will make payments directly to Euroclear and/or Clearstream, or their respective nominees, 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 Euroclear, Clearstream and their respective 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.

Currency of Payments

All payments of principal of and premium, if any, and interest on the notes, including in connection with any redemption, repurchase, tender, exchange or any other payment of or in respect of the notes, will be made in U.S. dollars, as calculated by the calculation agent by translating the Peruvian soles (“PEN”) amount into U.S. dollars at the Average Representative Market Rate on the applicable FX Determination Date.

For purposes of this “Description of the Notes” section, the following terms have the following meanings:

“Average Representative Market Rate” means, for any FX Determination Date, the average of the Representative Market Rates for each Peruvian business day in the five Peruvian business day period ending on such FX Determination Date.

“EMTA” means the Emerging Markets Trade Association.

“EMTA PEN Indicative Survey Methodology” means the methodology, dated as of August 1, 2006, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the PEN/U.S. dollar markets.

“FX Determination Date” means, for any payment due on the notes, the date that is two Peruvian business days prior to the date such payment is due.

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

“Representative Market Rate” means the exchange rate reported by the SBS (www.sbs.gob.pe) of the Republic of Peru as the “Tipo de Cambio Mercado Profesional, Promedio Ponderado (S/)” (as of the date of this offering memorandum, this rate is published (a) by the SBS at

http://www.sbs.gob.pe/app/pp/SISTIP_PORTAL/Paginas/Publicacion/TipoCambioPromedio.aspx and (b) on Bloomberg screen (PEN SBSP Curncy)); and such rate shall be rounded to the fourth decimal place (e.g., 1.0000). If such rate is not available on the relevant Peruvian business day, the exchange rate published on Bloomberg screen (PEN REGN Curncy). If such rate is not available or there is an Unscheduled Holiday on the relevant Peruvian business day, then the calculation agent must take the PEN/U.S. dollar average of the bid and offer rate for U.S. dollars, expressed as the amount of PEN per one U.S. dollar, from the previous Peruvian business day on which a rate was available on any of the sources mentioned above. The trustee and calculation agent shall conclusively rely upon the accuracy of the sources identified in this definition of “Representative Market Rate” and shall not be required to make any independent verification of the amounts provided by, or on the websites of, such sources.

“Unscheduled Holiday” means a day that is not a Peruvian business day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. (Lima time) two Peruvian business days prior to the relevant FX Determination Date.

Paying Agents

Initially, the Issuer has appointed The Bank of New York Mellon, London Branch, at its corporate trust office in London, United Kingdom as a paying agent. In addition, 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. The Issuer will notify holders of changes in the paying agents as described under “—Notices.”

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.

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.

Form and Denominations

The notes will be issued only in registered form without coupons and in minimum denominations of S/ 500,000 and integral multiples of S/ 1,000 in excess thereof.

Except in limited circumstances, the notes will be issued in the form of one or more 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.

Payment of Additional Amounts

All payments by the Issuer and each guarantor in respect of the notes or the guarantees, as the case may be, will be made without deduction or withholding for or on account of any present or future taxes, assessments, fees or other governmental charges of whatever nature (and any fines, penalties or interest related thereto) imposed or levied by or on behalf of 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) (each such jurisdiction, a “Taxing Jurisdiction”), unless such deduction or withholding is required by law. In that event, the Issuer or such guarantor, as the case may be, will pay to each holder such additional amounts as may be necessary in order that the net amounts received in respect of such payments after such deduction or withholding required by the relevant Taxing Jurisdiction (including any such deduction or withholding in respect of such additional amounts) will not be less than the amounts which would have been received in respect of such payments in the absence of such deduction or withholding. The foregoing obligation to pay additional amounts will not apply to or in respect of:

- (i) any tax, assessment, fee or other governmental charge which would not have been withheld, deducted or imposed but for the existence of any present or former connection between a holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a partnership or a corporation), on the one hand, and the relevant Taxing Jurisdiction, on the other hand (including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein), other than any connection arising solely from the acquisition, ownership or disposition of notes or the receipt of any payment under or in respect of, or the enforcement of, the notes or any guarantee;
- (ii) any tax, assessment, fee or other governmental charge which would not have been so withheld, deducted or imposed but for the presentation by a holder of a note for payment (where presentation is required for payment) on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to additional amounts had the note been presented for payment on the last day of such 30-day period and there were no additional withholdings, deductions or impositions as a result of such late presentation;
- (iii) any tax, assessment, fee or other governmental charge to the extent that such tax, assessment, fee or other governmental charge would not have been withheld, deducted or imposed but for the failure of a holder or beneficial owner to comply (to the extent it is legally eligible to comply) with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the relevant Taxing Jurisdiction of such holder or beneficial owner if (a) such compliance is required or imposed by law, regulation or by an applicable tax treaty to which the relevant Taxing Jurisdiction is a party, as a precondition to exemption from, or a reduction in the rate of, all or a part of such tax, assessment, fee or other governmental charge, (b) at least 30 days prior to the relevant payment date on which the Issuer or such guarantor, as the case may be, will apply this clause (iii), the Issuer or such guarantor, as the case may be, will have notified that holder or beneficial owner of such requirement, and (c) the applicable certification, identification or other reporting requirements are not materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of notes than comparable information or other reporting requirements imposed under U.S. tax law, regulations (including proposed regulations) and administrative practice;
- (iv) any estate, inheritance, gift, sales, use, value added, transfer, excise or personal property or similar tax, assessment, fee or governmental charge;
- (v) any tax, assessment, fee or other governmental charge which is payable other than by deduction or withholding from payments in respect of the notes or the guarantees;

- (vi) any tax, assessment, fee or other governmental charge which is imposed pursuant to Section 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) (and any current and future regulations or official interpretations thereof or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code) (“FATCA”), the laws of the relevant Taxing Jurisdiction implementing FATCA, or any agreement entered into for FATCA purposes; or
- (vii) any combination of the foregoing.

Furthermore, no additional amounts will be paid with respect to a payment on any note or guarantee to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or the beneficial owner would not have been entitled to receive payment of the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of the note or guarantee.

The Issuer or the guarantor, as the case may be, will provide the trustee with the official acknowledgment of the relevant Taxing Jurisdiction (or, if such acknowledgment is not available, other reasonable documentation) evidencing any payment required by the relevant Taxing Jurisdiction in respect of which the Issuer or such guarantor has paid any additional amounts. Copies of such documentation will be made available to the holders of the notes or the paying agent, as applicable, upon request therefor.

In the event that additional amounts actually paid with respect to the notes described above by the Issuer or any guarantor are based on rates of deduction or withholding of 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 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 or such guarantor, as the case may be. However, by making such assignment, the holder makes no representation or warranty that the Issuer or such guarantor will be entitled to receive such a claim for refund or credit and incurs no other obligation (including, for the avoidance of doubt, any filing or other action) with respect thereto.

The Issuer or the guarantors will also pay any present or future stamp, issue, registration, court or documentary taxes or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the execution, issuance, delivery, registration, enforcement or the making of payments in respect of the notes, the guarantees, the indenture or any other document or instrument in relation thereto, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of a Taxing Jurisdiction other than those resulting from, or required to be paid in connection with, the enforcement of the notes and the guarantees following the occurrence of any default or event of default.

Wherever there is mentioned, in the indenture or this offering memorandum, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any of the notes (including payments thereof made pursuant to any guarantee), such reference shall be deemed to include payment of additional amounts to the extent that, in such context, additional amounts are, were or would be payable in respect thereof.

The foregoing obligations will survive any termination, defeasance or discharge of the indenture and will apply *mutatis mutandis* to any successor to the Issuer or any guarantor.

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 June 21, 2033 (the date that is three months prior to the maturity date of the notes) (the “Par Call Date”), the notes will be redeemable at the option of the Issuer, 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), calculated by the Independent Investment Bank, equal to the greater of:

- (1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the redemption date) 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 Applicable Rate plus 30 basis points less (b) interest accrued to, but excluding, the redemption date, and
- (2) 100% of the principal amount of the notes to be redeemed,

plus, in either case, accrued and unpaid interest and additional amounts, if any, thereon to, but excluding, the redemption date.

On or after the Par Call Date, the notes will be redeemable at the option of the Issuer, 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 and additional amounts, if any, thereon to, but excluding, the redemption date.

For purposes of this “Description of the Notes” section, the following terms have the following meanings:

“Applicable Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Issue, assuming a price for the Comparable Issue (expressed as a percentage of its principal amount) equal to the Comparable Price for such redemption date.

“Comparable Issue” means the Peruvian government soles-denominated security or securities selected by an Independent Investment Bank as having an actual or interpolated maturity comparable to the period from the redemption date to the Par Call Date of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the period from the redemption date to the Par Call Date of the notes to be redeemed.

“Comparable Price” means, with respect to any redemption date, (1) the average of the Reference Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Dealer Quotation or (2) if the Independent Investment Bank obtains fewer than four such Reference Dealer Quotations, the average of all such quotations without excluding any.

“Independent Investment Bank” means one of the Reference Dealers appointed by the Issuer.

“Reference Dealer” means The Bank of Nova Scotia, London branch, or one of its affiliates that is a Peruvian market maker (*creador de mercado*) participating in the Peruvian Market Maker Program (*Programa de Creadores de Mercado*), as designated by the Peruvian Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*) (a “Market Maker”) and three other Market Makers designated by the Issuer; *provided* that, if any of the foregoing cease to be a Market Maker, the Issuer will substitute another Market Maker therefore.

“Reference Dealer Quotation” means, with respect to each Reference Dealer and any redemption date, the average, as determined by the Independent Investment Bank, of the bid and asked prices for the Comparable Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Dealer at or about 1:30 p.m. (Lima time) on the third business day preceding such redemption date.

Tax Redemption

The notes will be redeemable, at the option of the Issuer, in whole, but not in part, at 100% of the principal amount thereof, plus accrued and unpaid interest thereon and additional amounts, if any, to, but excluding, the redemption date, only if (1) as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction, or any change in the application or official interpretation of such laws, rules or regulations (including by virtue of a holding, judgment or order by a court of competent jurisdiction), which change or amendment is publicly announced and becomes effective after the issue date of the notes (or, if a relevant Taxing Jurisdiction became a Taxing

Jurisdiction on a later date, after such later date), the Issuer or any guarantor has, or on the next interest payment date will, become obligated to pay additional amounts as discussed under “—Payment of Additional Amounts” with respect to the notes or the guarantees in excess of the additional amounts that the Issuer or such guarantor, as the case may be, would pay if payments in respect of the notes or the guarantees were subject to deduction or withholding for taxes imposed by the applicable Taxing Jurisdiction at the rate applicable on the issue date of the notes (“excess additional amounts”), and (2) such obligation cannot be avoided by the Issuer or such guarantor taking reasonable measures available to it; provided, however, that for this purpose reasonable measures will not include any change in the Issuer’s or such guarantor’s jurisdiction of incorporation or organization or location of its principal executive office or registered office. Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 60 days prior to the earliest date on which the Issuer or such guarantor, as the case may be, would be obligated to pay such excess additional amounts if a payment in respect of the notes or the guarantees were then due and (b) unless at the time such notice is given, such obligation to pay such excess additional amounts remains in effect.

Prior to the publication or mailing of any notice of redemption of the notes, the Issuer will deliver to the trustee (i) an officer’s certificate to the effect that 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 (ii) an opinion of counsel reasonably acceptable to the trustee stating that the Issuer or such guarantor, as the case may be, would be obligated to pay excess additional amounts due to the changes in tax laws, rules or regulations or any change in the application or official interpretation of such laws, rules or regulations. The trustee will accept such certificate and opinion of counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in clauses (1) and (2) above, in which event it will be conclusive and binding on the holders.

The notice of redemption, after it is delivered to the holders, will be irrevocable.

General Redemption Provisions

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the applicable procedures of Euroclear and Clearstream) 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 procedures of Euroclear and Clearstream. No notes of a principal amount of S/ 500,000 or less will be redeemed in part and notes of a principal amount in excess of S/ 500,000 may be redeemed in part in multiples of S/ 1,000 only. If any note is to be redeemed in part, 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 (or appropriate adjustments to the amount and beneficial interests in a global note will be made, as appropriate). For so long as the notes are held by Euroclear or Clearstream (or another depository), the redemption of the notes shall be performed in accordance with the applicable procedures of Euroclear and Clearstream (or those of such other depository).

Notes called for redemption will become due on the date fixed for redemption. 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. Upon redemption of any notes by the Issuer, such redeemed notes will be cancelled.

Neither the trustee nor the calculation agent shall be required to make any calculations or verify any amounts due to holders with respect to a redemption.

Purchase of Notes Upon a Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event, Sitios or the Issuer will make an offer to purchase all outstanding 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 purchase date.

The offer to purchase must be made by written offer (a copy of which shall be delivered to the trustee), which will specify the principal amount of notes subject to the offer and the purchase price. The offer must specify an expiration date (the “Expiration Date”) not less than 30 days or more than 60 days after the date of the offer and a settlement date

for purchase not more than five business days after the Expiration Date. The offer to purchase must include information concerning the business of the Issuer and Sitios and its subsidiaries which it believes will enable the holders to make an informed decision with respect to the offer to purchase. The offer to purchase will also contain instructions and materials necessary to enable holders to tender notes pursuant to the offer. Sitios or the Issuer, as the case may be, will comply with Rule 14e-1 under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), (to the extent applicable) and all other applicable laws in making any offer to purchase, and the above procedures will be deemed modified as necessary to permit such compliance.

A holder may tender all or any portion of its notes pursuant to an offer to purchase, subject to the requirement that if a holder tenders only a portion of its notes of a series, the remaining notes of such series must be no less than \$/ 500,000 in principal amount and in integral multiples of \$/ 1,000 in excess thereof. Holders shall be entitled to withdraw notes tendered up to the close of business on the Expiration Date. On the purchase date, the purchase price will become due and payable on all notes accepted for purchase pursuant to the offer to purchase, and interest on the notes purchased will cease to accrue on and after the purchase date.

Neither Sitios nor the Issuer will be required to make an offer to purchase upon a Change of Control Triggering Event if (1) a third party makes the offer to purchase in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to an offer to purchase made by Sitios or the Issuer and purchases all notes properly tendered and not withdrawn under the offer to purchase, or (2) a notice of redemption for all outstanding notes has been given pursuant to the indenture unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, an offer to purchase may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the offer to purchase is made.

In the event that the holders of not less than 90% of the aggregate principal amount of the outstanding notes accept an offer to purchase pursuant to a Change of Control Triggering Event and Sitios, the Issuer or a third party purchases all the notes held by such holders, Sitios and the Issuer will have the right, on not less than 30 nor more than 60 days’ prior notice (with a copy to the trustee), given not more than 30 days following the purchase pursuant to the offer to purchase described above, to redeem all of the notes that remain outstanding following such purchase at the purchase price equal to that in the offer to purchase plus, to the extent not included in the purchase price, accrued and unpaid interest and additional amounts, if any, on the notes that remain outstanding, to the date of redemption.

For purposes of this “Description of the Notes” section, the following terms have the following meanings:

“Change of Control” means:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer to any person (including any “person” as such term is used in Section 13(d) of the Exchange Act)) other than to Sitios or one of Sitios’ wholly-owned subsidiaries; or

(2) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Sitios or one of its wholly-owned subsidiaries, (A) becomes the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; or (B) appoints or acquires the ability to appoint a majority of the members of the Issuer’s board of directors or equivalent body; or

(3) Sitios ceases to have the power to direct or cause the direction of the management and policies of the Issuer, whether through the ownership of voting securities, by contract or otherwise; or

(4) the approval by the holders of capital stock of the Issuer of any plan or proposal for the liquidation or dissolution of the Issuer, whether or not otherwise in compliance with the indenture.

Notwithstanding the foregoing clause (2), the consummation of any transaction in which Sitios consolidates with, merges into, or is acquired by any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) or, directly or indirectly, sells, leases, transfers, conveys or otherwise disposes, in one or a

series of related transactions, of all or substantially all of the assets of Sitios shall not constitute a Change of Control; provided that at the time of such transaction the Issuer remains a direct or indirect subsidiary of Sitios.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Ratings Decline.

“Investment Grade Rating” means BBB- or higher by Standard & Poor’s, Baa3 or higher by Moody’s or BBB- or higher by Fitch, or the equivalent of such global ratings by Standard & Poor’s, Moody’s or Fitch.

“Rating Agency” means each of (1) Standard & Poor’s, (2) Moody’s and (3) Fitch, or their respective successors.

“Ratings Decline” means the rating on the notes is lowered from their rating then in effect by one or more notches below an Investment Grade Rating by any of the Rating Agencies on any date during the period (the “Trigger Period”) commencing 60 days prior to the earlier of (i) the first public announcement by the Issuer or Sitios of any Change of Control (or pending Change of Control) and (ii) the Change of Control, and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change); provided that a Rating Downgrade Event otherwise arising by virtue of a particular lowering in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Ratings Decline for purposes of the definition of Change of Control Triggering Event) if the Rating Agency making the lowering in rating to which this definition would otherwise apply does not announce or publicly confirm that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Ratings Decline). Notwithstanding the foregoing, no Ratings Decline will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“Voting Stock” means, with respect to the Issuer as of any date, the capital stock of the Issuer that is at the time entitled to vote generally in the election of the board of directors or equivalent body of the Issuer and in respect of other matters presented at shareholders’ meetings of the Issuer.

Open Market Purchases

The Issuer or any guarantor may at any time purchase notes at any price in the open market, in privately negotiated transactions or otherwise. The Issuer or any guarantor may not resell any notes that it purchases, except pursuant to and in compliance with applicable securities laws.

Covenants

The following covenants will apply to Sitios and certain of its subsidiaries for so long as any notes remain outstanding. These covenants restrict Sitios’ ability and the ability of those subsidiaries to enter into certain transactions. However, these covenants do not limit Sitios’ or any of its subsidiaries’ ability to incur indebtedness or require Sitios or any of its subsidiaries to comply with financial ratios or to maintain specified levels of net worth or liquidity.

Limitation on Liens

The Issuer will not, Sitios will not, and Sitios will not allow any of its Restricted Subsidiaries to, create, incur, issue or assume any liens on Sitios’ Restricted Property to secure debt where the debt secured by such liens, plus the aggregate amount of Sitios’ 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 Sitios’ Consolidated Net Tangible Assets unless Sitios 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 Sitios 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 Sitios to Sitios or to another of Sitios' 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.

For purposes of this "Description of the Notes" section, the following terms have the following meanings:

"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 Sitios 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 Sitios prepared in accordance with IFRS.

"Restricted Property" means any kind of property or asset of Sitios and its subsidiaries (including the capital stock in, and other securities of, any subsidiary), except such as Sitios' 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 Sitios and its subsidiaries taken as a whole) not to be material to the business of Sitios and its subsidiaries, taken as a whole.

"Restricted Subsidiary" means each subsidiary of Sitios that owns Restricted Property.

Limitation on Sale and Leasebacks

The Issuer will not, Sitios will not, and Sitios 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 Attributable Debt of Sitios 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 Sitios' Consolidated Net Tangible Assets; or
- Sitios or one of its Restricted Subsidiaries, within 12 months of the sale and leaseback transaction, retires an amount of the secured debt of Sitios 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.

For purposes of this "Description of the Notes" section, the following term has the following meaning:

“Sale and leaseback transaction” means an arrangement between or among the Issuer, Sitios or one of Sitios’ Restricted Subsidiaries and a bank, insurance company or other lender or investor where the Issuer, Sitios or a Restricted Subsidiary of Sitios leases a Restricted Property for an initial term of three years or more that was or will be sold by the Issuer, Sitios or a Restricted Subsidiary of Sitios 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

For so long as Sitios is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, Sitios 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 Sitios (commencing with the fiscal year ending on December 31, 2023), annual audited financial statements (consolidated) prepared in accordance with IFRS of Sitios for such fiscal year and an audit report on such annual financial statements by Sitios’ external independent auditors; and
- (2) within 60 days after the end of the first, second and third quarters of Sitios’ fiscal year (commencing with the fiscal quarter ending on September 30, 2023), quarterly unaudited financial statements (consolidated) prepared in accordance with IFRS of Sitios for such period (but without any requirement for footnotes or limited review by Sitios’ auditors).

If at any time Sitios is required to file any reports with the SEC, Sitios will furnish the trustee with copies of Sitios’ annual report and the information, documents and other reports that Sitios is required to file with the U.S. Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Exchange Act, including its annual reports on Form 20-F and reports on Form 6-K, within 15 days after Sitios files them with the U.S. Securities and Exchange Commission. In addition, Sitios will make the same information, documents and other reports available, at Sitios’ expense, to holders who so request in writing.

Notwithstanding the foregoing, if Sitios makes available the reports described above in this “—Provision of Information” covenant on its website, it will be deemed to have satisfied its reporting requirements set forth in this covenant. The trustee shall have no duty to ascertain if or when any reports have been made available on Sitios’ website.

For so long as the Issuer is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Issuer will furnish or cause to be furnished to the trustee in English (for distribution only to the holders of notes):

- (1) within 180 days after the end of the fiscal year of the Issuer (commencing with the fiscal year ending on December 31, 2023), annual audited financial statements (consolidated) prepared in accordance with IFRS of the Issuer for such fiscal year and an audit report on such annual financial statements by the Issuer’s external independent auditors; and
- (2) within 60 days after the end of the first, second and third quarters of the Issuer’s fiscal year (commencing with the fiscal quarter ending on September 30, 2023), quarterly unaudited financial statements (consolidated) prepared in accordance with IFRS of the Issuer for such period (but without any requirement to include notes or a limited review report on such interim financial statements by the Issuer’s external independent auditors).

Notwithstanding the foregoing, if the Issuer makes available the reports described above in this “—Provision of Information” covenant on its or Sitios’ website, it will be deemed to have satisfied its reporting requirements set forth in this covenant. The trustee shall have no duty to ascertain if or when any reports have been made available on its or Sitios’ website.

Delivery of the foregoing 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, Sitios’ or any other person’s compliance with any of its covenants under the indenture, the notes or the guarantees (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, Sitios' or any other person's compliance with this "—Provision of Information" covenant 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 and Sitios' timely delivery of all reports and certificates described in this "—Provision of Information" covenant.

If the Issuer or Sitios 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 or Sitios will deliver a certificate to the trustee describing the details thereof and the action the Issuer or Sitios is taking or propose to take.

Merger, Consolidation or Sale of Assets

Sitios 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 Sitios will not permit any person to consolidate with or merge into it, unless all of the following conditions are met:

- if Sitios is not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes all of Sitios' obligations under the indenture and Sitios' guarantee;
- 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, Sitios 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 Sitios wishes to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets and properties.

Sitios will not need to satisfy the foregoing conditions if it enters into other types of transactions, including any transaction in which Sitios acquires the stock or assets of another person, any transaction that involves a change of control of Sitios, but in which Sitios does not merge or consolidate, or any transaction in which Sitios sells or otherwise disposes of less than substantially all of its 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 Peru, Mexico, Brazil, the United States or a country that is a member of the EU or any political subdivision thereof 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 fails to pay interest on any note within 30 days after its due date;
- the Issuer fails to pay the principal or premium, if any, of any note on its due date;
- the Issuer or Sitios remains 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 Sitios is in breach;
- (i) the Issuer experiences a default or event of default under any instrument relating to debt having an aggregate principal amount exceeding U.S.\$20 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; or (ii) Sitios experiences 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;
- (i) a final judgment is rendered against the Issuer in an aggregate amount in excess of U.S.\$20 million (or its equivalent in other currencies) that is not discharged or bonded in full within 30 days; or (ii) a final judgment is rendered against Sitios 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 Sitios files for bankruptcy, or other events of bankruptcy, insolvency or reorganization or similar proceedings occur relating to the Issuer or Sitios.

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 additional amounts, if any, thereon shall become due and payable. If, however, an event of default occurs because of a bankruptcy, insolvency or reorganization relating to the Issuer or Sitios, the entire principal amount of all the notes and any accrued interest and additional amounts, if any, thereon will be automatically accelerated, without any action by the trustee or any holder and any principal, interest or additional amounts 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, the notes and the guarantees.

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 amounts;

- a change in the currency of any payment on the notes other than as permitted by the indenture and the 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 or any guarantor'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 this "Description of the Notes" section and making changes that do not adversely affect the rights of holders of the notes in any material respect, such as adding covenants, additional events of default, collateral or successor trustees.

Changes Requiring Majority Approval

Any other change to the indenture, the notes or the guarantees 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 the covenants in the indenture. Such covenants include the promises each of Sitios and the Issuer makes about not merging and not 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, Sitios will not have to comply with it. The holders, however, cannot approve a waiver of any provision in any notes or any guarantee 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, the notes or the guarantees 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 and Sitios' 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, interest and additional amounts, if any, 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 as to specified matters.

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 the applicable procedures of Euroclear and Clearstream.

Notices

As long as the notes are in global form, notices to be given to holders will be given to Euroclear and Clearstream, in accordance with their respective procedures 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, the notes and the guarantees 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, the notes or the guarantees (subject to the exceptions described below), the Issuer and each guarantor 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 and each guarantor'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 and each guarantor at the address specified above for the process agent.

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 or any guarantor has or hereafter may acquire or have attributed to the Issuer or such guarantor any sovereign or other immunity under any law, the Issuer and each guarantor 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, the notes or the guarantees.

Currency Indemnity

The Issuer's and each guarantor's obligations under the indenture, the notes and the guarantees 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 and each guarantor 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 or the relevant guarantor. 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. The Issuer will not charge any fee for the registration of 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 or exchange. 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.

Our Relationship with the Trustee

The Bank of New York Mellon is initially serving as the trustee for the notes. The Bank of New York Mellon 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 note”), in offshore transactions to non-U.S. persons in reliance on Regulation S.

Upon issuance, the global note will be registered in the name of a nominee of a common depository for Euroclear and Clearstream and deposited with a common depository for Euroclear and Clearstream.

Ownership of beneficial interests in the global note will be limited to persons who have accounts with Clearstream or Euroclear, or persons who hold interests through participants of Clearstream or Euroclear. We expect that under procedures established by Clearstream and Euroclear:

- upon deposit of the global note with the custodian, Clearstream and Euroclear will credit portions of the principal amount of the global note to the accounts of their participants designated by the initial purchaser; and
- ownership of beneficial interests in the global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by Clearstream and Euroclear (with respect to interests of their participants) and the records of their participants (with respect to other owners of beneficial interests in the global note).

Investors may hold their interests in the global note directly through 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 note may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

The global note and beneficial interests in the global note will be subject to restrictions on transfer as described under “Transfer Restrictions.”

Book-Entry Procedures for the Global Note

All interests in the global notes will be subject to the operations and procedures of 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 purchaser are responsible for those operations or procedures.

So long as the common depository is the registered owner or holder of a global note, the common depository 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 the 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 the global note must rely on the procedures of Clearstream and Euroclear 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 one of those clearing systems, on the procedures of the participant through which the investor owns its interest).

Payments of principal, premium, if any, and interest with respect to the notes represented by the global note will be made by the trustee to the common depositary for Euroclear and Clearstream 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 the global note, for any aspect of the records relating to or payments made on account of those interests by Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of Clearstream or Euroclear relating to those interests.

We anticipate that the common depositary for Euroclear and Clearstream, upon receipt of any payment of principal or interest in respect of a global note representing any notes held by the common depositary, will immediately credit Euroclear and Clearstream in amounts proportionate to their respective beneficial interests in the principal amount of the global note. Payments by participants and indirect participants in Clearstream and Euroclear to the owners of beneficial interests in the 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 Clearstream, Euroclear or us.

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 the global note to such persons may be limited. Because Clearstream and Euroclear can only act on behalf of their respective participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in the global note to pledge such interest to persons or entities that do not participate in the these clearing systems, 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.

Clearstream and Euroclear have agreed to the above procedures to facilitate transfers of interests in the global note 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 Clearstream, Euroclear or their respective participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Notes

Beneficial interests in the global note may not be exchanged for notes in physical, certificated form unless:

- Clearstream and Euroclear notify the Issuer at any time that they are unwilling or unable to continue as depositary for the global note and a successor depositary is not appointed within 90 days;
- the Issuer, at its option, notifies the trustee that the Issuer elects to cause the issuance of certificated notes; or
- certain other events provided in the indenture pursuant to which the notes will be issued 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 the global note will be registered in the names, and issued in any approved denominations, requested by the depositary and will bear a legend indicating the transfer restrictions of the 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 Peruvian 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 Peruvian 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 Peru.

Prospective purchasers of the notes or a beneficial interest therein should consult their own tax advisors as to the Peruvian 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.

Peruvian Tax Considerations

The following summary of certain Peruvian tax matters as applicable on the date of this offering memorandum describes the principal tax consequences of an investment in the notes or a beneficial interest therein by non-Peruvian holders. This summary is not intended to be a comprehensive description of all of the tax considerations that may be relevant to a decision to make an investment in the notes, or a beneficial interest therein. In addition, it does not describe any tax consequences: (a) arising under the laws of any taxing jurisdiction other than Peru or (b) applicable to anyone different from a non-Peruvian holder.

For purposes of this section, “non-Peruvian holder” means either: (i) a legal entity which has neither been incorporated nor established in Peru, provided that it does not conduct any trade or business through a permanent establishment in Peru or hold the notes or a beneficial interest therein through a Peruvian branch or (ii) an individual who is not a Peruvian tax resident. For Peruvian tax purposes, an individual is deemed to be a Peruvian tax resident if such individual is (i) a Peruvian citizen who has a regular residence in Peru and has not lost his or her tax residency according to the Peruvian income tax law, or (ii) a non-Peruvian citizen who has resided or remained in Peru for more than 183 calendar days during any 12-month period. The change on the condition of residence will be effective as of January 1 of the following calendar year in which such conditions are met.

The discussion in this summary is not intended or written to be used and cannot be used or relied upon by any person, for the purpose of avoiding Peruvian taxation, and was written to support the promotion or marketing of this offering. Prospective investors should consult an independent tax advisor with respect to the Peruvian tax consequences of participating in this offering.

Peruvian Income Tax

Payment of Interest

Interest paid on the notes to non-Peruvian holders will be subject to a Peruvian withholding tax at a 4.99% preferential rate unless the non-Peruvian holder of the notes is (i) a related party to us, or (ii) an individual residing in a non-cooperative, low-tax or zero-tax jurisdiction, in which cases a 30% Peruvian withholding tax rate would apply.

The Issuer is required to act as withholding agent for any income tax due with respect to interest paid on the notes.

The Issuer has agreed, subject to specified exceptions and limitations, to assume the withholding payments or pay additional amounts so that the non-Peruvian holder of a note receives an amount equal to the sum it would have received had no such withholding been made. See “Description of the Notes—Payment of Additional Amounts.”

Sale of the notes

Proceeds received by a non-Peruvian holder on the sale, exchange or disposition of a beneficial interest in a global note will not be subject to any Peruvian withholding or capital gains tax. In the event that a beneficial interest in a global note is exchanged for definitive notes, any capital gains accrued and received by a non-Peruvian holder on the sale, exchange or disposition of the definitive notes will be subject to Peruvian Income Tax at a 30% rate.

A 5% preferential rate would be applicable should (i) such definitive notes be registered with the RPMV, and (ii) such sale be performed through trading sessions (*Rueda de Bolsa*) of the Lima Stock Exchange (*Bolsa de Valores de Lima*, or “BVL”). A capital gain will be equal to the difference between (i) the amount obtained on the sale, exchange or disposition of the definitive notes, and (ii) the purchase price paid for such definitive notes, which must be certified by the Peruvian tax administration, before any payment is made, under a form submitted by the non-Peruvian holder of the definitive notes along with back-up documentation evidencing, among others, that the purchase price has been paid in a Peruvian bank account, unless the sale, exchange or disposition is made through the BVL. A further tax exemption will be applicable to capital gains obtained by non-Peruvian holders that are individuals, up to an amount equivalent to the first 100 Tax Units (*Unidades Impositivas Tributarias*) per year, provided such definitive notes have a stock market presence (as such term is defined in Law No. 30341) as of the transfer date (ensuring liquidity and continuous price quotations). Currently, this tax exemption will expire on December 31, 2023.

Value Added Tax

Interest paid on the notes is not subject to Peruvian Value Added Tax (*Impuesto General a las Ventas*, or “Peruvian VAT”).

The sale, exchange or disposition of the notes or a beneficial interest therein, or the definitive notes, is not subject to Peruvian VAT.

Financial Transaction Tax

Deposits in and withdrawals from accounts held in Peruvian banks or other financial institutions, whether in soles or foreign currency, are levied with a financial transactions tax (*Impuesto a las Transacciones Financieras*, or “FTT”) at a 0.005% rate. Therefore, FTT will be levied on the price paid for and the interest resulting from the notes if deposited in or withdrawn from a Peruvian bank or other financial institution (“PFI”), as the case may be. The taxpayer of the FTT is the holder of the PFI account, but the PFI acts as withholding agent.

Non-Peruvian holders of the notes should consult an independent tax advisor regarding the application of specific Peruvian income tax considerations of acquiring, owning or disposing of the notes to their particular situation.

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.

The notes will be registered with the Institutional Investors Segment of the RPMV of the SMV in accordance with the Institutional Investors Regulations, and may be offered in Peru through a public offering exclusively addressed to institutional investors in accordance with the Institutional Investors Regulations.

Accordingly, the notes are being offered and sold only 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 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 purchaser:

- (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 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 purchaser nor any person representing us or the initial purchaser 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) 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:
 - 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 second 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.

(5) You also acknowledge that:

- the above restrictions on resale are expected to apply from the issue date until 40 days after the issue date (the “resale restriction period”), and will not apply after the applicable resale restriction period ends; and
- each 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.

(6) You understand that the notes will be represented by one or more Regulation S global notes.

(7) If you are acquiring the notes pursuant to a public offering in Peru, you represent that you qualify as an “institutional investor” (as this term is defined under the Institutional Investors Regulations).

(8) You acknowledge that we, the initial purchaser 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 purchaser. 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

The Bank of Nova Scotia, London Branch is acting as initial purchaser and sole book-runner of the offering (the “initial purchaser”). Subject to the terms and conditions set forth in a purchase agreement among us, the guarantors and the initial purchaser, the Issuer has agreed to sell to the initial purchaser, and the initial purchaser has agreed to purchase the notes from the Issuer.

Subject to the terms and conditions set forth in the purchase agreement, the initial purchaser has agreed to purchase all of the notes sold under the purchase agreement, if any of the notes are purchased.

The Issuer has agreed to indemnify the initial purchaser and its controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchaser may be required to make in respect of those liabilities.

The initial purchaser is offering the notes, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by its counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchaser of officer’s certificates and legal opinions. The initial purchaser reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. The initial purchaser may offer and sell the notes through certain of its affiliates.

The initial purchaser has advised us that it proposes initially to offer the notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price 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 U.S. securities laws. The initial purchaser proposes to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable U.S. state securities laws, including sales pursuant to Regulation S. The initial purchaser will not offer or sell the notes except 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 under the Securities Act 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 Euro MTF of the LuxSE. However, we will not be required to maintain such listing, should it be approved. We have been advised by the initial purchaser that it presently intends to make a market in the notes after completion of the offering. However, the initial purchaser is 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 purchaser 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 purchaser of a greater principal amount of notes than they are required to purchase in the offering. The initial purchaser 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 purchaser is 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 purchaser's 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 the initial purchaser makes 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 the initial purchaser makes 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 September 21, 2023, which will be the fourth business day following the date of pricing of the notes ("T+4") against payment for the notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the settlement date may be required 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 prior to their delivery date should consult their own advisors.

Other Relationships

The initial purchaser and its 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. The initial purchaser and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us and/or our affiliates for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the initial purchaser and its 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 the initial purchaser or one or more of its affiliates has a lending relationship with us, it or one or more of such affiliates may hedge their credit exposure to us consistent with their customary risk management policies. Typically, the initial purchaser and its 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 purchaser and its 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 purchaser 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 purchaser will have any responsibility therefor.

European Economic Area

Prohibition of sales to EEA Retail Investors – 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 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 MiFID II; (ii) a customer within the meaning of 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; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by the EU PRIIPs Regulation for offering or selling the notes 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 EU PRIIPs Regulation.

United Kingdom

Prohibition of sales to UK Retail Investors – 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. 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 UK domestic law by virtue of the EUWA and as amended; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA (such rules and regulations as amended) 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 UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the notes 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.

In the United Kingdom, this offering memorandum and any other material in relation to the notes described herein are being distributed only to, and are directed only at, persons who are “qualified investors” (as defined in the UK Prospectus Regulation) who are (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 (as amended, the “Order”), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute them, all such persons together being referred to as “Relevant Persons.” In the United Kingdom, the notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes will be engaged in only with, Relevant Persons. This 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 United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this offering memorandum or its contents.

UK MIFIR product governance / Professional Investors and ECPs only target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

Luxembourg

This offering memorandum has not been approved by and will not be submitted for approval to the Luxembourg financial sector supervisory authority (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in Luxembourg. Accordingly, the notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this offering memorandum nor any other offering memorandum, form of application, advertisement or other material related to the notes may be distributed, or otherwise be made available in or from, or published in Luxembourg except in circumstances where the offer benefits from an exemption from or constitutes a transaction not subject to the requirement to publish a prospectus, in accordance with the EU Prospectus Regulation and the Prospectus Law.

Mexico

The notes have not been and will not be registered with the RNV maintained by the CNBV and, therefore, the notes may not be publicly offered or sold 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 and regulations thereunder. Neither the Issuer nor Sitios will notify the CNBV of the offering and issuance of the notes outside of Mexico. The issuance does not constitute or imply a certification from the CNBV as to the investment quality of the notes, of the solvency, liquidity or credit quality of the Issuer or Sitios 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, us, and the terms of this offering memorandum and the notes, including the merits and risks involved.

Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the notes. The notes may not be publicly offered, directly or indirectly, in 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 the 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.

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:

- Date of commencement of the offer: September 11, 2023. The offer of the notes is subject to CMF Rule 336;
- 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;
- 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
- 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 hereto) 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 purchaser is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The notes will not be offered or sold in Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to securities which are or are intended to be disposed of only to persons outside of Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the notes nor any interest therein may be offered or sold, 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 or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Singapore

The initial purchaser has acknowledged that this offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS") Notice SFA 04-N12. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of 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 and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:
 - (i) to an institutional investor or to a relevant person (defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
 - (ii) where no consideration is or will be given for the transfer;
 - (iii) where the transfer is by operation of law;
 - (iv) as specified in Section 276(7) of the SFA; or
 - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under section 309B of the SFA: 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 Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to persons of a type specified in the Markets Rules 2012 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 this document. The notes offered hereby may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence in respect of the notes and the Issuer. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre, this offering memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. Interests in the notes may not be offered or sold directly or indirectly to the public in the Dubai International Financial Centre.

Peru

In Peru, this offering will be considered a public offering permitted by the Peruvian Securities Law, directed exclusively to investors that are “institutional investors” (as this term is defined under the Institutional Investors Regulations). The notes and this offering memorandum have been registered with the Institutional Investors Segment of the RPMV of the SMV in accordance with the procedures set forth in Title III of the Institutional Investors Regulations, applicable to offerings in reliance on Regulation S under the Securities Act.

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 notes have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets. The notes have not been nor will be registered with the CVM. Any public offering or distribution, as defined under Brazilian laws and regulations, of the notes in Brazil is not legal without prior registration under Law

No. 6,385, dated as of December 7, 1976, as amended, and Instruction No. 160, issued by the CVM on July 13, 2022, as amended. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied in Brazil, nor be used in connection with any offer for subscription or sale of the notes in Brazil.

LEGAL MATTERS

The validity of the notes offered and sold in this offering will be passed upon for the Issuer by Willkie Farr & Gallagher LLP, its United States counsel, and for the initial purchaser by Simpson Thacher & Bartlett LLP, United States counsel to the initial purchaser. Certain matters of Peruvian law relating to the notes will be passed upon for the Issuer by Rodrigo, Elías & Medrano Abogados, its Peruvian counsel, and for the initial purchaser by Miranda & Amado Abogados, Peruvian counsel to the initial purchaser.

INDEPENDENT AUDITORS

The consolidated financial statements of Sitios Latinoamérica, S.A.B. de C.V. as of December 31, 2022 and for the period from August 8 to December 31, 2022, included in this Offering Memorandum have been audited by Mancera, S.C., a member firm of Ernst & Young Global Limited, independent auditors, as stated in their report, appearing herein.

LISTING AND GENERAL INFORMATION

Application will be made for the listing of the notes on the Official List and admission to trading on the Euro MTF of the LuxSE. The LuxSE assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Approval in-principle for the listing on the Official List and admission to trading of the notes on the Euro MTF is not to be taken as an indication of the merits of Sitios and its consolidated subsidiaries (including the Issuer) and associated companies (if any), or the notes.

Authorization

The creation and issue of the notes have been authorized by a resolution of the shareholders of the Issuer dated September 4, 2023.

ISIN and LEI code

The notes have been accepted for clearance and settlement through Euroclear and Clearstream. The common code for the notes is 269381515. The ISIN of the notes is XS2693815156. The Issuer's LEI code is 2549009HQRTJ5HE49574.

Significant/Material Changes

Since June 30, 2023 there has been no significant change in the prospects or financial position of Sitios and its consolidated subsidiaries (including the Issuer).

Sites del Perú S.A.C.

Carlos Portocarrero No. 262, 11th floor, Urb. Santa Catalina, district of La Victoria, Lima, Perú

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ANNEX 1 - PRO-FORMA FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021

AUDITOR'S REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

To the Shareholders meeting of
Sitios Latinoamérica, S.A.B de C.V.

We have concluded our assurance engagement to report on the compilation of pro forma financial information of Sitios Latinoamérica, S.A.B de C.V. (hereinafter "the Company" or "Sitios Latinoamérica") prepared by management. The pro forma financial information consists of the condensed consolidated pro forma financial position as of December 31, 2022 and 2021, and the consolidated comprehensive pro forma income financial statements for periods ended as of December 31, 2022 and 2021, and related notes to be included in the Annual Report to be issued by management. The applicable criteria on the basis of which management has compiled the pro forma financial information are specified in the Mexican General Provisions Applicable to Securities Issuers and other Securities Market Participants ("la Circular Única de Emisoras" by its acronym in Spanish) and are described in the notes of the pro forma financial statements.

The pro forma financial information has been compiled by management to illustrate the impact of the spin-off of certain net assets that are set out in the related notes of the pro forma financial information to be included in the Annual Report, on the Company's pro forma financial position as at December 31, 2022 and 2021, and the company's comprehensive pro forma income for the periods ended as of December 31, 2022 and 2021, as if the spin-off had taken place at January 1, 2021. The financial position and financial performance of Sitios Latinoamérica for the period ended on December 31, 2022 and 2021, has been extracted by management from unaudited financial information.

Managements responsibilities over the pro forma financial information

Management of Sitios Latinoamérica is responsible for compiling the pro forma financial information in accordance with Circular Única de Emisoras.

Our Independence and quality control

We have complied with the independence and other ethical requirement of the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion based on our assurance review, as required by Circular Única de Emisoras, about whether the pro forma financial information has been compiled, in all material respects, by Sitios Latinoamérica on the basis of the criteria set up by Circular Única de Emisoras.

Scope of the review

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information", issued by the International Auditing and Assurance Standards Board". This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance about whether the management of Sitios Latinoamérica, has compiled, in all material respects, the pro forma financial information on the basis of the criteria set up by Circular Única de Emisoras.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial Information.

The purpose of pro forma financial information to be included in the Annual Report is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the spin-off at December 31, 2022 and 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management of Sitios Latinoamérica, in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the auditor's understanding of the nature of Sitios Lationamérica, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the consolidated pro forma financial information.

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

Opinion

In our opinion, the pro forma financial information of Sitios Lationamérica, S.A.B. de C.V., has been compiled, in all material respects, on the basis of the of the criteria set up by Circular Única de Emisoras and is consistent with the Company's accounting policies and the related assumptions included in the pro forma financial statements.

Other matters

The consolidated unaudited pro forma financial information included in the related consolidated pro forma financial statements was prepared based on the available information and with the assumptions that the management of Sitios Latinoamérica, S.A.B. de C.V., considered reasonable.

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



L.C.C. Juan C. Castellanos López

Mexico City, April 27, 2023

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Pro-forma unaudited consolidated statements of financial position

As of December 31, 2022

(Thousands of Mexican pesos)

	Note	Base figures	Proforma adjustments	Figures pro-forma
Assets				
Current assets:				
Cash		\$ 4,106,942	\$ 1,831,381	\$ 5,938,323
Accounts receivable:				
Related parties	6	1,615,016	-	1,615,016
Recoverable taxes and others		2,882,314	-	2,882,314
Total current assets		8,604,272	1,831,381	10,435,653
Non-Current assets:				
Property and equipment, net	7	69,571,430	(769,550)	68,801,880
Other assets		9,843	-	9,843
Rights of use asset	8	12,985,227	(912,009)	12,073,218
Total assets		91,170,772	\$ 149,822	\$ 91,320,594
Liabilities and shareholders' equity				
Current liabilities:				
Short-term debt and current portion of long-term debt	9	\$ 338,884	\$ -	\$ 338,884
Lease liabilities	8	3,403,339	-	3,403,339
Accounts payable and taxes		2,726,473	-	2,726,473
Related parties	6	1,557,388	-	1,557,388
Total current liabilities		8,026,084	-	8,026,084
Non-Current liabilities:				
Long-term debt	9	49,969,862	-	49,969,862
Lease liabilities	8	9,695,942	-	9,695,942
Deferred income taxes	10	14,251,277	(320,952)	13,930,325
Asset retirement obligations		5,436,307	-	5,436,307
Total non-current liabilities		79,353,388	(320,952)	79,032,436
Total liabilities		87,379,472	(320,952)	87,058,520
Stockholders' equity	11	3,791,300	470,774	4,262,074
Total liabilities and stockholders' equity		\$ 91,170,772	\$ 149,822	\$ 91,320,594

The base figures used correspond to those from the consolidated financial statements as of December 31, 2022, while the pro-forma adjustments column reflects the estimated adjustments of the subsidiaries (See Note 4).

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES
Pro-forma unaudited consolidated statements of financial position

As of December 31, 2021

(Thousands of Mexican pesos)

	Note	Base figures	Proforma adjustments	Figures pro-forma
Assets				
Current assets:				
Cash		\$ -	\$ 12,210,000	\$ 12,210,000
Accounts receivable:		-		
Related parties	6	-	1,574,462	1,574,462
Recoverable taxes and others		-	1,849,246	1,849,246
Total current assets			15,633,708	15,633,708
Non-current assets:				
Property and equipment, net	7	-	64,843,693	64,843,693
Other assets		-	166,607	166,607
Rights of use	8	-	15,520,788	15,520,788
Total assets		\$ -	\$ 96,164,796	\$ 96,164,796
Liabilities and shareholders' equity				
Current liabilities:				
Short-term debt and current portion of long-term debt	9	\$ -	\$ 16,896,100	\$ 16,896,100
Lease liabilities	8	-	3,297,814	3,297,814
Accounts payable and taxes		-	905,289	905,289
Related parties	6	-	-	-
Total current liabilities		-	21,099,203	21,099,203
Non-current liabilities:				
Long-term debt	9	-	42,816,524	42,816,524
Lease liabilities	8	-	12,285,068	12,285,068
Deferred income taxes	10	-	12,400,638	12,400,638
Asset retirement obligations		-	4,186,135	4,186,135
Total non-current liabilities		-	71,688,365	71,688,365
Total liabilities		-	92,787,568	92,787,568
Stockholders' equity	11	-	3,377,228	3,377,228
Total liabilities and stockholders' equity		\$ -	\$ 96,164,796	\$ 96,164,796

* Figures presented in the information prospectus dated September 29, 2022

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Pro forma unaudited consolidated statements of income

As of December 31, 2022 and 2021

(Thousands of Mexican pesos)

	Note	December 31, 2022			December 31, 2021		
		Base figures**	Proforma adjustments	Pro-forma figures	Base figures	Proforma adjustments	Pro-forma figures *
Operating income:							
Tower lease revenues		\$ 3,480,083	\$ 4,844,027	\$ 8,324,110	\$ -	\$ 7,253,194	\$ 7,253,194
Land lease revenues		1,781,431	2,135,798	3,917,229	-	4,883,817	4,883,817
		<u>5,261,514</u>	<u>6,979,825</u>	<u>12,241,339</u>	<u>-</u>	<u>12,137,011</u>	<u>12,137,011</u>
Operating costs and expenses:							
Cost of services		140,872	287,614	428,486	-	619,084	619,084
Operating expenses		309,699	300,603	610,302	-	616,778	616,778
Depreciation		1,068,396	2,377,790	3,446,186	-	3,030,889	3,030,889
Depreciation of rights of use assets		1,459,502	2,484,274	3,943,776	-	3,481,355	3,481,355
		<u>2,978,469</u>	<u>5,450,281</u>	<u>8,428,750</u>	<u>-</u>	<u>7,748,106</u>	<u>7,748,106</u>
Operating profits		<u>2,283,045</u>	<u>1,529,544</u>	<u>3,812,589</u>	<u>-</u>	<u>4,388,905</u>	<u>4,388,905</u>
Interest payable, net		(2,039,479)	(1,021,297)	(3,060,776)	- (4,657,334)	(4,657,334)	(4,657,334)
Foreign exchange loss, net		(705,102)	(421,666)	(1,126,768)	- (862,532)	(862,532)	(862,532)
Other financial (costs) income		1,102,753	195,904	1,298,657	- (486,860)	(486,860)	(486,860)
(Loss) profit before income taxes		641,217	282,485	923,702	- (1,617,821)	(1,617,821)	(1,617,821)
Income Taxes	10	345,994	798,801	1,144,795	- 517,703	517,703	517,703
Net profit (loss) for the period		<u>\$ 295,223</u>	<u>\$ (516,316)</u>	<u>\$ (221,092)</u>	<u>\$ -</u>	<u>\$ (1,100,118)</u>	<u>\$ (1,100,118)</u>

* Figures presented in the information prospectus dated September 29, 2022

** The base figures used correspond to those from the consolidated financial statements as of December 31, 2022, while the pro-forma adjustments column reflects the estimated adjustments of the subsidiaries (See Note 4).

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the pro-forma unaudited consolidated financial statements
For the year ended on December 31, 2022 and 2021
(Thousands of Mexican pesos, except where another denomination is indicated)

1. Reporting Entity

Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries (hereinafter, the “Company” or “Sitios Latam”), is a stock corporation with variable capital, incorporated on August 8, 2022 as a result of the spin-off of América Móvil, S.A.B. de C.V. (hereinafter, “AMX”) through the resolutions adopted at the Extraordinary Shareholders' Meeting held on September 29, 2021, giving rise to a new business unit, which will allow, through certain subsidiaries, its passive infrastructure to be accessed and used by all operators of radio communication services in some of the Latin American markets in which AMX currently operates, constituting a better option to finance capital investments in the development of their respective networks and/or radio communication services.

As part of the spin-off, AMX has been released from the debt it contracted with a group of lenders and BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México, where it serves as initial co-debtor with one of the subsidiaries of the Company (Torres Latinoamérica, S.A. de C.V., hereinafter, “Torres”), all the liabilities with respect to the debt have been transferred to the Company; therefore, the Company has assumed all the obligations that emanate from said facility. Torres will continue to be a co-borrower of said debt, and another subsidiary of the Company (Torres do Brasil SA), at the time of the spin-off, became a guarantor of the debt. Consequently, the accompanying unaudited pro forma consolidated financial statements present the Company's financial information as if the transaction had taken place on January 1, 2022.

The Company's main activity is to directly build, install, maintain, operate and market various types of towers and other support structures, as well as physical spaces and other non-electronic elements that make up the passive infrastructure for the installation of radiocommunication radiants equipment and other active infrastructure, as well as in the provision of other related services directly or indirectly related to the telecommunications sector.

The Company operates in the following Latin American countries: Argentina, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Puerto Rico and Uruguay, being the main markets where it will develop its economic activity.

2. Relevant Events

a) On August 8, 2022, once the conditions were met and the previous steps necessary to spin off the telecommunications towers and other associated infrastructure deployed in certain Latin American countries were completed, through the minutes of the General Shareholders' Meeting, held on that date, the spin-off of AMX, as the spun-off company, and Sitios Latam, as the spun-off company, was agreed upon, through which certain assets, liabilities and capital were transferred to the spun-off company, including the shareholding of the Company's subsidiaries.

b) On September 29, 2022, the National Banking and Securities Commission authorized the registration of the shares of Sitios Latam, which allowed it to complete its listing process as a public company as of that date.

Pro-forma assumptions contained in the unaudited consolidated financial statements

These pro-forma unaudited consolidated financial statements were prepared under the assumption that the spin-off of Torres Do Brasil, SA as a spun off Company, had operations since January 1, 2022. Consequently, the figures presented by Management are based in the operating assumptions developed during 2022 and the periods ended from January 1 to December 31, 2022 and 2021, as well as for the twelve months ended on December 31, 2022. The previous periods are presented for illustrative purposes and are not intended to represent the results of operations or the financial position of the Company as if the transaction had taken place on the specific dates, nor for future periods or at any future date, combining the following assumptions:

- a. For 2022, Brazil was not in operation throughout the year, so pro-forma income statements were prepared for the full year through the annual projection of the income of the partial period ended on December 31, 2022, keeping constant the number of towers at the end of the year, the average lease per tower and the average monthly costs.

The pro-forma consolidated results and the pro-forma consolidated financial situation obtained with respect to the actual consolidated financial statements, could have variations and are subject to changes when the transaction is concluded, and were made based on the financial statements of the subsidiaries, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

3. Criteria and bases for the preparation of the pro-forma unaudited consolidated financial statements

Purpose of preparing the pro-forma financial statements

These pro-forma unaudited consolidated statements of financial position and income statements have been prepared to comply with the regulatory provisions established by the National Banking and Securities Commission (CNBV), and include the accounts of Sitios Latinoamérica, S.A.B. de C.V., and its subsidiaries, the accounting criteria used are the same for the subsidiaries and the accounts of the pro-forma unaudited consolidated statements of financial position and income statements of intercompany accounts have been eliminated in the consolidation process.

Actual figures may differ from figures shown in the pro-forma unaudited consolidated financial statements.

The acquired assets are represented by cash, accounts receivable, other current assets, property and equipment, as well as other non-current assets.

- Both financial assets and liabilities were split at their fair value, on the split date.
- Provisions were assumed at the value at which the outflow is estimated.
- Property and equipment were spun off at their revalued cost.

These net assets (liabilities) were valued at the spin-off date according to the methodologies explained, according to the International Financial Reporting Standards (IFRS), the net effect of the spin-off is shown in the stockholders' equity account called “splitting effects”.

Basis of preparation

The pro forma unaudited consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as well as the key assumptions established by the Administration of the company.

Measurement bases

The Company's pro forma unaudited consolidated financial statements have been prepared on the basis of historical cost, except for certain financial assets and liabilities that are valued at their fair value at the end of each period, such as cash and cash equivalents, accounts receivable, accounts payable and loans obtained from third parties, as explained in the accounting policies included below.

-Historical cost.

The historical cost generally is based on the fair value of the contribution delivered in exchange for goods and services.

-Fair value

Fair value is the price that would be paid for selling an asset or that is payable for transferring a liability in an ordered transaction between participants in the market at the date of valuation regardless of whether that price is observable or estimated directly using another valuation technique.

Revaluation (surplus) of property and equipment

The revaluation of Property and Equipment derives from the model allowed in the IFRS to value fixed assets at their revalued cost, the net effect of deferred taxes of this surplus was included in the pro forma stockholders' equity. The revaluation of the properties and equipment was carried out based on the analysis of the useful lives of the properties and equipment made to AMX through a valuation study carried out by an independent expert, and based on which it is estimated that after the spin-off, the balances presented in the pro-forma unaudited consolidated statement of financial position still reflect their fair value. This approach is consistent with the accounting policies applied in the consolidated financial statements corresponding to December 31, 2022.

Consolidation basis

The pro-forma unaudited consolidated financial statements include the accounts of the Company and its subsidiaries over which control is assumed to be exercised as of January 1, 2022 and as of December 31, 2022 and 2021. The base figures used correspond to those from the consolidated financial statements as of December 31, 2022, while the pro-forma adjustments column reflects the estimated adjustments of the subsidiaries based on the historical compilation compiled for the purposes of the pro-forma financial statements as well as the estimates made with respect to the Brazilian subsidiary, which was incorporated on June 24, 2022, and for which its creation was assumed as of January 1, 2022 for the purposes of these pro-forma financial statements, it was also assumed that the recognition the effects of the additional transactions compiled in the period generate their corresponding cash flow effects, recognizing this effect in the cash item.

The pro-forma unaudited financial statements of the subsidiaries were prepared for the same period as the Company, applying consistent accounting policies and assumptions. All subsidiaries operate in the telecommunications infrastructure leasing services sector.

Subsidiaries are entities over which the Company estimates to have control. Control is achieved when the Company has power over a company when it is exposed to or has rights to variable returns from its interest in the company and has the ability to use its power over the company to affect the amount of the returns. Subsidiaries are consolidated line by line from the date the Company acquires control. The Company reassesses whether or not it has control over an entity, if the facts and circumstances indicate that there are changes to one or more of the control elements.

When the Company has less than the majority of the voting rights of a participated entity, it has power over it when the voting rights are sufficient to give it the practical ability to conduct its relevant activities unilaterally. The Company considers all relevant facts and circumstances to evaluate whether the voting rights of the Company in the participant are sufficient to grant it power, including:

- The percentage of the Company's participation in the voting rights in relation to the percentage and dispersion of the voting rights of the other holders of the voting rights;
- Potential voting rights maintained by the Company, other shareholders or third parties;
- Rights resulting from other contractual agreements, and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to conduct relevant activities at the time decisions must be made, including voting trends of shareholders in previous meetings.

Changes in the participation in a subsidiary that do not result in a loss of control are recorded as capital transactions.

All consolidating intercompany balances and transactions, and any unrealized gains or losses arising from consolidating intercompany transactions, are eliminated in the preparation of the pro forma unaudited consolidated financial statements.

As of December 31, 2022 and 2021, the pro-forma unaudited consolidated financial statements include the subsidiaries mentioned on the following page.

Company	Country of incorporation	Functional currency	% of direct or indirect participation	
			2022	2021
Sitios Argentina, S.A.	Argentina	Argentine peso	100%	100%
Torres do Brasil, S.A.	Brazil	Brazilian real	86.93%	86.93%
Sites Chile, S.A.	Chile	Chilean peso	100%	100%
Sites Telecomunicaciones Costa Rica, S.A.	Costa Rica	Costa Rican Colon	100%	100%
Sites Ecuador, S.A.S.	Ecuador	US dollar	100%	100%
Sites El Salvador, S.A. de C.V.	El Salvador	US dollar	100%	100%
Sites Guatemala, S.A.	Guatemala	Guatemalan Quetzal	100%	100%
Sites Honduras, S.A. de C.V.	Honduras	Honduran Lempira	100%	100%
Sites Nicaragua, S.A.	Nicaragua	Nicaraguan Cordoba	100%	100%
Sites Telecomunicaciones Panamá, S.A.	Panamá	US dollar	100%	100%
Sites Telecomunicaciones Paraguay, S.A.	Paraguay	Paraguayan Guarani	100%	100%
Sites Puerto Rico, LLC	Puerto Rico	US dollar	100%	100%
Sitios Telecomunicaciones Uruguay, S.A.	Uruguay	Uruguayan Peso	100%	100%

Bases of translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries have been prepared under or converted to IFRS in the local currency corresponding to their functional currency, and are converted to the reporting currency of Sitios Latam as follows:

- (i) All monetary assets and liabilities were converted at the closing exchange rate of each period;
- (ii) All non-monetary assets and liabilities for the 2021 periods were converted at a closing exchange rate, due to the volatility of Latin American currencies against the US dollar, in order for the information to be comparable that year.
- (iii) income, costs and expenses are converted at the average exchange rate for the period; with the exception of the operations of the subsidiary in Argentina, which economy has been considered hyperinflationary since 2018.

The translation process for the operations of the subsidiary in Argentina is described below:

In recent years, the Argentine economy has shown high inflation rates. While the measurement has not been consistent in recent years and different indices have coexisted, accumulated inflation in Argentina in the last three years exceeded 100%, which is one of the quantitative references established by IAS 29. Financial Information in Hyperinflationary Economies.

Consequently, the Argentine economy is considered hyperinflationary in fiscal year 2021 and the Company applies inflation adjustments to subsidiaries which functional currency is the Argentine peso for the financial information for the periods ended on December 31, 2022 and 2021.

To update its financial statements due to hyperinflation, the subsidiary uses the series of indices defined by resolution JG No. 539/18 issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), based on the National Consumer Price Index (IPC), published by the National Institute of Statistics and Censuses (INDEC) of the Argentine Republic and the Wholesale Internal Price Index (IPIM) published by FACPCE. The accumulated index as of December 31, 2022 is 1,134.5875, while the annual inflation for 2022 and 2021 is 95.82 and 50.9%, respectively.

The main implications are the following:

- Adjust the historical cost of non-monetary assets and liabilities and the different items of equity from their date of acquisition or incorporation to the pro forma unaudited consolidated statement of financial position until the end of the reporting periods to reflect the changes in the purchasing power of the currency derived from inflation.
- The net monetary position gain caused by the inflationary impact in the period is included in the pro forma unaudited consolidated statement of comprehensive income under the caption "Other financial costs". Adjust the income accounts for the inflationary index from its origin and counterpart in the pro forma unaudited consolidated statement of comprehensive income, and
- Convert all components of the pro-forma unaudited financial statements at the closing exchange rates of the reporting periods.

4. Significant accounting policies

a) Cash

Cash and cash equivalents represent the amount collected from the Company's net operations. Said amount is presented at cost added for unpaid accrued interest, which was determined at the rates established with the banks, which is similar to its market value.

b) Related parties

They basically represent commercial transactions and long-term loans, including unpaid accrued interest.

Accounts receivable derive from normal business transactions (tower and site leases), with its related parties.

Accounts payable derive from loans assumed with related parties, and accrue interest at market rates, interest was determined by multiplying the principal by the stated rates. All unpaid accrued interest is considered current since it is assumed that it has not been paid as of the dates mentioned in the pro-forma unaudited consolidated financial statements.

Assumed liabilities are represented by accounts payable to related parties.

c) Property and equipment

Property, plant and equipment were recorded through the spin-off at their revalued value in accordance with IAS 16 Property, Plant and Equipment.

As of December 31, 2022 and 2021, the Company does not have constructions in progress on which costs have been incurred on which interest had to be capitalized on the financing in the construction period.

Depreciation is determined following the straight-line method on the net amount of the assets, and according to the estimated useful life of the assets, which is 30 years.

d) Other accounts and taxes payable

The accounts and taxes payable represent the obligations acquired with the suppliers, own employees and the tax authorities for the receipt of goods and services, such as the maintenance of towers, rental of sites, wages, salaries and administrative expenses, as well as for the payment local and federal contributions.

e) Deferred income taxes

Deferred income tax is determined using the asset and liability method, based on temporary differences between the tax values of assets and liabilities and their book values at the date of presentation of the pro-forma unaudited consolidated financial statements.

Deferred tax assets and liabilities are measured based on the tax rates that are estimated to be in force in the year in which the asset materializes or the liability is settled, based on the tax rates (and tax legislation) that are approved or which approval procedure is substantially complete as of the date of the pro-forma unaudited consolidated financial statements.

The quantification of temporal effects is associated with two main components:

- a) The difference between the book and tax value of property, plant and equipment, mainly due to book revaluation, and
- b) The variation between book and tax value for rights of use and liabilities related to leases under IFRS 16.

f) Asset retirement obligation

The Company recognizes a provision for the future decommissioning of the sites where it leases its towers. Said obligation is recognized by determining the future value of the costs to dismantle, remove or relocate a new tower, in addition to materials that include the labor costs necessary for such purpose. These amounts are discounted at present value, using an appropriate discount rate similar to that of the market at the time of making, adjusting or supplementing the provision.

Said obligation was transferred as part of the spun-off liabilities as of the date of the pro forma unaudited consolidated statement of financial position.

g) Revenues

Revenues for the periods ended on December 31, 2022, and 2021 are pro-forma and have been determined based on the framework agreements with customers as well as an estimate based on individual site agreements, which establish usage fees, annual increments, and fixed annual fees that allow customers to place a predetermined number of equipment on Company-owned sites, establishing an increase in fee payments if the original use capacity is exceeded.

h) Interest payable, net

The Company recognizes in its pro-forma unaudited consolidated income statement net interest for four items:

- i. Interest income of cash handled in banks,
- ii. The interest charged derived from the financial cost for the provision for the dismantling of sites as mentioned in note 4f.,
- iii. Accrued interest charged for the amortized cost of long-term debt, and
- iv. Interest for rights of use of leased assets.

In all cases, the calculation mechanism is based on the principal amount multiplied by the agreed interest rates and by the number of days accrued in each period.

i) Rights of use for assets under lease

The Company applies a single recognition and measurement approach to all leases, except short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets that represent the right to use the underlying assets.

i. Assets for right of use

The Company recognizes right-of-use assets on the lease inception date (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment loss, and are adjusted for any new measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, the initial direct costs incurred and the lease payments made before the inception date less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as detailed below:

	Assets	Useful Life
Sites		25-30 años

Right-of-use assets are also subject to impairment tests.

ii. Pasivo de arrendamiento

On the lease inception date, the Company recognizes lease liabilities measured at the present value of the lease payments that will be made during the lease term. Lease payments include fixed payments (including substantially fixed payments) less lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid based on residual value guarantees. Lease payments also include penalties for early termination of the lease, if the lease term reflects that the Company exercises the option to terminate early. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the Company uses an incremental borrowing rate at the lease inception date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of the lease liability is increased to reflect the accrual of interest and is reduced by the lease payments made. In addition, the book value of lease liabilities is remeasured if there is a change, in the lease term, in the fixed lease payments on the substance or in the evaluation to purchase the underlying asset.

j) Site maintenance

This cost is represented by the amount paid for the maintenance performed on the towers and passive infrastructure, and is charged to income as incurred. Maintenance is preventive and corrective in accordance with the periodic evaluation of the useful lives and residual values of the passive infrastructure.

k) Stockholders' equity

The capital stock represents the par value of the shares that have been issued.

Retained earnings include all current and prior period profits (losses) reduced by losses and transfers to other capital accounts.

All transactions with shareholders of the parent company are recorded separately within stockholders' equity.

Dividend distributions payable to shareholders are charged to retained earnings and included in "other accounts payable" when dividends have been declared but not paid at the reporting date. As of December 31, 2022 and 2021, no dividends had been declared. All changes in capital that do not represent contributions from or distributions to shareholders and that are part of comprehensive income are recorded under the heading "other comprehensive income", and include the following:

- Revaluation surplus - includes gains and losses related to revaluation of property, plant and equipment.

The amount of the revaluation surplus is recycled to retained earnings in the same proportion as the accounting depreciation during the asset's life, and in the event that the revalued asset is written off, the surplus amount is transferred to retained earnings, without affecting the income of the period.

5. Related parties

This item is integrated as follows:

	As of December 31,	
Accounts receivable	2022	2021
Claro, S.A.	\$ 617,057	\$ 427,841
Claro Chile, S.A.	463,136	571,418
AMX Argentina, S.A.	163,072	110,756
Other	371,751	464,447
Total	\$ 1,615,016	\$ 1,574,462

Accounts payable

América Móvil Perú S.A.
 AMX Argentina S.A.
 Telecomunicaciones de Guatemala S.A.
 Other
 Total

As of December 31,	
2022	2021
\$ 853,188	\$ -
456,570	-
194,343	-
53,287	-
\$ 1,557,388	\$ -

6. Property and equipment, net

The item of property and equipment, net is integrated as follows:

As of December 31,	
2022	2021
Towers and civil Works	\$ 83,795,805 \$ 67,874,582
Less: accumulated depreciation	(14,993,925) (3,030,889)
Total	\$ 68,801,880 \$ 64,843,693

For the twelve-month periods ended on December 31, 2022 and 2021, the depreciation expense amounted to \$11,193,486 and \$3,030,889, respectively.

7. Rights of use asset and lease liabilities

The Company maintains lease agreements on the underlying assets that are mentioned in Note 4i. used in its operations. The sites have in general 10-year lease terms.

As of December 31, 2022 and 2021, the right-of-use assets and lease liabilities are as follows:

a. Right of use assets

As of December 31,	
2022	2021
Sites	\$ 14,444,728 \$ 20,323,468
Less: accumulated depreciation	(2,371,510) (4,802,680)
Total	\$ 12,073,218 \$ 15,520,788

b. Lease liabilities

As of December 31,	
2022	2021
<i>Short term:</i>	
Sites	\$ 3,403,339 \$ 3,297,814
<i>Long term:</i>	
Sites	9,695,942 12,285,068
Total	\$ 13,099,281 \$ 15,582,882

In accordance with IFRS 16, certain estimates were made, such as the term of the leases, based on the non-cancellable period and the periods covered by options to extend the lease.

The Company considered extending the terms of the lease beyond the non-cancellable period only when it was reasonably certain that it would extend it. The reasonableness of the extension is affected by several factors, such as regulation, business model, geographic business strategies.

8. Debt

Short and long-term Debt is integrated as shown below:

As of December 31, 2022
(thousands of pesos)

Currency	Concept	Rate	Maturity	Total
<u>Senior Notes</u>				
US dollars				
	Fixed Rates Senior Notes (i)	5.375%	2032	\$ 19,412,998
	Subtotal US dollars			\$ 19,412,998
<u>Credit Facilities and others</u>				
US Dollars				
	Credit facilities (ii)	SOFR + 1.25%	2025	\$ 9,998,364
	Subtotal US dollars			\$ 9,998,364
Mexican Pesos				
	Credit facilities (ii)	TIIE + 1.25%	2027	\$ 20,558,500
	Subtotal Mexican Pesos			\$ 20,558,500
	Subtotal Credit Facilities and others			\$ 30,556,864
	Total Debt			\$ 49,969,862
	Less: Short term debt current debt portion long term			\$ -
	Long term debt			\$ 49,969,862

As of December 31, 2021
(thousands of pesos)

Currency	Concept	Rate	Maturity	Total
<u>Senior Notes</u>				
US dollars				
	Fixed Rates Senior Notes (i)	5.375%	2032	\$ 20,583,500
	Subtotal US dollars			\$ 20,583,500
<u>Credit Facilities and others</u>				
US Dollars				
	Credit facilities (ii)	0.40%	2022	\$ 7,204,225
	Credit facilities (ii)	6.06%	2026	\$ 1,096,267
	Credit facilities (ii)	3.85%	2026	\$ 1,295,608
	Subtotal US dollars			\$ 9,596,100
Mexican Pesos				
	Credit facilities (ii)	TIIE + 1.25%	2026	\$ 20,558,500
	Credit facilities (ii)	5.40%	2027	\$ 7,300,000
	Subtotal Mexican Pesos			\$ 27,858,500
Brazilian Real				
	Credit facilities (ii)	12.20%	2027	\$ 1,674,524
	Subtotal Credit Facilities and others			\$ 39,129,124
	Total Debt			\$ 59,712,624
	Less: Short term debt current debt portion long term			\$ 16,896,100
	Long term debt			\$ 42,816,524

SOFR: Secured Overnight Funding Rate

TIIE: Equilibrium Interbank Interest Rate

The interest rates applied to the Company's debt are subject to variations in international and local rates. The weighted average cost of debt as of December 31, 2022 and 2021 was approximately 7.66%.

Said interest rates do not include commissions, nor the 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.

Years	Amount
2025	\$ 9,998,364
2026 y posteriors	\$ 39,971,498
	<u>\$ 49,969,862</u>

Restrictions

Part of the aforementioned debt is subject to restrictions regarding the maintenance of certain financial ratios, and the restriction of the sale of an important part of groups of assets, among others. As of December 31, 2022 and 2021, the Company has complied with these requirements.

Part of the debt is also subject to early maturity or repurchase at the option of the holders, if there is a change of control, as defined in the respective instruments. Definitions of change of control vary, but none of them will take place while its current shareholders continue to control a majority of the Company's voting shares.

Obligations to do and not do

Pursuant to the credit agreements, the Company is required to comply with certain financial and operating commitments. Said agreements limit in certain cases, the capacity of the Company.

Such agreements restrict the ability of Sitios Latam to pay dividends or other distributions. The most restrictive financial commitments require the Company to maintain a consolidated ratio of debt to EBITDAaL (operating income plus depreciation and amortization after lease) that does not exceed 8.5 to 1, a consolidated ratio of EBITDAaL to interest paid that is not less than 1.5 to 1 (according to the clauses included in the credit agreements) and a gross debt ratio of the subsidiaries not greater than 20% with respect to the consolidated gross debt.

Several of the Company's financing instruments are subject to early termination, at the option of the debt holder in the event of a change of control. As of December 31, 2022 and 2021, the Company complied with all the agreements.

9. Income taxes

The Company is a holding company that has subsidiaries that operate in different countries. Below are the integrations of the income tax that refers to the most significant consolidated operations of the Company.

As of December 31, 2022 and 2021, the income tax charged to income is integrated as follows:

	As of December 31,	
	2022	2021
Current income tax	\$ 1,545,121	\$ 1,293,333
Deferred income tax	(400,326)	1,811,036
Total	<u>\$ 1,144,795</u>	<u>\$ 517,703</u>

An analysis of the temporary differences that originate the net deferred tax liability is presented below:

	As of December 31,	
	2022	2021
Property and equipment, net	\$ 13,928,690	\$ 11,094,066
Rights of use of leased assets, net of the liability associated with		18,628
Others	1,635	1,287,944
Deferred income tax liability, net	<u>\$ 13,930,325</u>	<u>\$ 12,400,638</u>

The company's effective rate was 53.96% and 32% as of December 31, 2022 and 2021, respectively.

10 Stockholders' equity

The capital stock is variable, with a fixed minimum of \$1,001,572, represented by a total of 3,189,400,000 nominative shares with no par value; all shares are fully subscribed and paid.

As of December 31, 2022 and 2021, the Company's treasury did not have shares to be relocated under the terms of the Securities Market Law and the General Provisions applicable to issuers of securities and other participants in the securities market issued by the National Banking and Securities Commission.

The Company's shares are single series and have full voting rights.

- Distribution of dividends

Dividends, whether in cash or in kind, paid in respect of the Company's shares are generally subject to 10% income tax. Non-resident holders may be subject to a lower income tax rate, to the extent that they can benefit from the treaties to which Mexico is a member.

As of December 30, 2022 and 2021, the Company had not declared any payment of dividends to its shareholders.

11. Subsequent events

a) On January 3, 2023, the Company announced the acquisition of 500 telecommunications towers that were owned by América Móvil Perú S.A.C. This began the purchase of passive infrastructure in that country.

b) On February 3, 2023, the Company completed the purchase of 1,388 telecommunications towers, owned by Compañía Dominicana de Teléfonos, S.A. On March 31, 2023, the Company completed the purchase of 2,980 telecommunications towers, owned by América Móvil Perú S.A.C.; therefore, a total of 3,480 towers were finally acquired in said country.

I, María Inés Ojeda, expert translator authorized by the Supreme Court of Justice for the Federal District, as published in the Official Gazette dated March 8, 2021, certify that the above translation into English in 16 pages is true and complete to the best of my knowledge.

Mexico City, August 28, 2023.

**SITIOS LATINOAMÉRICA, S.A.B. DE C.V.
AND SUBSIDIARIES**

Consolidated Financial Statements

As of December 31, 2022
with independent auditors' report

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2022, and for the period
from August 8 to December 31, 2022

Content:

Independent Auditors' Report

Consolidated Financial Statements:

Statements of Financial Position
Statements of Comprehensive Income
Statements of changes in stockholders' equity
Statements of Cash Flows
Notes to the financial statements

INDEPENDENT AUDITOR'S REPORT

To the Shareholders meeting of
Sitios Latinoamérica, S.A.B de C.V.

Opinion

We have audited the accompanying consolidated financial statements of Sitios Latinoamérica, S.A.B. de C.V. and its subsidiaries ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from August 8 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sitios Latinoamérica, S.A.B. de C.V. and its subsidiaries as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for period from August 8 to December 31, 2022, in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico according with the "Código de Ética Profesional del Instituto Mexicano de Contadores Públicos" ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Property and Equipment Valuation

Description and why matter is of most significance

We have considered the valuation of property and equipment in its recognition at the end of the year, as a key audit matter, due to the use of significant assumptions related to the identification of market participants that are comparable companies, since this involves subjectivity and complexity in the determination of the fair value of such assets, likewise, such valuation required the involvement of independent specialists from the Company's Management and our internal valuation specialists.

In Note 6 of the consolidated financial statements presents the accounting policy on determining the fair value of property and equipment, and the disclosures required by International Accounting Standard (IAS) 16 for such assets, respectively.

How did we respond to the key audit matter

We evaluated the reasonableness of the assumptions used by Management to determine the fair value of property and equipment upon subsequent recognition, based on the provisions of IAS 16 and International Financial Reporting Standards (IFRS) 13, by reviewing fair value hierarchies. We involve our specialists to assist us in the review of the applied valuation methodology, including the evaluation of the reasonableness of the comparable companies engaged in the valuation study.

We test the reasonableness of the integration of property and equipment, through the reconciliation of the initial balance at the time of the split off of the consolidated financial statements, and the final balance of property and equipment at the end of the year. We inspected the supporting documentation of the most significant increases in this item, which is the most representative shown in the consolidated statement of financial position. We test the depreciation of the revaluation amount, at its subsequent recognition, by verifying the arithmetic calculations and performing independent analytical substantive procedures.

Likewise, we evaluated the adequacy of the presentation and disclosure of property and equipment determined at fair value, which were made in the consolidated financial statements as of December 31, 2022.

Valuation of lease liabilities, including discount rate and terms of the lease

Description and why it was considered as a key audit matter

We have considered the valuation of lease liabilities as a key audit matter, due to the significant judgment required to determine the discount rates used in the recognition of lease liabilities at the end of the year, which required the involvement of specialists independent from the Management, as well as from our internal valuation specialists. We also consider the determination of the minimum lease terms included in the determination of lease liabilities to be significant, due to the existence of renewal options and other contractual circumstances inherent to the agreements, which require the application of significant judgment for their identification.

Note 9 of the consolidated financial statements presents the accounting policy and the disclosures made by the Company's Management on the valuation of lease liabilities.

How did we respond to the key audit issue

We evaluated the reasonableness of the assumptions used by Management in determining the minimum lease terms with respect to site leases, as well as the methodology used to determine the discount rate applied to lease liabilities, based on the established in IFRS 16 and IFRS 13. We involve our specialists to assist us in reviewing the adequacy of the applied discount rate methodology.

We test the reasonableness of the minimum lease terms of the site leases, the depreciation of right-of-use assets and the increase in lease interest liabilities, upon subsequent recognition, through arithmetic recalculation and performance of independent analytic procedures.

Likewise, we evaluated the adequacy of the presentation and disclosure of lease liabilities and their corresponding assets for right of use, which were made in the consolidated financial statements as of December 31, 2022.

Spin-off that gave rise to the incorporation of the Company in 2022

Description and why it was considered as a key audit matter

As disclosed in Note 1 of the consolidated financial statements, on August 8, 2022, the Company was incorporated by the Shareholders' decision to spin off the passive infrastructure rental business that made up subsidiaries from America Mobile, S.A.B de CV., in Latin America. We have considered this transaction as a key audit matter due to the significant judgment applied in the recognition of initial balances at book value upon which the Company has selected its initial recognition accounting policy.

How did we respond to the key audit issue

Our audit procedures consisted in the evaluation of the criteria followed by the Company's Management, to analyze the accounting treatment of the recognition of assets from the spin-off that occurred during the year, we evaluated the adequacy of the accounting policy selected by Management in accordance to the applicable financial reporting framework, including the book value valuation of the initial balances of assets and liabilities related to this transaction. Likewise,

we evaluated the adequate presentation of the assets, liabilities and corresponding capital in the consolidated financial statements at the end of the year.

We also evaluated the adequacy of the disclosures related to the spin-off that gave rise to the incorporation of the Company, which were made in the accompanying consolidated financial statements as of December 31, 2022.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report presented to the Comisión Nacional Bancaria y de Valores ("CNBV") and the annual report presented to stockholders, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report presented to the CNBV and the annual report presented to stockholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and issuing the declaratory on annual report requested by CNBV which will describe the matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The partner in charge of the audit resulting in this independent auditor's report, is who signs it.

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

A handwritten signature in black ink, appearing to be 'JC' with a large loop and a horizontal line extending to the right.

L.C.C. Juan C. Castellanos López

Mexico City, April 27, 2023

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of financial position

(Figures in thousands of Mexican pesos)

	As of December, 31, 2022
Assets	
Current assets:	
Cash and cash equivalents (Note 3)	\$ 4,106,942
Accounts receivable (Note 4)	2,882,314
Related parties (Note 5)	1,615,016
Total Current Assets	8,604,272
Non-Current assets:	
Property, Plant and Equipment, Net (Note 6)	69,571,430
Right of use asset (Note 9)	12,985,227
Other assets	9,843
Total Non-Current Assets	82,567,000
Total Assets	\$ 91,170,772
Liabilities and stockholders' equity	
Current liabilities:	
Short-term debt	\$ 338,884
Lease liabilities (Note 9)	3,403,339
Accounts payable and accrued liabilities (Note 10)	1,318,204
Taxes and contributions payable (Note 11)	1,408,269
Related parties (Note 5)	1,557,388
Total current liabilities	8,026,084
Non-Current liabilities:	
Long-term debt (Note 8)	49,969,862
Deferred tax liabilities (Note 13)	14,251,277
Lease liabilities (Note 9)	9,695,942
Asset retirement obligation (Note 7)	5,436,307
Total Non-Current Liabilities	79,353,388
Total Liabilities	87,379,472
Stockholders' equity (Note 12):	
Capital stock	1,001,572
Retained earnings:	
Retained earnings	(28,076,491)
Asset revaluation surplus	27,621,268
Profit of the period	274,557
Total accrued profit:	(180,666)
Other comprehensive loss items	2,896,263
Stockholders' equity attributable to the owners of the Parent	3,717,169
Non-controlling interest	74,131
Total stockholders' equity	3,791,300
Total liabilities and stockholders' equity	\$ 91,170,772

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

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of comprehensive income

(Figures in thousands of Mexican pesos)

	For the period from August 8 to December31, 2022
Operating income:	
Tower lease revenues	\$ 3,480,083
Land lease revenues	1,729,622
Other income	51,809
	<u>5,261,514</u>
Operating costs and expenses:	
Depreciation and amortization (Note 7)	1,068,396
Depreciation for right of use (Note 9)	1,459,502
Cost of services	140,872
Operating expenses	309,699
Operating profits	<u>2,283,045</u>
Financing income:	
Interest income	29,752
Leases interest	(243,221)
Other financial costs (Note 15)	1,102,753
Interest expense	(1,826,010)
Foreign exchange loss, net	(705,102)
	<u>(1,641,828)</u>
Profit before income taxes	641,217
Income tax (Note 13)	345,994
Net profit for the period	<u>\$ 295,223</u>
Attributable to:	
Equity holders of the entity	\$ 274,557
Non-controlling interest	20,666
	<u>\$ 295,223</u>

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

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of comprehensive income

(Figures in thousands of Mexican pesos)

	For the period from August 8 to December31, 2022
Net profit of the period	\$ 295,223
Other comprehensive income:	
Other comprehensive income that may not be reclassified to income in subsequent periods, net of taxes:	
Foreign currency translation	2,632,918
Comprehensive income	\$ 2,928,141
Equity holders of the parent	\$ 2,545,433
Non-controlling interest	\$ 382,707

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

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated statements of changes in stockholders' equity

For the period from August 8 to December 31, 2022

(Figures in thousands of Mexican pesos)

(Note 12)

	Capital stock	Retained earnings	Asset revaluation surplus	Foreign currency translation reserve	Total controlling interest capital	Non-controlling interest	Total stockholders' equity
Balances as of August 08, 2022	\$ 1,001,572	\$ (28,773,908)	\$ 28,318,685	\$ 263,345	\$ (809,694)	\$ 74,980	\$ (884,674)
Net profit for the period	-	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
Asset revaluation, net of taxes	-	697,417	(697,417)	-	-	-	-
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

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

SITIOS LATINOAMÉRICA, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Figures in thousands of Mexican pesos)

	For the period from August 8 to December 31, 2022
Operation Activities	
Profit before income taxes	\$ 641,217
Items in income that did not affect cash:	
Depreciation and amortization	1,068,396
Depreciation of rights of use assets	1,459,502
Interest income	(29,752)
interest earned payable	2,069,231
Comprehensive financing cost	(1,102,753)
Foreign exchange loss	705,102
 Changes in operating assets and liabilities:	
Accounts receivable	206,274
Related parties	(1,685,166)
Recoverable taxes	127,498
Other assets current and non-current portion	(811,428)
Accounts payable and accrued liabilities	(205,777)
Taxes and contributions payable	(240,088)
Net cash flows from operating activities	<u>2,283,859</u>
 Investment Activities	
Property and equipment	(453,268)
Interest earned from investment	29,752
Net cash flows used in investment activities	<u>(453,268)</u>
 Financing Activities:	
Leases interest	(243,221)
Bank debt paid	(5,081,682)
Lease payment	(1,936,027)
Net cash flows used in financing activities	<u>(7,231,178)</u>
 Net decrease in cash and cash equivalents	(5,400,587)
Currency fluctuation of cash	81,603
Cash and cash equivalents at the beginning of year	<u>9,507,529</u>
Net decrease in cash and cash equivalents	<u>\$ 4,106,942</u>

The accompanying 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, 2022

(Figures in thousands of Mexican pesos, unless otherwise indicated)

1. Corporate information and relevant events

I. Corporate information

Sitios Latinoamérica, S.A.B. de C.V. and subsidiaries (hereinafter, the “Company” or “Sitios Latam”) was incorporated 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 the holding company, in addition to granting the lease of passive infrastructure placed in physical spaces such as open spaces, floors, roofs and terraces for the installation of transmission and reception equipment and auxiliary telecommunications equipment (e.g., power plants or backup batteries, air conditioning systems, alarms and other devices).

Sitios Latam has 32,923 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, Uruguay and Brazil.

AMX, through its subsidiaries in Latin America, entered into a lease for the use of spaces in the telecommunications towers owned by Sitios Latam.

The Company is domiciled in Mexico City, at Avenida Paseo de las Palmas, No. 781, Piso 2 official 202, Colonia Lomas de Chapultepec III Section, Miguel Hidalgo, zip code 11000.

The period of operations considered in the consolidated financial statements of the Company and the fiscal year 2022, comprise from August 8 to December 31, 2022.

The issuance of the financial statements and the corresponding notes was authorized by Karla Ileana Arroyo Morales, CFO, on April 27, 2023. These financial statements must be approved at a later date by the Board of Directors and by the Shareholders' Meeting. These bodies have the power to modify the attached financial statements. Subsequent events were considered up to this date.

2.

II. Relevant events

a) On August 8, 2022, once the conditions were met and the previous steps necessary to spin off the telecommunications towers and other associated infrastructure deployed in certain Latin American countries were completed, through the minutes of the General Shareholders' Meeting, held on that date, the spin-off of AMX, as the spun-off company, and Sitios Latam, as the spun-off company, was agreed upon, through which certain assets, liabilities and capital were transferred to the spun-off company, including the shareholding of the Company's subsidiaries.

b) On September 29, 2022, the National Banking and Securities Commission authorized the registration of the shares of Sitios Latam, which allowed it to complete its listing process as a public company as of that date.

2. Basis of preparation of the consolidated financial statements and accounting policies and practices

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, issued by the International Accounting Board ("IASB"), hereinafter referred to as "IFRS", in effect as of December 31, 2022.

The consolidated financial statements have been prepared on the historical cost basis; except for the passive infrastructure of mobile telecommunications towers, the assets of the post-employment benefit fund and other employee benefits and capital investments at fair value, which are presented at their market value.

As of July 1, 2018, the Argentine economy is considered hyperinflationary in accordance with the criteria of IAS 29 "Financial Information in hyperinflationary economies" ("IAS 29"). Consequently, our subsidiary in Argentina has included the adjustments for inflation and reclassifications required by this standard for the 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 estimates and critical assumptions that affect the reported amounts of certain assets and liabilities, as well as certain income and expenses. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies, so actual results could vary from these estimates or assumptions.

The Mexican peso is the functional currency of the subsidiaries in Mexico and, in turn, is the presentation currency of the Company's consolidated financial statements.

i) Consolidation

The consolidated financial statements include the accounts of Sitios Latam and those of its subsidiaries over which it exercises control. 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 field or provide their services to companies in the Telecommunications field. Balances and transactions with related parties have been eliminated in the consolidated financial statements.

The operating results of the subsidiaries were incorporated into the Company's financial statements as of August 8, 2022 and in accordance with the application of a prospective approach to the spin-off, due to the fact that on said date the Company had control of the subsidiaries.

Changes in the participation in a subsidiary that do not result in a loss of control are recorded as capital transactions. The amounts of the capital attributed to the parent 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 recognized directly in the capital attributable to the owners.

Subsidiaries are deconsolidated from the date the Company loses control. When the Company ceases to have control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary to their book values, the book value of non-controlling interests in the former subsidiary and the fair value of the amounts received in the transaction is recognized. Any retained interest in the former subsidiary is remeasured at 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.

The non-controlling interest represents the portion of the profits or losses and net assets that do not belong to the Company and is presented separately in the consolidated statements of comprehensive income and within stockholders' equity in the consolidated statements of financial position.

The Company assesses at each reporting date whether there is objective evidence of indication of impairment in the investment in subsidiaries. If so, the Company calculates the value of the impairment as the difference between the recovery value of the associate and its book value.

4.

The shareholding in the main subsidiaries as of December 31, 2022 is as follows:

Corporate Name	Shareholding as of December 31, 2022	Country
Torres Latinoamérica, S.A. de C.V. ^(a)	100%	Mexico
AMOV Torres, S.A.S. ^(a)	100%	Ecuador
Sitios Argentina, S.A.	100%	Argentina
Sites Guatemala, S.A.	100%	Guatemala
Sites Honduras, S.A. de C.V.	100%	Honduras
Sites El Salvador, S.A. de C.V.	100%	El Salvador
Sites Ecuador, S.A.S.	100%	Ecuador
Sites Chile, S.A.	100%	Chile
Torres Do Brazil, S.A.	86.93%	Brazil

^(a) Holding companies

^(b) Operating companies

ii) Bases of translation of the financial statements of foreign subsidiaries

The assets of the subsidiaries located abroad together represent approximately 98% of total consolidated assets in 2022.

The financial statements of foreign subsidiaries have been prepared under or converted to IFRS in the local currency corresponding to their functional currency, and are converted to the reporting currency of the Company as follows:

- all monetary assets and liabilities were converted at the closing exchange rate of each year;
- all non-monetary assets and liabilities were converted at the exchange rate at the end of the year;
- the capital accounts were converted at the exchange rate on the date the capital contributions were made and profits were earned;
- income, costs and expenses are converted at the average exchange rate for the period; with the exception of the operations of the subsidiary in Argentina, which economy has been considered hyperinflationary since 2018;
- the consolidated statements of cash flows presented using the indirect method were converted using the weighted average exchange rate for the period in question (except for Argentina), and the resulting difference is presented in the consolidated statement of cash flows under the heading called "Foreign currency translation reserve".

The difference resulting from the conversion process is recognized in equity in the "Foreign currency translation reserve". When an investment abroad is disposed of, the component of other comprehensive income relating 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. While the measurement has not been consistent in recent years and different indices have coexisted, accumulated inflation in Argentina in the last three years exceeded 100% in 2018, which is one of the quantitative references established by IAS 29. Consequently, the Argentine economy is considered hyperinflationary in the year 2018 and the Company applies the inflation adjustments to the subsidiaries which functional currency is the Argentine peso for the financial information of the periods ended on July 01, 2018; however, the calculation of the accumulated impact was recognized as from January 1, 2018.

To update its financial statements due to hyperinflation, the subsidiary uses the series of indices defined by resolution JG No. 539/18 issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), based on the National Consumer Price Index (IPC), published by the National Institute of Statistics and Censuses (INDEC) of the Argentine Republic and the Wholesale Internal Price Index (IPIM) published by FACPCE. The accumulated index as of December 31, 2022 is 1,134.5875, while the annual inflation for 2022 is 95.48%.

The main implications are the following:

- Adjust the historical cost of non-monetary assets and liabilities and the different items of equity from their date of acquisition or incorporation to the consolidated statement of financial position until the end of the year to reflect the changes in the purchasing power of the currency derived from inflation.
- The net monetary position gain caused by the inflationary impact in the year is included in the statement of comprehensive income under the heading "Valuation of derivatives, financial costs of labor obligations and others". Adjust the income statements and the statement of cash flows by the inflationary index from its origin with a counterpart in the statement of comprehensive income and in an item in the statement of cash flows, respectively.
- Convert all the components of the financial statements at the closing exchange rate, the exchange rate corresponding to December 31, 2022 is 0.1096 Argentine pesos to Mexican pesos.

The difference resulting from the translation process is recognized in equity in "Foreign currency translation reserve".

6.

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 of 2022	Exchange Rate at the closing of December 31, 2022
Argentina ⁽¹⁾	Peso argentino (\$A)	0.1582	0.1096
Brazil	Real (\$R)	3.9052	3.7209
Guatemala	Quetzal	2.5976	2.4725
Estados Unidos de América ⁽²⁾	Dólar estadounidense	20.1239	19.4143
Uruguay	Peso uruguayo	0.4894	0.4845
Nicaragua	Córdoba	0.5610	0.5359
Honduras	Lempira	0.8169	0.7853
Chile	Peso chileno	0.0231	0.0226
Paraguay	Guaraní	0.0029	0.0026
Perú	Sol (PEN\$)	5.2439	5.0823
Costa Rica	Colón	0.0310	0.0323

(1) The rates at the end of the period are used for the translation of income and expenses if IAS 29 is applied. "Financial information in hyperinflationary economies".

(2) Includes the United States, Ecuador, El Salvador, Puerto Rico and Panama.

b) Revenue recognition

Income from rentals and adaptation services

The Company's main activity is the rental of passive infrastructure and adaptation services for telephone carriers.

The revenue derived from contracts with clients is recognized at the time the control of the goods is transferred to the client for an amount reflecting the compensation to which the Company expects to be entitled to in exchange of such goods. The Company has concluded that it acts as principal in its revenue contracts in accordance with IFRS 15. The rents are reviewed and increased based on the behavior of inflation and are established based on the characteristics of the leased spaces 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 that are finally obtained may differ from the estimates made. The Company based its estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and hypotheses about future events may be altered 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 measurement

Financial assets are classified, in the initial recognition, as financial assets valued at their amortized cost (instruments to collect principal + interest "IFCP1"), at fair value with changes in OCI (IFCV), and fair value with changes in income (IFN).

The classification of financial assets at the time of their initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the business model of the Company to manage said assets. Except for the accounts receivable that do not contain an important financing component, the Company initially values its financial assets at their fair value plus, in the case of financial assets that are not measured at fair value with changes in results, 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 the accounting policy in Note 2.b "Revenue recognition".

In order for a financial asset to be classified and valued at its amortized cost or at fair value with changes in OCI, that asset must result in cash flows that are exclusively principal and interest payments in respect of the amount of outstanding capital. This evaluation is known as the financial instrument test to collect principal and interest and is carried out at the instrument level.

The Company's business model to manage its financial assets refers to the way it manages its financial assets to generate cash flows for the business when carrying out its activities and not in a particular intention to hold an instrument. The business model determines whether the cash flows will be derived from obtaining contractual cash flows, from the sale of financial assets, or from both.

Purchases or sales of financial assets that require the delivery of assets within a time frame established by a market regulation or agreement (regular-way trades) are recognized on the trade date; i.e., the date on which the Company commits to buy or sell the asset.

8.

Subsequent measurement

For purposes of subsequent measurement, 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 without recycling accumulated gains and losses on derecognition (equity instruments)
- Financial assets at their fair value with changes in P&L

Cancellation of financial assets

A financial asset (or part of a financial asset or part of a group of similar financial assets) is canceled primarily (i.e., removed from the financial statement of the Company) 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 assets or has assumed the obligation to pay cash flows received in full and without material delay to the third party under a transfer agreement and (a) the Company has transferred virtually all risks and benefits of the assets, or (b) the Company has not transferred or retained substantially all the risks and benefits of the assets, but has transferred the control of the asset.

When the Company has transferred its rights to receive the cash flows from an asset or has assumed the 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 not transferred or retained substantially all the risks and benefits of the asset nor has it transferred control thereof, the Company continues to recognize the transferred asset to the extent of its continuing involvement therein. In that case, the Company also recognizes the related liability. The transferred asset and associated liability are valued on the basis that reflects the rights and obligations that the Company has retained.

The continuing participation 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 the 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 with changes in P&L. The expected credit losses are based on the difference between the contractual cash flows payable under the contract and all the 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 comprehensive to the contractual terms.

Expected credit losses are recognized in stages. For credit exposures in which there has not been a significant increase in credit risk since initial recognition, an expected credit loss provision is recognized for credit losses resulting from events of default that are possible within the next 12 months (a 12-month expected credit loss). For credit risk exposures in which there has been a significant increase in credit risk since initial recognition, a provision should be recognized for expected credit losses over the remaining life of the risk exposure, regardless of which date it occurs. default (an expected credit loss for the entire 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 instead recognizes an allowance for losses based on the lifetime expected credit losses of the debtors at each reporting date. The Company has established a provision matrix which is based on historical credit loss experience, adjusted to recognize specific forecast factors of debtors and the economic environment.

The Company considers that a financial asset is in default when contractual payments have balances overdue for more than 90 days. However, in certain cases, the Company may consider that a financial asset is 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 taking into account credit improvements held by the Company.

ii. Financial Liabilities

Initial Recognition and Value

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value with changes in P&L, loans and financing, accounts payable, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

10.

All financial liabilities are recognized initially at their fair value and, in the case of loans and financings and accounts payable, they are presented including transaction costs directly attributable thereto.

The Company's financial liabilities include trade and other accounts payable, loans and financing including bank overdrafts.

Subsequent measurement

The valuation of financial liabilities depends on their classification, as indicated below:

- **Financial liabilities at their fair value with changes in P&L**

Financial liabilities valued at fair value with changes in P&L include financial liabilities held for trading purposes and financial liabilities valued at initial recognition at fair value with changes in P&L.

- **Loans**

After initial recognition, interest-bearing loans and loans are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in income when the liabilities are written off, as well as through the effective interest rate amortization process.

The amortized cost is calculated taking into account any discount or premium in the acquisition and the fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is recognized as financial costs in the income statement.

- **Cancellation of financial liabilities**

A financial liability is taken off when the obligation is canceled or matures. When an existing financial liability is replaced by another of the same creditor in substantially different terms, or when the conditions of an existing liability are substantially modified, such exchange or modification is treated as a retirement of the original liability and the recognition of a new liability, and the difference in the relevant net book value is recognized in income.

iii. Financial instruments offsetting

Offsetting of a financial asset and a financial liability for its presentation in the statement of financial position proceeds only when:

- (i) the Company has a legal right and obligation to collect or pay an offset amount, so the entity has, in effect, an offset financial asset or an offset financial liability; and

- (ii) the amount resulting from offsetting the financial asset with the financial liability reflects the expected cash flows of the Company, upon settling two or more financial instruments.

iv. Fair value of financial instruments

At each reporting date, the fair value of financial instruments traded in active markets is determined considering the prices quoted in the market, or the prices quoted by financial brokers (purchase price for active positions and price of sale for passive positions), without any deduction of transaction costs.

For financial instruments that are not traded in an active market, fair value is determined using generally accepted valuation techniques. Such techniques may include the use of arm's length market transactions, references to the current fair value of another financial instrument that is substantially similar, discounted cash flow analysis or other valuation models.

The hierarchy used to determine fair values is as follows:

Level 1: quoted prices (not adjusted) in active markets for identical assets and liabilities.

Level 2: Data other than the quoted prices included in Level 1, which are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., price derivatives) and

Level 3: Data for the asset or liability that are not based on observable market data (non-observable variables).

e) Transactions in foreign currency

Foreign currency transactions are initially recorded at the exchange rate in effect on the date of their execution. Assets and liabilities denominated in foreign currency are subsequently converted at the exchange rate on the reporting date of the consolidated financial statements. The exchange differences between the date of execution and that of its collection or payment, as well as those resulting from the translation on the date of the consolidated financial statement, are recorded in operating income.

12.

When determining the spot exchange rate to be used in the initial recognition of the asset, expense or income (or part of it) related to the derecognition of a non-monetary asset or the non-monetary liability related to the advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or the non-monetary liability arising from the advance consideration. If there are multiple payments or advance receipts, the Company determines the transaction date for each payment or receipt of advance consideration.

Non-monetary items that are recognized at their historical cost terms in a foreign currency are converted using the exchange rate on the transaction date. Non-monetary items recorded at fair value, denominated in foreign currency, are converted to the exchange rates in force on the date on which fair value was determined. Losses or gains arising from the translation of non-monetary items measured at fair value are recorded in accordance with the recognition of gains or losses derived from the change in the fair value of the corresponding item (i.e., realized exchange differences of items which fair value gains or losses are recognized in other income are also recognized in other income, respectively).

This Interpretation clarifies that, when determining the spot exchange rate to be used in the initial recognition of the asset, expense or income (or part of it) that arises when canceling a non-monetary asset or a non-monetary liability that was recorded for an advance consideration, use the transaction date on which the non-monetary asset or non-monetary liability arising from the advance consideration was initially recognized. Should there be multiple payments or advances, the Company must determine the transaction date for each payment or receipt of advance consideration.

f) 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 presented at cost plus accrued interest, an amount that is similar to their market value.

g) Current vs. non-current classification

The Company presents assets and liabilities in the Statement of Financial Position based on the classification of current or non-current.

An asset is classified as current when:

- It is expected to be realized, intended to be sold, or to be consumed in the normal operating cycle of the business.
- It is held primarily for trading purposes
- It is expected to be realized within twelve months from the reporting date.
- Cash or cash equivalents are exchanged or used to settle a liability in at least twelve months after the reporting date.

The Company classifies all other assets and liabilities, including deferred tax assets and liabilities, as non-current.

h) Property and equipment, net

Property and equipment are recorded at their acquisition value, net of accumulated depreciation; except for the passive infrastructure of telecommunications towers, which are recognized at their fair value under the revaluation model in accordance with the option established in IAS 16 "Property, Plant and Equipment". Said value is reviewed periodically when the Company considers that there is a significant variation between the book value and its fair value. Depreciation is calculated on the cost of the assets, using the straight-line method, from the month after they are available for use based on the estimated useful life of the assets.

Borrowing costs incurred to finance construction in progress with a period of more than 6 months are capitalized as part of the cost of the asset. During 2022 there were no new loans that have capitalized the financing costs.

In addition to the purchase price and the costs directly attributable to the process of preparing the asset, in terms of its physical location and condition so that it can operate in the manner intended by management, the cost of the assets also includes the estimated costs for decommissioning and removal of the asset and for the restoration of the site where it is located.

The passive infrastructure of telecommunications towers will be accounted for at their revalued value, which is their fair value at the time of revaluation less accumulated depreciation; if there is any loss or impairment, it must also be considered within its value. Revaluations will be made with sufficient regularity to ensure that the carrying amount, at all times, does not differ significantly 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 is accumulated in equity as a revaluation surplus. To the extent that there is a decrease in revaluation, it will be recognized in P&L for the period, except to the extent that it offsets an existing surplus on the same asset.

14.

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. These transfers do not pass as income for the period. A full transfer of the surplus may be made when the entity disposes of the asset.

ii) The net book value of property, plant and equipment is no longer recognized in the consolidated statements of financial position at the time of sale of the asset or when future economic benefits from its use or sale are no longer expected. Any gain or loss on the sale of property, plant and equipment that represents the difference between the net proceeds from the sale and the net book value of the item at the time of the sale and these gains or losses are recognized as other income or other operating expenses.

iii) The Company periodically evaluates the residual values, useful lives and depreciation methods of its property, plant and equipment. If necessary, the effects of any change 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 recorded in income as incurred.

Annual depreciation rates used are as follows:

Passive infrastructure	3.33-4%
Computer equipment	30%
Transportation Equipment	25%
Other equipment	10%

iv) The book value of property, plant and equipment is reviewed annually for signs of impairment in said assets. When the recovery value of an asset is less than the book value thereof, the difference is recognized as an impairment loss. As of December 31, 2022, no losses for impairment were recognized.

v) Revaluation of telecommunications towers

The fair value of the passive infrastructure of the telecommunications towers was determined using the "income" technique through a discounted flow model (DFC) where inputs such as average rents per tower, term of contracts and discount rates considering market information, were used, among others.

i) Licenses and software

The licenses and software acquired are intangible assets with a defined life that are recognized at their acquisition value. Amortization is calculated on the acquisition value under the straight-line method based on its useful life.

j) Impairment of long-term assets

The policy is to assess the existence of indications of impairment on the value of long-lived assets. If such indications exist, or when it comes to assets which nature requires an annual impairment analysis, the recoverable value of the asset is estimated, this being higher than the fair value, deducted from disposal costs, and its value in use. Said value in use is determined by discounting the estimated future cash flows, applying a discount rate before taxes that reflects the value of money over time and considering the specific risks associated with the asset. When the recoverable value of an asset is below its net book value, it is considered that there is impairment of value. In this case, the book value is adjusted to the recoverable value, recording the loss in income for the year in question.

Depreciation and/or amortization charges for future periods are adjusted to the new book value over the remaining useful life. Each asset considered individually is analyzed for impairment, except when it comes to 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 signs of impairment. When the recovery value, which is the higher of the sale price and its use value (which is the present value of future cash flows), is less than the net book value, the difference is recognized as a loss due to impairment.

As of December 31, 2022, property and equipment did not present signs of impairment, which is why no losses were determined for this concept.

k) Leases

The determination of whether a contract is or contains a lease is based on the economic substance of the agreement at the inception date of the lease. The contract is, or contains, a lease if performance of the lease depends on the use of an asset (or assets), even if the asset (or assets) is not explicitly in the contract.

At the start of a contract, the Company evaluates whether the contract is, or contains, a lease. Meaning that, if the contract transfers the right to use an identified asset for a specified period of time in exchange for a consideration. Otherwise, it is a service contract.

16.

The Company as lessee

The Company applies a single approach for the recognition and valuation of all leases, with the exception of short-term leases and leases in which the underlying asset is of low value (based on its relative importance). The Company recognizes lease liabilities to make lease payments and right-of-use assets that represent the right to use the underlying assets.

i) Right of use asset

The Company recognizes right-of-use assets on the lease inception date (i.e., the date the underlying asset is available for use). Right-of-use assets are valued at acquisition cost, less depreciation or accumulated amortization and impairment losses, and are adjusted to reflect any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial valuation amount of recognized lease liabilities, lease payments made before or on the lease inception date less any lease incentive received, and initial direct costs incurred by lessee. Right-of-use assets are depreciated or amortized on a straight-line basis over the shorter of the lease term, 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 tests. See policy 2.k on the impairment of non-financial assets.

iii) Lease liabilities

On the lease inception date, the Company recognizes lease liabilities measured at the present value of future lease payments that will be made during the lease term. Lease payments include fixed payments (including fixed payments in substance), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and the amounts expected to be paid as residual value guarantees. Lease payments also include penalties for early termination of the lease, if the lease term reflects that the Company exercises the option to terminate early.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

To calculate the present value of the lease payments, the Company discounts future cash flows for those leases that are within the scope of the standard at present value, using an incremental discount rate, which is an estimate of the rate that the Company would obtain for a loan, for a period similar to the current lease obligations and with a similar guarantee, to obtain an asset similar to the leased asset. After the lease inception date, the amount of the lease liabilities is increased to reflect the accrual of interest earned and is reduced pro rata to lease payments made. In addition, the book value of lease liabilities is remeasured if there is a change, in the lease term, in the fixed lease payments on the substance or in the evaluation to purchase the underlying asset.

The Company's lease liabilities are presented separately from other liabilities in the statement of financial position.

iv) Short-term leases and leases of low-value assets.

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 inception date and do not contain a purchase option). The exemption for equipment that is considered low value (i.e., under US\$5,000) also applies. Short-term lease payments and leases of low-value assets are recognized as expenses on a straight-line basis over the term of the agreement.

I) Liabilities, provisions, contingent liabilities and commitments

Liabilities for provisions are recognized when i) there is a present obligation (legal or assumed) as a result of a past event, ii) the exit of economic resources as a means is likely to be required to settle such obligation, and iii) the obligation may be reasonably estimated.

When the effect of the value of money through time is significant, the amount of the provision is the present value of the disbursements that are expected to be necessary to settle the obligation. The discount rate applied is determined before taxes and reflects the market conditions as of the date of the state of the financial situation and, where appropriate, the specific risk of the corresponding liability. In these cases, the increase in the provision is recognized as an interest expense.

Provisions for contingent liabilities are recognized only when the outflow of resources for their extinction is probable. Likewise, contingencies are only recognized when they generate a loss.

18.

m) 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. Cash flows are discounted at a pre-tax discount rate that reflects the specific risks of the decommissioning liability. The reversal 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 accordingly. Changes in estimated future costs or in the discount rate applied are added to or subtracted from the cost of the asset.

n) Employee Benefits

Seniority premium costs are recognized annually based on calculations made by independent actuaries, using the projected unit credit method using financial hypotheses net of inflation.

The Company recognizes a provision for the costs derived from paid leaves of absence, such as vacations, based on the accrual method.

o) Participation of Workers' Profit Sharing (PTU)

PTU is paid by certain Company subsidiaries to their eligible employees. In Mexico, the reform of the Federal Labor Act established a limit to the amount to be paid for profit sharing to workers, which indicates that the amount of PTU assigned to each worker may not exceed the equivalent of three months of current wage of the worker, or the average PTU received by the employee in the previous three years, whichever is greater. If the PTU determined is less than or equal to this limit, the PTU will be determined by applying 10% of the company's individual taxable income. If the determined PTU exceeds this limit, the limit would apply and this should be considered the PTU for the period.

PTU is presented as an operating expense in the consolidated statement of comprehensive income.

p) Taxes

- Income Taxes

The income tax incurred is presented as a short-term liability, net of the advances made during the year.

The Company determines deferred income taxes based on the assets and liabilities method, mentioned in IAS 12 "Income Tax".

Deferred income tax is determined using the asset and liability method, based on temporary differences between the tax values of assets and liabilities and their book values at the date of presentation of the consolidated financial statements.

Deferred tax assets and liabilities are measured based on the tax rates that are estimated to be in force in the year in which the asset materializes or the liability is settled, based on the tax rates (and tax legislation) that are approved or which approval procedure is substantially complete as of the date of the consolidated financial statements. The net book value of deferred tax assets is reviewed by the Company on each presentation date of the consolidated financial statements and is decreased to the extent that it is probable that the Company will not have sufficient future tax profits to allow the recovery of the extent or part of the deferred tax assets. Unrecognized deferred tax assets are revalued at each presentation date of the consolidated financial statements and are recognized to the extent that it is probable that there will be future taxable profits 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, a consequence of unreimbursed profits from subsidiaries, are considered as temporary differences. Withholding taxes on remitted foreign earnings are creditable to Mexican taxes, therefore, to the extent a remittance is made, the deferred tax would be limited to the difference incremental between the Mexican tax rate and the rate of the sending country. As of December 31, 2022, the Company has not recorded deferred tax for non-repatriated foreign earnings, due to the fact that the exceptions established in IAS 12 are met, which requires that the timing of the reversal of differences can be controlled. temporary differences 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 refer to income taxes that correspond to the same tax authority.

20.

- Sales taxes

Income, expenses and assets are recognized excluding the amount of any sales tax, except:

- When the sales tax incurred in an acquisition of assets or in a provision of services is not recoverable from the tax authority, in which case, that tax is recognized as part of the acquisition cost of the asset or as part of the expense, as appropriate.
- Accounts receivable and payable are expressed including the amount of sales tax.

The net amount of sales tax that is expected to be recovered from, or payable to, the tax authorities is presented as a short-term account receivable or payable in the consolidated statement of financial position, unless the statement of financial position is due for more than one year, in which case it is presented in the long term.

q) Uncertain tax position.

The Company periodically evaluates positions taken on tax returns with respect to situations where applicable tax laws are subject to interpretation and considers whether the tax authority is likely to accept uncertain tax treatment. The Company measures its fiscal balances based on the most probable amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

r) Statement of cash flows

The statement of cash flows shows the cash inflows and outflows that occurred during the year. Additionally, the statement of cash flows begins with profit (loss) before income taxes, presenting first the cash flows from operating activities, then investment, and finally, financing activities.

The statement of cash flows for the corresponding period from August 8 to December 31, 2022, were prepared under the indirect method.

s) Financial risks

The main risks associated with the Company's financial instruments are: (i) liquidity risk, (ii) market risk (risk of fluctuations in foreign currency exchange rates and interest rate risks) and (iii) credit risk and counterparty risk. The Board of Directors approves the policies that are presented to it by the Company's administration to mitigate these risks.

i) Liquidity risk

Liquidity risk is the risk that the Company may not meet its financial obligations associated with financial instruments when they become due. Notes 8 and 9 include the financial obligations and commitments in charge of the Company.

ii) Market risk

The Company is exposed to market risks from changes in interest rates and fluctuations in foreign currency exchange rates. The Company's debt is denominated in foreign currencies, mainly US dollars, other than its functional currency. The Company does not use derivatives to hedge the exchange rate risk that arises from having operations in different countries.

iii) Credit risk

Credit risk represents the loss that would be recognized in the event that the counterparties did not comply with their contractual obligations.

The financial instruments that potentially represent concentrations of credit risk are cash and short-term deposits, accounts receivable from customers 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 maintained with different financial institutions, which are located in different geographic regions.

A portion of the cash surplus is invested in time deposits at financial institutions with high credit ratings.

iv) Market risk sensitivity analysis

The Company uses sensitivity analysis to measure potential losses in its income based on a theoretical increase of 100 base points in interest rates and a change of 5% in exchange rates:

Interest rates

If the interest rates agreed as of December 31, 2022, decreased by 100 base points and increased by 5.23% due to fluctuations in exchange rates, the net interest expense would have decreased by \$234,041,106.31.

22.

Exchange rate fluctuations

If the Company's debt as of December 31, 2022, which amounts to \$51,046,208,500, suffered a 5% increase/(decrease) in exchange rates, said debt would have increased/(decreased) by \$1,524,385,425.

The main financial instruments for financing the Company's operations are made up of bank loans, lines of credit, 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 operation.

t) Presentation of the income statement

The costs and expenses shown in the Company's consolidated statements of comprehensive income are presented in a combined manner (between function and nature), which allows a better understanding of the components of operating income. This classification allows its 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. The operating income includes ordinary income, and operating costs and expenses.

u) Operating segments

The information by segments 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 that should be allocated to the different segments, as well as evaluating their performance. Inter-segment revenues and costs, inter-company balances, as well as the investment in shares in the consolidated entities are eliminated on consolidation and are reflected in the "eliminations" column.

v) Judgments, estimates and significant accounting assumptions

In the preparation of the consolidated financial statements, Sitios Latam makes estimates with respect to various concepts. Some of these concepts are highly uncertain and the estimates involve judgments that it makes based on the information available. 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 substantial impact if a different estimate were used. There are many other areas in which América Móvil uses estimates about uncertain matters, but in which the reasonably probable 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 most of its network infrastructure in operation based on an estimated useful life determined on the particular conditions of operation and maintenance expected in each of the countries in which it operates. The estimates are based on historical experience with similar assets, anticipation of technological changes and other factors, taking into account 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 results in an increase or decrease in depreciation expense. See Note 6.

Reassessment of the passive infrastructure of telecommunications towers

The Company recognizes the passive structure of the telecommunication towers at fair value, recognizing the changes in OCI. The discounted cash flow (DCF) model was used. The Company prior to the spin-off hired a specialist valuation expert with industry experience to measure fair values as of December 31, 2022.

Impairment of the book value of the long-term assets

The Company has large amounts of long-lived assets, including property, plant and equipment in the consolidated statements of financial position. The Company must test long-lived assets for impairment when circumstances indicate potential impairment in some cases at least annually. The impairment analysis for long-lived assets requires that the recovery value of the asset be estimated, which would be the higher of its fair value (less any disposal costs) 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 is used that requires making certain assumptions and estimates. 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 asset in question and specific market factors of that business are considered and future cash flows that this business will generate are calculated.

Based on this asset impairment analysis, including all related assumptions and estimates, as well as the guidance provided by IFRS regarding the impairment of long-lived assets, the use of different assumptions and estimates may impact the results reported by the Company. More conservative assumptions of anticipated future benefits from these businesses could trigger asset impairment charges, which would reduce net income and lower asset values on 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 to determine 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 the estimation, jurisdiction by jurisdiction, of the real exposure to current taxes, as well as the evaluation of the temporary differences that result from the deferred treatment of certain items, such as provisions and amortizations, for tax and accounting reporting purposes, as well as such as tax losses pending amortization and other tax credits. These items cause deferred tax assets and liabilities. The analysis is based on estimates of taxable income in the jurisdictions where the group operates and the period over which deferred tax assets and liabilities would be recovered or settled.

If actual results differ from such estimates or these estimates are adjusted in future periods, the consolidated financial position and results of operations of Sitios Latam may be materially affected.

In evaluating the future realization of deferred tax assets, future taxable income and ongoing planning strategies and future operating results are considered. In the event that estimates of future taxable income are reduced, or changes in current tax regulations are established in such a way that they impose restrictions regarding the opportunity or scope of the ability of Sitios Latam to use in the future the tax benefits for tax losses pending amortization, an adjustment would be made in the amount recorded in deferred tax assets with a charge related to the results of 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 which settlement requires a flow of resources that is considered probable and can be reliably measured. This obligation may be legal or assumed derived from, among other things, regulations, contracts, common practice or public commitments, which have created a valid expectation to third parties that Sitios Latam will assume certain responsibilities.

The registered amount is the best estimate made by the management of Sitios Latam regarding the disbursement that will be required to comply with the obligations, considering all the information available at the date of the consolidated financial statements, which includes the opinion of external experts, as legal counsels 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, a provision is not recorded and the information is then presented in the notes included in the consolidated financial statements. Due to the uncertainties inherent in these estimates, actual expenses may be different from the estimated amount originally recognized.

The Company is not subject to claims and contingencies related to taxes, labor matters and legal judgments.

3. Cash and cash equivalents

Cash and cash equivalents are made up of different short-term deposits with financial institutions. Cash and cash equivalents include instruments purchased which maturity is less than three months. This amount includes the deposit plus interest earned.

As of December 31, 2022, cash and cash equivalents are as follows:

	2022
Cash	\$ 61
Banks	1,768,759
Investments for immediate realization	2,338,122
	<u>\$ 4,106,942</u>

4. Accounts receivable from customers, sundry debtors and taxes to recover, net

a) Accounts receivable by component as of December 31, 2022 are made up as follows:

	2022
Taxes to recover	\$ 2,316,963
Customers	206,888
Anticipated expenses	307,500
Sundry debtors	65,578
Impairment of accounts receivable	(14,615)
Net total	<u>\$ 2,882,314</u>

26.

b) The movements in the impairment of accounts receivable are as follows:

	2022
Balances at the beginning of the period	\$ (11,001)
Increases recorded as expenses	(3,614)
Applications to estimation	-
Balance at the end of the period	<u>\$ (14,615)</u>

5. Related Parties

a) Below is an analysis of the balances with related parties as of December 31, 2022. All companies are considered as associates or affiliates of the Company since their main shareholders are directly or indirectly shareholders of the related parties.

	2022
Receivables:	
Claro, S.A.	\$ 617,057
Claro Chile, S.A.	463,136
AMX Argentina S.A.	163,072
Servicios de Comunicaciones Honduras	69,860
Telecomunicaciones de Guatemala S.A.	68,696
AMX Paraguay S.A.	60,447
Claro CR Telecomunicaciones S.A.	50,759
Other Related Parties	121,989
	<u>\$ 1,615,016</u>
Payable:	
América Móvil Perú S.A.	\$ 853,188
AMX Argentina S.A.	456,570
Telecomunicaciones de Guatemala S.A.	194,343
Other Related Parties	53,287
	<u>\$ 1,557,388</u>

For the year ended on December 31, 2022, there were no impairment losses on accounts receivable from related parties.

b) During the year ended on December 31, 2022, the following transactions were carried out with related parties.

	2022
Revenues:	
Tower lease revenues (1)	\$ 3,247,721
Land lease revenues (1)	1,614,137
	<u>\$ 4,961,858</u>
Expenses:	
Administrative Services (2)	
Interest (3)	235,531
Revenues:	\$ 194,520
	<u>\$ 430,051</u>

(1) The Company entered into contracts for the lease of its passive infrastructure and land use with an average term of between 3 and 10 years. The passive structure lease corresponds to non-electronic elements at the service of telecommunications networks that include, without limitation, masts, towers, posts, sites, properties and physical spaces.

(2) Subsidiary telecommunications companies of América Móvil entered into contracts with the Company for administrative services, office leases, support and maintenance. The term of the contract is indefinite, automatically extendable upon expiration.

(3) Interest earned by loans with América Móvil and subsidiaries, as of December 31, only the loan with AMX Argentina SA remains in force

6. Property and equipment, net

As of December 31, 2022, property and equipment comprises the following:

28.

Investment	Balance as of August 8, 2022	Additions*	Disposals	Transfers	Hyperinflation	Foreign currency	Depreciation of the year	Balances at the end of the year
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
Constructions in progress	96,907	293,623	(75)	(99,303)	-	(2,555)	-	288,597
Inventory	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								
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
Asset retirement								
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)	\$ -	\$ -	\$ -	(31,936)	\$ 1,999,220
Net Cost	\$ 66,883,019	\$ 2,375,340	(80,781)	\$ -	\$ -	\$ 1,952,222	\$ 1,067,883	\$ 69,571,430

* Of the total registrations of fixed assets, 2,584,884 remain pending payment

The depreciation and amortization expense as of December 31, 2022 amounted to \$1,067,883 and 513, respectively.

The completion period of the construction in progress is variable and depends on the type of plant and equipment under construction.

7. Asset retirement obligation

As of December 31, 2022, the provision for the retirement of assets is made up as follows:

	2022
Balance as of August 8	\$ 4,622,317
Increase due to additions of passive infrastructure	422,951
Foreign currency translation	391,039
Balance as of December 31	\$ 5,436,307

The revision to the estimate of cash flows and discount rate during the year ended on December 31, 2022, mainly refers to a decrease in expected decommissioning costs per asset, as well as an increase in the discount rate and planned long-term inflation.

8. Debt

a) Long-term debt is made up as follows:

As of December 31, 2022 (thousands of pesos)					
Currency	Concept	Rate	Maturity	Total	Level
<u>Senior Notes</u>					
US dollars					
	Fixwd Rates Senior Notes (i)	5.375%	2032	\$ 19,412,998	1
	Subtotal US dollars			\$ 19,412,998	
<u>Credit Facilities and others</u>					
US Dollars					
	Credit facilities (ii)	SOFR + 1.25%	2025	\$ 9,998,364	1
	Subtotal US dollars			\$ 9,998,364	
Mexican Pesos					
	Credit facilities (ii)	TIIE + 1.25%	2027	\$ 20,558,500	1
	Subtotal Mexican Pesos			\$ 20,558,500	
	Subtotal Credit Facilities and others			\$ 30,556,864	
	Total Debt			\$ 49,969,862	
	Less: Short term debt current debt portion long term			\$ -	
	Long term debt			\$ 49,969,862	

SOFR: Secured Overnight Funding Rate

TIIE: Equilibrium Interbank Interest Rate

30.

The interest rates applied to the Company's debt are subject to variations in international and local rates. The weighted average cost of debt as of December 31, 2022, was approximately 7.66%.

Said interest rates do not include commissions, nor the 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 its maturities as follows:

Years	Amount
2025	\$ 9,998,364
2026 and subsequent	39,971,498
Total	<u>\$ 49,969,862</u>

Restrictions

Part of the aforementioned debt is subject to restrictions regarding the maintenance of certain financial ratios, and the restriction of the sale of an important part of groups of assets, among others. As of December 31, 2022, the Company has complied with these requirements.

Part of the debt is also subject to early maturity or repurchase at the option of the holders, if there is a change of control, as defined in the respective instruments. Definitions of change of control vary, but none of them will take place while its current shareholders continue to control a majority of the Company's voting shares.

Obligations to do and not do

Pursuant to the credit agreements, the Company is required to comply with certain financial and operating commitments. Said agreements limit in certain cases, the capacity of the Company.

Such agreements restrict the ability of Sitios Latam to pay dividends or other distributions. The most restrictive financial commitments require the Company to maintain a consolidated ratio of debt to EBITDAaL (operating income plus depreciation and amortization after lease) that does not exceed 8.5 to 1, a consolidated ratio of EBITDAaL to interest paid that is not less than 1.5 to 1 (according to the clauses included in the credit agreements) and a gross debt ratio of the subsidiaries not greater than 20% with respect to the consolidated gross debt.

Several of the Company's financing instruments are subject to early termination, at the option of the debt holder in the event of a change of control.

As of December 31, 2022, the Company complied with all the agreements.

9. Right-of-use assets and lease liabilities

The Company maintains lease agreements for sites, property and other equipment used in its operations. Sites typically have 5-10 year lease terms, while property and other equipment typically have 2-5 year lease terms.

As of December 31, 2022, the right-of-use assets and lease liabilities are as follows:

	Right of use assets				Lease liabilities	
	Tower and sites	Properties	Other equipments	Total		
Opening balance as of August 8	\$ 14,696,769	\$ 133,943	\$ -	\$ 14,830,712	\$	12,127,722
Additions and disposals	786,448	27,594	-	814,042		814,042
Modifications	1,166,581	-	33	1,166,614		1,166,614
Depreciation	(1,440,831)	(18,549)	(121)	(1,459,501)		-
Interest expense:	-	-	-	-		243,221
Payments	-	-	-	-	(1,936,027)
Cancellations	-	-	-	-		-
Transfers	-	-	-	-		-
Foreign currency translation	(2,360,896)	(5,746)	2	(2,366,640)		683,709
Final balance as of December 31	\$ 12,848,071	\$ 137,242	\$ (87)	\$ 12,985,227	\$	13,099,281

The Company's lease debt is integrated according to its maturities as follows:

	2022
Short term	\$ 3,403,339
Long-term	9,695,942
Total	\$ 13,099,281

32.

10. Accounts payable and accrued liabilities

a) Accounts payable and liabilities accrued as of December 31 of are made up as follows:

	2022
Sundry suppliers and creditors	\$ 868,512
OPEX provision	307,475
Lease provision	64,139
Payroll provision	71,574
Bonus provision	5,206
Fees	1,298
Total	<u>\$ 1,318,204</u>

11. Taxes and Contributions Payable

a) Tax payable account as of December 31 is made up as follows:

	2022
Income tax payable	\$ 977,651
Local taxes payable	246,763
Value Added Tax	104,002
Taxes withheld	63,667
Other	16,186
Total	<u>\$ 1,408,269</u>

12. Stockholders' equity

a) As of December 31, 2022, Capital stock is as follows:

Series	Capital	Share	Amount
B-1	Minimum, fixed	3,189,400,000	\$ 1,001,572

b) The capital stock is variable, with a fixed minimum of \$1,001,572, represented by a total of 3,189,400,000 nominative shares with no par value; all shares are fully subscribed and paid

c) In accordance with the General Business Corporations Act (LGSM), the Company must set aside at least 5% of the net income each year to increase the legal reserve until it reaches 20% of the capital stock. The legal reserve is included in the retained earnings line. As of December 31, 2022, the legal reserve has not been created.

d) Profits that are distributed in excess of the balances of the net fiscal profit account (CUFIN) will be subject to the payment of corporate income tax at the rate in force at the time of distribution. The payment of said tax may be credited against income tax.

e) Derived from the 2014 Tax Reform, dividends paid to individuals and legal entities residing abroad on profits generated from 2014 onwards will be subject to an additional 10% withholding tax.

f) The following table presents the calculation of basic and diluted earnings per share as follows:

	2022
Net income for the period attributable to the owners of the parent company	\$ 274,557
Weighted Average Shares (in millions)	3,189
Earnings per share attributable to the controlling party	<u><u>\$ 0.09</u></u>

13. Income Taxes

As of December 31, 2022, the income tax charged to income is integrated as follows:

	2022
In Mexico:	
Current income tax charge	\$ 101,384
Deferred income taxes	<u>(3,374)</u>
	<u><u>\$ 98,010</u></u>
Abroad:	
Current income tax charge	\$ 327,194
Deferred income taxes	<u>(79,210)</u>
	<u><u>\$ 247,984</u></u>

Deferred tax related to items recognized in comprehensive income during the year:

34.

	2022
As of August, 8	\$ 16,448,982
Deferred income tax in the income of the year	(201,514)
Deferred income tax on other comprehensive income items	(1,996,191)
As of December, 31	<u>\$ 14,251,277</u>

As of December 31, 2022, deferred income tax assets are as follows:

Deferred assets	2022
Provisions	\$ 342
Other	7,817
Deferred income tax assets	<u>\$ 8,159</u>

Deferred liabilities	
Other	\$ 1,635
Property, plant and equipment	14,257,801
Deferred income tax liabilities	<u>\$ 14,259,436</u>
 Total deferred liabilities	 <u>\$ 14,251,277</u>

Below is a reconciliation between the tax rate established by law and the effective income tax rate recognized in accounting by the Company:

	2022
Income tax legal rate	<u>30.00%</u>
Impact of the items to be reconciled:	
Fiscal inflationary effects	1.36%
Non-deductible items	19.08%
Rate differential	(2.17%)
Other	5.69%
Effective rate	<u>53.96%</u>

Relevant aspects of income tax abroad

a) Operating income

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 the accounting assets recorded in the books at the end of FY2022.

Statutory rates in these jurisdictions vary, averaging 30%, though individually they range from 10% to 37.5%.

v) Deductible interest limitation

The Mexican Tax Law establishes from fiscal year 2020 new rules related to limitations on the deduction of interest, in accordance with action 4 of the BEPS project, by the OECD, of which Mexico is a member.

In general terms, each Mexican company must calculate an adjusted fiscal EBITDA, then multiply it by the percentage of income tax assessment and this product is the limit that can be deducted in the fiscal year for interest. It is important to mention that the amount that was not deductible due to this limitation may be deductible/applicable in an updated manner against taxable income in the next ten years.

vi) Revaluation of telecommunications 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.

14. Contingencies and commitments

a) Contingencies

As of 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 said spin-off is not considered a transfer for tax purposes.

In this regard, and in accordance with the current procedure, the requirements will be considered fulfilled when the shareholders owning at least 51% of the shares with voting rights of the spin-off and spin-off company are the same for a period of three years counted from the year immediately prior to the date on which the division is carried out. As well as having the corresponding individual financial statements resulting from the spin-off within the resulting terms established by Mexican law.

Due to the foregoing, if the described requirements are not met, the tax authorities could consider the spin-off as a transfer for tax purposes, with the implications that this may generate in accordance with the assumptions established in the Income Tax Law, added value and other applicable laws.

36.

In each of the countries in which we operate, we are party to legal proceedings in the ordinary course of business. These procedures include tax, labor, economic competition, contractual matters, as well as administrative and judicial matters concerning regulatory matters in relation to interconnection and rates. The following is a description of our material legal procedures.

Towers and Antennas

The Company is subject to regulatory requirements regarding the registration, zoning, construction, lighting, demarcation, maintenance and inspection of towers, and land use restrictions where the towers are located. Failure to comply with said regulations may result in preventions or sanctions. The Company considers that it substantially complies with all applicable regulations.

15. Other financial costs

a) As of December 31, they are integrated as follows:

	2022
REPOMO	\$ 1,338,515
Financial expenses	(235,762)
Total	\$ 1,102,753

16. 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 consistently with the profit or loss disclosed in the consolidated financial statements.

The Company has passive infrastructure installed in locations abroad. Its main business segment is the leasing of said infrastructure. As of the date of the 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
Revenues	\$ 592,831	\$ -	\$ 185,205	\$ 1,110,913	\$ 924,794	\$ 72,531	\$ 2,323,431	\$ -	\$ 5,209,705
Depreciation and	(40,267)	715,733	81,552	700,768	245,316	23,740	801,056	-	2,527,898
Amortization	691,853	(835,250)	62,003	318,048	598,928	57,552	1,436,249	(46,337)	2,283,046
Operating profit	986	505,444	-	38	5,791	-	16,981	(499,488)	29,752
Interest income	109,845	1,986,228	33,406	119,676	106	16,115	72,666	(512,032)	1,826,010
interest earned payable	2,886	57,236	15,652	7,122	16,226	9,016	237,856	-	345,994
Income taxes	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
Segment assets	7,121,006	41,821,688	2,198,201	7,923,284	6,966,665	587,479	2,953,107	-	69,571,430

17. Recently Issued Accounting Standards

New and Amended Standards and Interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 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.

Onerous Contracts – Contract Performance Costs – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs of fulfilling the obligations of the contract (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under the contract.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity must include costs that are directly related to a contract to provide goods or services, including incremental costs (e.g., labor and material costs), and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfill the contract and costs of contract management and supervision).

General and administrative costs are not directly related to a contract and are excluded unless they are explicitly attributable to the counterparty under the contract.

Prior to the application of the amendments, the Company had not identified any significant contracts as onerous, as the unavoidable costs of the contracts, which were the costs of fulfilling them, comprised only the incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to an earlier version of the International Accounting Standards Board (IASB) Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the principle of recognition of the IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising from liabilities and contingent liabilities that would be within the scope of the IAS 37 Provisions, Contingent Liabilities and Contingent Assets IFRIC 21 Liens, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition on the acquisition date.

Pursuant to the transitional provisions, the Company applies the amendments prospectively, that is, to business combinations that occur after the beginning of the annual reporting period in which the amendments are applied for the first time (the date of initial application).

These amendments had no impact on the Company's consolidated financial statements as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

Property, plant and equipment: Collection before intended use – Amendments to IAS 16 Leases

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from the sale of items produced while bringing that asset to the location and condition necessary for it to operate in the manner intended by management. Instead, an entity recognizes the revenue from the sale of those items and the costs of producing those items in P&L.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E available for use as of the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the Company's consolidated financial statements as there were no sales of such produced items of property, plant and equipment available for use as of the beginning of the earliest period presented.

IFRS 1 Adoption for the first time of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment allows a subsidiary that chooses to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the date of transition to IFRS from said parent, if no adjustments were made for consolidation and for the effects of the business combination in which the parent acquired the subsidiary. This amendment also applies to an associate or joint venture that chooses to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the Company's consolidated financial statements as it is not an entity adopting them for the first time.

IFRS 9 Financial Instruments – Rates in the '10 percent' test for derecognition of financial liability accounts

The amendment clarifies the rates that an entity includes when evaluating whether the terms of a new or modified financial liability are materially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other. A similar amendment has not been proposed for the IAS 39 Financial Instruments: Recognition and measurement.

Pursuant to the transitional provisions, the Company applies the amendment to financial liabilities that are changed or exchanged that occur after the beginning of the annual reporting period in which the amendments are applied for the first time (the date of initial application). These amendments had no impact on the Company's consolidated financial statements as there were no changes in the financial instruments of the Company during the period.

18. Subsequent events

a) On January 3, 2023, the Company announced the acquisition of 500 telecommunications towers that were owned by América Móvil Perú S.A.C. This began the purchase of passive infrastructure in that country.

b) On February 3, 2023, the Company completed 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.; therefore, a total of 3,480 towers were finally acquired in said country.

I, María Inés Ojeda, expert translator authorized by the Supreme Court of Justice for the Federal District, as published in the Official Gazette dated March 8, 2021, certify that the above translation into English in 43 pages is true and complete to the best of my knowledge.

Mexico City, August 28, 2023.

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