Abax XBRL

Import of note information for Instance Document.

Annual Report - Annex N
v1.1

Instructions

To correctly import the notes into a document you must take into account the following:

1. Insert the content immediately below the relevant note.
2. You must fill the entire document, without omitting any item.
3. Always save your document as a .docx file (Office 2007 and later).
4. Always use this template to import information (dotx).

[411000-AR] General Information - Annual Report

**[XBRL] Indicate whether there is a co-obligor or other guarantor and provide its name*

Annual report: Exhibit N
Restricted public offering: No
Type of instrument: Shares
Foreign issuer: No

Indicate whether there is a co-obligor or other guarantor and provide its name: No

Fully or partly reliant: No

[412000-N] Cover page

**[XBRL] Logo of issuer*

**[XBRL] Name of issuer*

Sitios Latinoamérica, S.A.B. de C.V.

**[XBRL] Address of issuer*

Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico.

Describe the characteristics of the outstanding securities (class, series, type, trading market, etc.)

Series	**LASITE B-1**
Characteristics of the outstanding securities:	
Class	Fixed
Series	B-1
Type	Registered
Number of shares	3,189,400,000
Trading market	Bolsa Mexicana de Valores, S.A.B. de C.V.
Trading symbol in the original market	LASITE B-1
Type of transaction	
Comments	

Ticker

LASITE B-1

Indicate whether the securities of the issuer are registered with the registry

The securities are registered with the National Securities Registry (*Registro Nacional de Valores*).

Insert the legend referred to in the next-to-last paragraph of Article 86 of the Securities Market Law)

The registration with the National Securities Registry does not imply any certification as to the investment quality of the securities, the solvency of the issuer or the accuracy or truthfulness of the information contained in this annual report, nor does it validate actions taken in violation of the law, if any.

Insert the legend required by the General Rules

This annual report for the year ended December 31, 2023 is being filed pursuant to the general rules for securities issuers and other market participants.

Period presented

2023.

Characteristics of the debt securities [summary]

Characteristics of the debt securities [table]

Debt	**Senior Notes 2032**
Characteristics of the securities	
Series	U.S.$1.0 Billion Senior Notes due 2032. Our Senior Notes are listed for trading on the Singapore Exchange ("SGX").
Issuance date:	April 4, 2022.
Maturity date:	April 4, 2032.
Term	10 years.

Debt	Senior Notes 2032
Characteristics of the securities	
Interest/yield; determination procedure	5.375% per annum, beginning on the issuance date. The amount of interest due and payable on a given interest payment date and on the maturity date will be determined on the basis on the number of days elapsed and a 360-day year.
Frequency of interest payments	Interest will be due and payable semi-annually, on April 4 and October 4 of each year, commencing October 4, 2022.
Principal and interest payment place and method	Pursuant to the Depositary's rules and procedures.
Subordination, if any	Not applicable.
Maturity, prepayment and acceleration, as the case may be	The Notes may be redeemed, in whole or in part, at our option, at any time prior to January 4, 2032, at a premium. The Notes may also be redeemed, in whole or in part, at our option, at any time on or after January 4, 2023, at a redemption price equal to 100% of their principal amount, plus accrued interest.
Collateral, if any	Initially, the Notes will be unsecured. Within 60 days of the effective date of América Móvil, S.A.B. de C.V.'s spin-off, our obligations will become guaranteed by our subsidiaries Sitios do Brasil, S.A. and Torres Latinoamérica, S.A. de C.V.
Trustee, if any	Citibank, N.A.
Ratings:	
Rating agency 1	None.
Rating	None.
Meaning	None.
Rating agency 2	None.
Rating	None.
Meaning	None.
Joint representative	Citibank, N.A.
Depositary	The Depositary Trust Company (DTC).
Taxation	Holders of the Notes will be subject to taxation depending on their individual circumstances as described in the documents relating to the issuance.
Comments	The Notes are governed by the laws of the State of New York, United States of America.

Debt	**Senior Notes 2033 issued by Sites del Perú S.A.C.** **Sitios Latinoamérica, S.A.B. de C.V. acts as guarantor.**
Characteristics of the securities	
Series	S/ 872,080,000 Peruvian Soles Senior Notes due 2033. Our Senior Notes are listed for trading on the Public Registry of the Securities Market of the Peruvian Capital Markets Superintendency (*Superintendencia del Mercado de Valores de Perú)*. Our Senior Notes are listed on the Official List of the Luxembourg Stock Exchange ("LuxSE").
Issuance date:	September 21, 2023.
Maturity date:	September 21, 2033.
Term	10 years.
Interest/yield; determination procedure	9.125% per annum, beginning on the issuance date. The amount of interest due and payable on a given interest payment date and on the maturity date will be determined on the basis on the number of days elapsed and a 360-day year.
Frequency of interest payments	Interest will be due and payable semi-annually, on March 21 and September 21 of each year, commencing March 21, 2024.
Principal and interest payment place and method	Pursuant to the Depositary's rules and procedures.
Subordination, if any	Not applicable.
Maturity, prepayment and acceleration, as the case may be	The Notes may be redeemed, in whole or in part, at our option, at any time prior to June 21, 2033, at a premium. The Notes may also be redeemed, in whole or in part, at our option, at any time on or after June 21, 2033, at a redemption price equal to 100% of their principal amount, plus accrued interest.
Collateral, if any	The Issuer and its subsidiaries Torres do Brasil, S.A. and Torres Latinoamérica, S.A. de C.V. will be guarantors of the obligations assumed by Sites del Perú.
Trustee, if any	The Bank of New York Mellon.
Ratings:	
Rating agency 1	None.
Rating	None.
Meaning	None.
Rating agency 2	None.
Rating	None.
Meaning	None.
Joint representative	The Bank of New York Mellon.
Depositary	The Depositary Trust Company (DTC).

Debt	Senior Notes 2033 issued by Sites del Perú S.A.C. Sitios Latinoamérica, S.A.B. de C.V. acts as guarantor.
Characteristics of the securities	
Taxation..	Holders of the Notes will be subject to taxation depending on their individual circumstances as described in the documents relating to the issuance.
Comments...	The Notes are governed by the laws of the State of New York, United States of America.

<u>Policy to be observed by the Issuer in making decisions regarding changes of control during the term of the issuance, considering the participation of the holders, as applicable.</u>

The 2033 Senior Notes issued by Sites del Perú S.A.C. in 2023 guaranteed, among others, by the Issuer provide that, in the event of a change of control in the Issuer and/or Sites del Perú, S.A.C., which leads to a downgrade in the rating of the Issuer and/or Sites del Perú, S.A.C. that establishes a rating below BBB- by Standard & Poors, below Baa3 by Moody's or below BBB- by Fitch Ratings, provided that such rating is not revised within the timeframes established in the issuance itself, then Sites del Perú S.A.C. or the Issuer shall make an offer to acquire the remainder of the notes issued at a price equal to 101% of the principal amount, plus accrued and unpaid interest. Details regarding this obligation are set forth in the corresponding issuance documents.

<u>Policy to be observed by the Issuer in making decisions regarding corporate restructurings, including acquisitions, mergers and spin-offs during the life of the issuance, considering the participation of the holders, as applicable.</u>

The 2032 Senior Notes issued in 2022 by AMX and transferred to the Issuer in connection with the AMX Spin-Off, guaranteed, among others, by Torres Do Brasil, S.A., provide that, in certain cases, the Issuer will require the authorization of the holders of the notes in the event of an intended consolidation or merger. Details regarding this obligation are set forth in the corresponding issuance documents.

The authorization of the holders will not be required in the case of other types of transactions, including any transaction in which the Issuer acquires shares or assets of another person.

The 2033 Senior Notes issued in 2023 by Sites del Perú S.A.C. guaranteed, among others, by the Issuer provide that, in certain cases, the Issuer will require the authorization of the noteholders in the event it wishes to consolidate or merge. Details regarding this obligation are set forth in the corresponding issuance documents.

The authorization of the holders will not be required in the case of other types of transactions, including any transaction in which the Issuer acquires shares or assets from another person.

<u>Policy to be followed by the Issuer in making decisions on the sale or encumbrance of essential assets, specifying what such concept will include during the term of the issuance, considering the participation of the holders, if any.</u>

The 2032 Senior Notes issued in 2022 by AMX and transferred to the Issuer in connection with the AMX Spin-Off, guaranteed, among others, by Torres Do Brasil, S.A., provide that the Issuer will maintain certain restrictions related to creating, incurring, establishing or assuming liens with respect to certain assets, as well as restrictions on the transfer, disposition or sale of substantially all of the Issuer's assets and properties without the prior approval of the holders of the notes. Details regarding this obligation are set forth in the corresponding issuance documents.

The 2033 Senior Notes issued in 2023 by Sites del Perú S.A.C. guaranteed, among others, by the Issuer provide that the Issuer will maintain certain restrictions related to creating, incurring, establishing or assuming liens with respect to certain assets, as well as restrictions on the transfer, disposal or sale of substantially all of the Issuer's assets and properties without the prior approval of the noteholders. Details regarding this obligation are set forth in the corresponding issuance documents.

[413000-N] General information

**[XBRL] Glossary of terms and definitions*

Capitalized terms used and not otherwise defined herein have the meanings assigned to them below, which meanings are applicable to both the singular and plural forms of such terms.

"**Shares**" means the shares of all or any series of stock issued by us.

"**América Móvil**" or "**AMX**" means América Móvil, S.A.B. de C.V.

"**Independent Auditor**" means Mancera, S.C., a member practice of Ernst &Young Global Limited.

"**Mexican Stock Exchange**" means Bolsa Mexicana de Valores, S.A.B. de C.V. or any other entity authorized by the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) to operate as a stock exchange.

"**Commission**" means the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*).

"**General Rules**" means the General Rules for Issuers of Securities and for Other Participants in the Securities Market (*Disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes del mercado de valores*) that were published in the Official Gazette of the Federation (*Diario Oficial de la Federación*) on March 19, 2003, as amended.

"**Dollars**" or "**U.S.$**" means the legal tender in the United States.

“**EBITDAaL**” means earnings before interest, taxes and depreciation and amortization, after leases of real properties housing Passive Infrastructure to customers of our Operating Subsidiaries.

“**Issuer**” or “**Sitios Latinoamérica**” means Sitios Latinoamérica, S.A.B. de C.V. and its subsidiaries.

“**América Móvil Spin-off**” means the transaction pursuant to which América Móvil contributed to us a portion of its capital stock, assets and liabilities.

“**Financial Statements**” or “**Financial Information**” means the consolidated financial statements, audited for the year ended December 31, 2023, as well as the pro forma financial statements as of and for the years ended December 31, 2002 and December 31, 2021, including the report on the preparation of our pro forma financial information, and our audited financial statements for the period from August 8, 2022 to December 31, 2022.

“**United States**” or “**U.S.**” means the United States of America.

“**Slim Family**” means Carlos Slim Helú, together with his sons, daughters and grandchildren.

“**Family Trust**” means the trust No. F/0126 established with Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa, División Fiduciaria, which, based on publicly available information, is a holder of Shares for the benefit of the Slim Family.

“**IFRS**” means the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

“**Indeval**” means S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V.

“**Active Infrastructure**” means the components of telecommunications or broadcasting networks that emit, process, receive or transmit texts, images, sounds, signals, signs or any other type of data.

“**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.

“**IRS**” means the U.S. Internal Revenue Service.

“**Mexico**” means the United Mexican States.

“**Pesos**” or “**Ps.**” means the legal tender in Mexico.

“**Operating Subsidiaries**” means those of our subsidiaries that are owners of Passive Infrastructure in the countries in which we operate.

Except where otherwise required by the context, “we,” “us” and “our” mean or refer to Sitios Latinoamérica.

**[XBRL] Executive summary*

The following summary does not purport to contain all the information that may be important to you when making an investment decision regarding the securities described herein. This summary highlights certain selected information about us. Our shareholders and prospective investors should read this entire annual report carefully, including the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections, and our Financial Statements and the notes thereto, to better understand our business.

This annual report contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control and could cause our actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. We use words such as “believe,” “anticipate,” “foresee,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “should” and other similar expressions to identify these factors, some of which are discussed under “Executive Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.”

General Information About Us

Sitios Latinoamérica, S.A.B. de C.V. is a public company (*sociedad anónima bursátil de capital variable*) organized as a result of the América Móvil Spin-off to offer access to its Passive Infrastructure to radiocommunications service providers at large in each of the countries in which it operates through its subsidiaries. As of December 31, 2023, we had operations in Argentina, Brasil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Dominican Republic and Uruguay.

We began building Passive Infrastructure for América Móvil and other telecommunications carriers in August 2022, including Colombia beginning in 2023, and have generated revenues through the lease of space in our towers to such carriers.

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 radiating equipment and other Active Infrastructure for the provision of radiocommunications services, as well as the provision of other related services to the telecommunications sector.

According to TowerXchange’s Latam Guide 4Q23 update, as of December 31, 2023 our site inventory accounted for approximately 19% 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, followed by Mexico, Colombia, Peru and Argentina, accounted for 32% of our total number of sites.

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 December 31, 2023, we had operations in Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Dominican Republic and Uruguay, and we constantly evaluate business and investment opportunities to expand our presence to other countries and regions.

Our principal existing and expected strengths are as follows:

- New investment vehicle: We are a public company offering investors an opportunity to participate in a stand-alone business with its own 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 December 31, 2023, we owned 35,135 towers in 16 countries. According to TowerXchange's LATAM Regional Guide Q4 2022, we are the most geographically diversified provider of Passive Infrastructure in Latin America and the leading provider of Passive Infrastructure in at least 4 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 constantly require 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 the Global System for Mobile Communications Association (GSMA), in its publication The Mobile Economy 2023, mobile penetration in the region is close to 70%, while in Europe, China and North America it reaches 90%. Therefore, we believe that there are significant expansion opportunities for companies focused on Passive Infrastructure specialized in telecommunications.[1]

Sitios Latinoamérica benefits from its leading position in countries with sustained requirements for site construction and sharing arrangements. After giving effect to (i) certain post-spin-off adjustments per country, (ii) our acquisitions and (iii) the construction of new sites, in 2023 we increased our total number of towers to 5,434. In 2024, we expect to build between 1,200 and 1,500 new sites in the countries in which we operate. 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 its needs as it continues to grow. 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.

A report commissioned by American Tower Corporation to SmC Plus titled "Telecommunications Infrastructure Management as a Fundamental Pillar for the Future of Latin America", estimates that by 2030 the industry will reach 454,000 sites and, by 2032, 560,000 sites in the region. This growth means that a total of 202,000 new sites will be deployed by 2030 and 307,000 by 2032 to fulfill the growing user and government demand and to favor the deployment of new digital technologies such as virtual and augmented reality or artificial intelligence. This implies a major challenge for the Information and Communication Technologies sector in the region. [2]

- 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 make distributions to our shareholders. As of December 31, 2023, we had an EBITDAaL of approximately Ps.6,459 million and our profit margin on our leased sites was 82.4%. In addition, we enjoy of a geographically diversified source of revenues.

As a matter of a global trend in the telecommunications industry, in recent years networks and their customers had 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.

[1] https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-economy/wp-content/uploads/2023/03/270223-The-Mobile-Economy-2023.pdf

[2] https://americantower.com.mx/Assets/beta.americantower.com.mx/uploads/files/SmC_ATC_InfraLatam_202311_v3.0_esp.pdf

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 (i) resort to tower and site sharing arrangements, or (ii) 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 Sitios Latinoamérica, are facilitating the digital development of Latin America.

This change of paradigm 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 consider that mobile services plays 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 the TowerXchange's Latam Guide 4Q23 update, companies such as Oi, Liberty Latin America, Millicom, among others, have adopted business models based on the above, having sold more than 10,000 mobile towers over the last year.

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 by telecommunications companies, by 2010 almost 85% were operated by third parties. According to internal analysis based on the Tower Xchange Tower League 4Q Report, out of the 40 largest tower companies in the world, 27 are independent companies. The 40 companies that own the world's largest Passive Infrastructure account for 68% of the total number of towers estimated to exist worldwide.

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 public information reported by the Issuer, American Tower Corporation was the largest independent operator of remote communication and broadcasting towers in North America, based on the number of towers and sales. As of December 31, 2023, only 22% of its sites were located in Latin America and 19% in the United States.[3]

The primary customers of these companies are typically local wireless carriers. According to American Tower's annual report for 2023, the main telecommunications operators accounted for 75% of its sales in 2023.[4]

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[3] American Tower Q4 2023 Quarterly Supplemental Materials

[4] https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/1053507/000105350724000011/amt-20231231.htm

Moreover, SBA Communications, one of the most relevant operators of radio communications infrastructure in Latin America, reported that the main telecommunications operators in the region will account for approximately 62% of its international revenues in 2023.[5]

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 and spin-off of the tower portfolios of certain wireless carriers. As of December 31, 2023, the Latin American tower industry was comprised of more than 15 operators that collectively owned in excess of 180,000 towers.

During October 2023, Millicom began the spin-off process of its passive infrastructure to a company dedicated to the management and commercialization of its towers in Latin America. Once all assets are spun-off, the newly created company named "Lati" will have more than 10,000 telecommunications towers in different countries in Latin America. 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.

Environmental Performance; Climate Change

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 do not believe that our business operations have a material adverse impact on the environment. Most of our industry's carbon footprint is attributable to the generation of electric power for the operation of the Active Infrastructure installed on our towers by our customers.

For additional information on our environmental performance and on climate change, see "The Issuer – Environmental Performance" and "– Regulation; Taxation" in this annual report.

Competitive Advantages

We believe that the following competitive advantages set us aside from other industry participants and help us maintain and expand our market position in each of the countries in which we operate:

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[5] https://s201.q4cdn.com/321536525/files/doc_financials/2023/q4/sbac-20231231x10k.pdf

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

a. *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;

b. *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;

c. *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;

d. *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;

e. *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

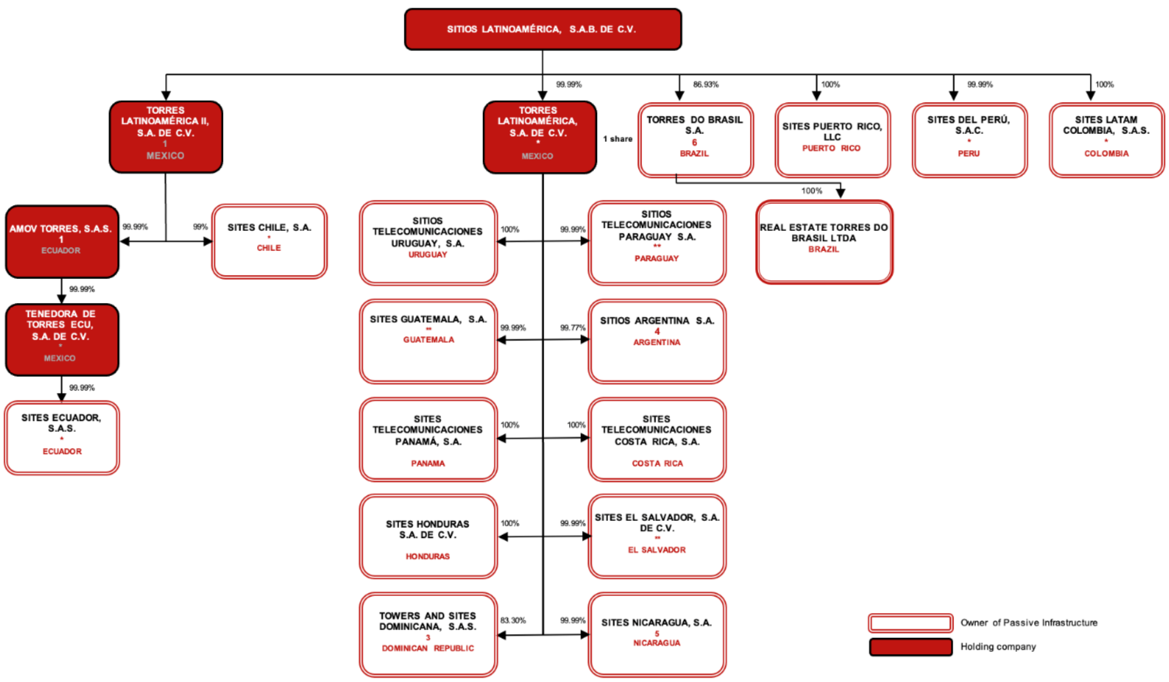
f. *Multi-pronged strategy*. We plan to employ a multi-pronged strategy to increase our profitability directly and through out subsidiaries. This includes (i) reducing our costs through the effective management of our resources, (ii) optimizing the operation and maintenance of our sites, (iii) anticipating the need for new sites, (iv) anticipating the demand from wireless carriers and their technological requirements, (v) adequately managing our contractual relationships with our customers and vendors, (vi) introducing enhanced customer service platforms for our tenants and (v) improving our construction processes on an ongoing basis.

g. *Continued Expansion of Passive Infrastructure*. Due to the nature of our business, we have implemented projects for company growth and expansion in new territories through the construction of new Passive Infrastructure, as well as through the acquisition of existing third-party owned Passive Infrastructure located in strategic areas, as a result, we have expanded our presence and engaged more operators.

2. 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.

Organizational Structure

We are a holding company, and we conduct all of our operations through our subsidiaries. The following chart depicts our organizational structure and principal Operating Subsidiaries as of December 31, 2023:



Principal Offices

Our principal executive offices are located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico. Our telephone number at his location is +52 (55) 1169-1251.

For additional information on our ownership interests in our subsidiaries, see "Organizational Structure" in this annual report.

Recent Developments

Colombia. On January 18, 2023, Comunicación Celular, S.A., Comcel, S.A. and, Sites Latam Colombia, S.A.S. (subsidiary of Sitios), entered into a Telecommunications Infrastructure Administration and Maintenance Services Agreement, whereby, among other matters, they agreed on the terms applicable to the provision of services by Sites Latam Colombia, S.A.S. to carry out the administration and maintenance of the Passive Infrastructure owned by Comunicación Celular, S.A., Comcel, S.A.

Dominican Republic. On February 3, 2023, Compañía Dominicana de Teléfonos S.A. (“CODETEL”), as buyer, and Towers and Sites Dominicana, S.A.S. (Operating Subsidiary) (“Sitios RD”), as seller, entered into an asset purchase agreement in respect of an aggregate of 1,388 towers in the Dominican Republic. After giving effect to this acquisition and based on our own estimates, as of the date hereof our site inventory accounted for approximately 19% of the aggregate number of sites available in the countries in which we operate, taken as a whole.

On February 3, 2023, CODETEL, in its capacity as customer, and Sitios RD, on the other hand, in its capacity as service provider, entered into a Master Agreement for the Provision of Passive Infrastructure Sharing Services, whereby, among other matters, they agreed on the terms applicable to the provision of access and shared use of Passive Infrastructure in the Dominican Republic.

Finally, on May 11, 2023, CODETEL, as customer, and Sitios RD, as service provider, entered into a Tower Construction Agreement (Build-to-Suit), whereby they agreed on the terms applicable to the location of real estate and subsequent construction of towers, including, without limitation, the preparation of the works programs, as well as the steps and procedures required to obtain the necessary licenses and permits for the construction and operation of the towers.

Ecuador. On March 3, 2023, Otecel, S.A., in its capacity as customer, and Sites Ecuador S.A. (Operating Subsidiary), on the other hand, entered into a Master Agreement for the Provision of Passive Infrastructure, whereby, among other matters, they agreed on the terms applicable to the lease of Passive Infrastructure in Ecuador.

Peru. On March 31, 2023, América Móvil Perú, S.A.C. ("AMX Perú"), as seller, and Sites del Perú, S.A.C. (Operating Subsidiary) ("Sites Perú"), as purchaser, entered into an Asset Purchase and Sale Agreement, whereby they agreed on the terms and conditions applicable to the transfer of 2,980 towers located in Peru.

In addition, on July 27, 2023, AMX Peru, as seller, and Sites Peru, as purchaser, entered into an Asset Purchase and Sale Agreement, whereby they agreed on the terms and conditions applicable to the transfer of 224 towers located in Peru.

Considering the aforementioned acquisitions, and according to internal estimates, our share of the total sites in the countries in which we have a presence amounts to approximately 19%.

Finally, on August 29, 2023, and as a consequence of the aforementioned acquisitions, AMX Peru, as a customer, and Sites Peru, as a service provider, entered into a Master Agreement for the Provision of Passive Infrastructure Sharing Services, under which, among other matters, the terms applicable to the provision of passive infrastructure access and sharing services in Peru were agreed upon.

Colombia. On November 17, 2023, Comunicación Celular, S.A., Comcel, S.A. and, on the other hand, Sites Latam Colombia, S.A.S. (Operating Subsidiary), entered into a Telecommunications Infrastructure Commercialization Services Agreement, whereby, among other matters, they agreed on the terms applicable to the management, promotion and commercialization of Passive Infrastructure in Colombia.

Trading on Our Shares

On January 2, 2023, Sitios began operations with an opening price of Ps.9.50 (nine Pesos 50/100 National Currency) per share. The share price varied during 2023, closing with an average price of Ps.7.37 (seven Pesos 37/100 National Currency) throughout the year, reflecting fluctuations typical of a macroeconomically changing year considering instability in exchange rates, interest rates and inflation indicators in the countries where we operate.

The following table shows the trading prices and trading volumes for our Shares on the Mexican Stock Exchange during the period from January 1, 2023 to April 30, 2024:

Ticker	Period	Date	Last price	Minimum price	Maximum price	Average price	Volume
LASITE B-1	Annual	2023	6.93	6.04	9.78	7.37	1,876,516
	Quarterly	1T23	7.45	6.62	9.78	8.10	4,399,345
	Quarterly	2T23	6.90	6.68	7.66	7.22	813,862
	Quarterly	3T23	6.94	6.61	7.79	7.16	828,171
	Quarterly	4T23	6.93	6.04	7.86	7.00	1,468,134
	Quarterly	1T24	5.66	5.29	7.29	6.19	4,753,464
	Monthly	Jan. 23	8.71	8.20	9.78	8.97	3,355,895
	Monthly	Feb. 23	7.37	7.11	8.71	8.08	3,007,255
	Monthly	Mar. 23	7.45	6.62	8.07	7.24	6,645,054
	Monthly	Apr. 23	7.28	6.96	7.66	7.38	714,656
	Monthly	May 23	7.34	6.80	7.64	7.24	787,379
	Monthly	Jun. 23	6.90	6.68	7.53	7.08	921,513
	Monthly	Jul. 23	7.51	6.88	7.68	7.15	962,015
	Monthly	Aug. 23	7.16	7.04	7.79	7.28	856,700
	Monthly	Sep. 23	6.94	6.61	7.35	7.03	663,081
	Monthly	Oct. 23	6.45	6.04	7.17	6.67	307,325
	Monthly	Nov. 23	7.12	6.28	7.70	7.13	1,752,892
	Monthly	Dec. 23	6.93	6.93	7.86	7.25	2,512,485
	Monthly	Jan. 24	6.46	5.29	7.29	6.70	3,023,711
	Monthly	Feb. 24	6.02	5.56	6.60	6.01	5,429,327
	Monthly	Mar. 24	5.66	5.50	6.09	5.78	6,116,647
	Monthly	Apr. 24	5.34	5.15	5.70	5.37	555,915

Summary Financial Information

The selected financial information included in this annual report has been derived from our accounting records or our Financial Information, which reflect the effects of the Transaction and our operations as a separate entity. Such information should be read in conjunction with our Financial Statements and the notes thereto, which are included in this annual report, and with the explanations provided herein under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our Financial Statements and the financial information contained in the tables below have been prepared in accordance with IFRS.

To understand the factors and uncertainties that may cause our future results to differ from the financial information contained herein, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report.

The following is the financial information of the Issuer for the year ended December 31, 2023:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	As of December 31,		
(Million Pesos)	**2023**	**2022**	**2021 (Pro forma figures)**
Assets			
Current Assets			
Cash and cash equivalents	1,567	4,107	12,210
Accounts receivable, tax receivable, and other, net	4,383	4,497	3,424
Total current assets	5,950	8,604	15,634
Non-current assets:			
Property and equipment, net	71,064	69,571	64,844
Other assets	13	10	166
Right-of-use assets	19,149	12,985	15,521
Total Assets	96,176	91,170	96,165
Liabilities and equity			
Short-term debt and current portion of long-term debt	3,042	339	16,896
Liabilities related to short-term rights-of-use	1,763	3,403	3,298
Accounts payable	2,912	4,284	905
Total current liabilities	7,717	8,026	21,099
Non-current liabilities			
Long-term debt	50,114	49,970	42,816
Liabilities related to long-term rights of use	18,408	9,696	12,285
Deferred income taxes	12,644	14,251	12,401
Asset retirement obligations	6,088	5,436	4,187
Total non-current liabilities	87,254	79,353	71,689
Total liabilities	94,971	87,379	92,788
Equity:			
Total equity	1,205	3,791	3,377
Total liabilities and equity	96,176	91,170	96,165

Consolidated Statements of Financial Position

Consolidated Statements of Comprehensive Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	For the year ended December 31,			
(Millions of Pesos)	**2023**	**2022**	**2022 (Pro forma figures)**	**2021 (Pro forma figures)**
Operating income				
Infrastructure rentals	7,834	3,480	8,324	7,253
Lease of floor space	5,298	1,730	3,917	4,884
Other income	112	52		
	13,244	5,262	12,241	12,137
Operating costs and expenses:				
Service cost	346	141	428	619
Operating expenses	1,029	310	610	617
Depreciation	7,854	2,528	7,390	6,512
Total	9,229	2,979	8,428	7,748
Operating income (loss)	4,015	2,283	3,813	4,389
Net interest expense	(5,843)	(2,040)	(3,061)	(4,657)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	For the year ended December 31,			
(Millions of Pesos)	2023	2022	2022 (Pro forma figures)	2021 (Pro forma figures)
Net foreign exchange gain (loss)	29	(705)	(1,127)	(862)
Other financial costs	1,164	1,103	1,299	(487)
Income (Loss) before income taxes	(635)	641	924	(1,617)
Income taxes	1,121	346	1,145	(517)
Minority participation	238	21	-	-
Annual net income (loss)	(1,994)	274	(221)	(1,100)

[XBRL] Risk factors

Investing in our Shares involves risks. Prospective investors should carefully read and understand the risks described below, in addition to the other information included in this annual report, before deciding to purchase our Shares. Such risks are not the only risks and uncertainties to which we are subject. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also affect us. If any of the following risks were to materialize, the market price or liquidity of our Shares could decrease, and investors could lose all or part of their investment.

Risks Relating to the Our Company

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

We are a recently incorporated company 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 recently established business, including the risk of not being able to achieve our operating objectives or to implement our business strategy in line with planned projections. 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 our Financial Statements may not be indicative of our future performance or the performance of other providers of telecommunications infrastructure with a significant establishment. Our limited operating history exacerbates the risks and uncertainties inherent to any investment in our Shares, and of the limited historical information may make it difficult to predict our long-term trends.

We continue to implement the required for us to continue operating as a separate entity.

Subsequent to the Spin-off of América Móvil, the implementation of transitional processes that contributed to the consolidation of the Issuer as an independent company began. Since most of these transitional processes have been completed, activities including, but not limited to, information technology, research and development, finance, legal, insurance, regulatory compliance and human resources have been performed directly by the Issuer or by unaffiliated third parties engaged by the Issuer, which were previously performed directly by América Móvil, and which are critical to the effective and appropriate performance of our operations.

Considering that these activities are being performed directly by the Issuer or by unaffiliated third parties hired by the Issuer, it is possible that such activities may continue to be implemented in order to obtain effective results, or on terms and conditions as favorable as when they were performed by América Móvil. In addition, it is possible that additional costs may be incurred during the performance of such activities that could materially adversely affect our business, results of operations or financial condition. If we prove unable to secure the administrative services we will require to operate efficiently, or if we incur in increased costs, our profitability, financial condition and results of operations could be materially and adversely affected.

The pro forma financial information included in this annual report has not been audited and may not be comparable with our future financial information.

The financial information for 2021 and for the period from January 1, 2022 to August 7, 2022, included in this annual report, has been prepared on a pro forma basis, using assumptions and estimates about certain matters, including about those of our Operating Subsidiaries whose Passive Infrastructure was not acquired by us during the period covered by such pro forma financial information. In preparing our pro forma statement of financial position for the aforementioned periods, our management used estimates about (a) our revenues, based on our projected number of towers and the expected average lease term per tower, (b) the expected cost of managing our towers as a separate entity and (c) the functional currency of each of our Operating Subsidiaries based on the local currency of its respective jurisdiction. In addition, our Financial Statements have been 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 information has not been audited. The outcome of any audit, review or other similar assessment could give rise to changes in the financial information included herein.

A decrease in the demand for Passive Infrastructure from our Operating Subsidiaries would adversely affect our results of operations, and we have no control over such demand.

A decrease in demand for Passive Infrastructure would materially and adversely affect our results of operations. 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 due to events beyond the Issuer's control;
- governmental restriction or limitation of spectrum licenses of radiocommunications operators;
- zoning, environmental, health or other regulations or changes in the application and enforcement thereof;

- decreased demand for radiocommunications services due to general economic conditions, disruption in the financial and credit markets or global social, political or health crises, such as the material adverse effect of the COVID-19 pandemic on the global economy;

- the ability and willingness of radiocommunications operators to maintain or increase capital investments 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 (i) the amount or type of infrastructure or communications locations required for the provision of radio communications services in certain locations, or (ii) impairments in the existing wireless networks; and

- technological changes that are difficult to predict.

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 sites and, accordingly, on our business, financial condition and results of operations.

Our existing and prospective customers, suppliers and others with whom we do or may do business could require us to provide them with assurance as to our financial stability and ability to meet our capital requirements as a separate entity before doing or continuing to do business with us.

Some of our existing and prospective customers, vendors and others with whom we do or may do business through our Operating Subsidiaries could require us to provide them with assurance as to our financial stability and ability to satisfy our capital requirements as a separate entity before doing or continuing to do business with us. Such entities may also opt for doing business with larger companies than us. Any default with our obligations to our customers, vendors and others with whom we do or may do business, including as a result of a downturn in our financial stability, could have a material adverse effect on our business, financial condition, results of operations or cash flows.

We currently rely primarily for business on entities controlled by AMX, and we anticipate that we will continue to rely on a limited number of customers in the future.

During the year ended December 31, 2023, we derived 86% of our operating revenues from subsidiaries or affiliates of AMX and the remaining 14% from unrelated customers such as Telefónica, TIM and Tigo (Millicom).

Even when we have expanded our customer portfolio, a significant portion of our revenues depend and are focused on a limited number of customers. Accordingly, the occurrence or a concurrence of certain events, including (i) a decrease in the demand for Passive Infrastructure sharing arrangements, (ii) a decrease in the capital investments of our customers or (iii) the unwillingness or inability of AMX's subsidiaries to perform their financial or other obligations under their agreements with our Operating Subsidiaries for the construction and development and/or the operation of sites by the latter, could have a material and adverse effect on our business, financial condition, results of operations and growth projections.

In addition, AMX's subsidiaries could end their business relationships with our Operating Subsidiaries in favor of our competitors or could enter our market through the development of their own Passive Infrastructure.

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 Brazil, due to the recent consolidation in the telecommunications market, operators have evaluated, announced and implemented plans to reduce duplicate segments in their networks, which has affected the different contract bases of Passive Infrastructure owners.

We may fail to realize the benefits from future acquisitions of towers by our Operating Subsidiaries.

A key element of our growth strategy has been the expansion of our tower 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. However, we may not always be able to analyze and verify all the information regarding titles, possession and other issues with respect to the land under our towers.

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 actions with respect to such industry;
- special regulations for preponderant or dominant operators;
- the ongoing need for network upgrades and additional spectrum to expand their customer 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 for our sites or enter into new agreements for the space available in the Passive Infrastructure of our Operating Subsidiaries, 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 to the effect that the existing agreements for our sites 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 will continue to develop and acquire sites. To the extent that any of the Passive Infrastructure capacity of our Operating Subsidiaries remains unused for an extended period of time, our revenues would decrease, or we would not earn revenues at all from the relevant site, which would affect our financial condition and results of operations.

Our agreements for our sites may prevent us from earning revenues from a site if all or part of such site becomes damaged. If all or part of any of our sites becomes damaged as a result of certain events, including natural disasters or civil unrest, our ability to continue earning revenues from such site would be diminished, resulting 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. 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 in additional capital expenditures and a considerable implementation period to provide new types of services or implement new Passive Infrastructure technologies. A material increase in our capital requirements could adversely affect our profitability.

In connection with of our service agreements with AMX, under certain limited circumstances we may be required to incur in certain capital expenditures in connection with the improvement of existing sites occupied by carriers that are subsidiaries of AMX. 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 (i) unanticipated delays in or cost overruns as a result of the adoption of measures in response to changes in regulation, (ii) unanticipated expenses, (iii) changes in engineering and design, or (iv) technological changes, including unexpected technology phase-outs. We can give no assurance as to the future availability of external financing at competitive rates when or in the amounts necessary to address our requirements in connection with these matters.

Our inability to secure financing to fund our capital expenditures would 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 may experience difficulties to secure financing to fund our working capital requirements, capital expenditures and growth strategy.

We depend on our ability to secure financing to meet our working capital requirements and fund our capital investments and growth strategy. To the extent we require additional resources to finance our expansion initiatives, we plan to fund such requirements through our operating cash flows and, where necessary, additional bank loans. We can give no assurance as to our ability to generate cash flows in amounts that are sufficient or our ability to continue to obtain financing from our existing or other sources on terms no less favorable to us than those available to us under our existing financing arrangements. Adverse changes in the credit markets in the countries in which we operate, including increases in interest rates, decreases in liquidity or lenders' preference for long-term credit facilities, could increase our cost of borrowing to obtain financing for our operations or refinance our existing indebtedness. If we are unable to gain access to additional capital in acceptable term, our cost of borrowing may increase and limit our ability to implement our expansion plans, which could materially and adversely affect our business, financial condition and results of operations.

We maintain or guarantee debt that could significantly impact our development strategy.

Our level of debt, the debt of our subsidiaries that we guarantee and the terms and conditions on which such debt is contracted may have material consequences, including:

- limiting our ability to use our cash flow or obtain additional financing for working capital, capital expenditures, acquisitions or other future general corporate purposes;
- restricting our ability to make certain payments;
- restricting our ability to make dividend payments;
- restricting our ability to incur additional debt;
- restricting our ability to use the proceeds from the sale of assets as we deem appropriate;
- requiring a substantial portion of our cash flow from operations to make debt payments, particularly in the event of a default under any of our other debt instruments;
- requiring our cash flow as a means to make prepayments instead of using such resources for investing and operating expenses;
- increase our vulnerability to the effects of adverse economic and industry conditions, including rising interest rates, currency exchange rate fluctuations and market volatility;
- limiting our flexibility to plan for or react to changes in our business and industry conditions;
- limiting our ability to make additional acquisitions; and
- place us at a competitive disadvantage compared to our less leveraged competitors.

We cannot guarantee that we will meet our financial obligations in the future, or that in the event of default we will obtain waivers from the respective lenders, and in such cases, our ratings could be adversely affected, and the respective lender could demand early payment of the related financing, which could have a negative impact on our operations, operating results and prospects.

We cannot guarantee that we will continue to generate sufficient cash flow in adequate amounts to service our indebtedness, meet our working capital and capital expenditure requirements or carry out our expansion plans. To the extent we are unable to generate sufficient operating cash flow, or if we are unable to borrow or obtain additional financing, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing indebtedness or obtain additional financing through equity or debt issuances, which could impact our growth and our operating results and financial condition. In such cases, we cannot provide any assurance that we will be able to refinance our indebtedness, sell assets or obtain additional financing on terms acceptable to us. In addition, our ability to incur additional debt will be limited under our credit agreements.

In the event that changes in financial indebtedness result in a breach of the terms of the credit agreements and other instruments documenting the indebtedness incurred, this could, among other consequences, limit our ability to make future acquisitions or enter into other transactions (including future financing transactions or the refinancing of our indebtedness) or even cause the respective lender to require the prepayment of the related financing, which could have an adverse impact on our operations, operating results and prospects.

We are a party to several credit agreements for which we have committed to comply with restrictive covenants and maintain certain financial ratios. If we are unable to satisfy our covenants or maintain the financial ratios set forth in such agreements, our indebtedness could accelerate and become immediately due and payable, requiring us and our subsidiaries to restructure such indebtedness, which is likely to impact our flexibility and have an adverse impact on our financial condition and operating results.

We are exposed to changes in reference rates (for example, the Interbank Equilibrium Interest Rate (TIIE), London InterBank Offered Rate (LIBOR), Secured Overnight Financing Rate (SOFR), among others) that are unrelated to the Issuer's performance, but which may increase or decrease the financial cost of the Issuer.

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 later 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;
- damages to our sites or constructions 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 or 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 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 economic slowdowns in certain regions, decreases in the demand for wireless communications services, our inability to compete effectively with other participants in the Latin American market for telecommunications infrastructure, the development of new technologies that reduce the need for tower-based wireless communications, resulting in decreased demand for space in our sites, our inability to renegotiate our lease-ups, or mergers or consolidations that reduce the number of wireless carriers and the infrastructure leasing needs of the combined entities. 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 Built-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. In the event of our failure 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 would 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 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 counterparts, 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 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 to the effect that a given acquisition will produce the expected benefits or effects. For example, there is no assurance to the effect 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 are 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, 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 scheduled for reasons beyond our control.

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

Further, we will be subject to risk factors 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. We can give no assurance to the effect 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 rents 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 our operations, we incur maintenance expenses with service providers not affiliated with our Operating Subsidiaries under service agreements. The service agreements have been entered into by our Operating Subsidiaries with unrelated service providers.

Our overhead expenses include wages and salaries, social security contributions, share-based expenses, retirement benefits and other unanticipated expenses and commitments.

Our other operating expenses include energy costs, the costs associated with the transitional service agreements between each of our Operating Subsidiaries and its respective local holding company, with our long-term service agreements and with certain support agreements between our Operating Subsidiaries and subsidiaries of América Móvil, and other general and administrative costs. Except for our energy costs, all of our costs are largely fixed and increase primarily by reference to the inflation in each country. We incur energy costs to supply our customers with power energy resources to fuel their active infrastructure ("active energy") and proprietary passive infrastructure ("passive energy") While active energy costs are passed on to our customers based on usage at no profit to us, our passive energy costs are typically offset through the fixed annual site fees in effect in each of our markets. In most countries, our sites are supplied with energy directly by utility companies.

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 vulnerable costs increasing faster than expected or of having to renegotiate some of our fixed-cost arrangements upon their expiration. We can provide no assurance to the effect 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 AMX and other operators, 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 will seek to improve our margins by reducing the number of real properties we lease from third parties and our maintenance and energy costs. We have established 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. We anticipate that our land-lease optimization program will increase the appeal of our sites by reducing our long-terms costs and securing land-ownership rights in the long term. Similarly, we are focused on improving our maintenance costs and fuel efficiencies.

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.

We have no operating experience in countries outside Argentina, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico and Uruguay.

We have no operating experience in countries outside Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Dominican Republic and Uruguay, and we may be unable to develop constructive relationships with the local authorities and with our customers and employees in new jurisdictions. In addition, the laws and regulations in effect in other jurisdictions may differ significantly from those in the countries in which we currently operate. If we expand our operations to other countries, any delay in adapting or our inability to adapt to the local business and regulatory environments could have an adverse effect on our business, financial condition and results of operations.

We constantly pursue opportunities for the acquisition of additional sites and have completed site acquisitions in various jurisdictions. We can give no assurance as to our ability to successfully integrate any such acquisition to our existing operations, and we may not realize any benefits from or may lose our investments.

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 in 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 to the effect 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 of fail to gain acceptance by consumers subsequent to their deployment, any of which could have a material adverse effect on our growth. These factors could have a negative impact on our growth.

If we are unable to protect our rights to the land under 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 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 under our Passive Infrastructure, which could 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 under our Passive Infrastructure 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 10 years, and we actively seek to increase the average term of our leases. Our inability to protect our rights to the land under our Passive Infrastructure may have a material adverse effect on our business, financial condition or results of operations.

Increasing competition within the telecommunications industry may adversely affect our revenues and profitability.

We expect that competition within our industry will intensify in the future as a result of the entry of new competitors, the development of new technologies, products and services and convergence. We also expect consolidation in the telecommunications industry, as companies respond to the need for cost reduction and additional spectrum. 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 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.

Some of the leases for the land on which our towers are 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 tower assets, a significant number of our sites are 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, we continue to renegotiate the terms of some of those leases transferred to us by AMX. 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 as a 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 ground lease aggregators that could take advantage of their size to negotiate terms which are less favorable to us, which could affect our ability to renew ground agreements on commercially viable terms.

Some of our subsidiaries and affiliates have experienced disputes with landowners 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 clients. 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, upon our organization the leases for certain sites were assigned to our Operating 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 AMX or its subsidiaries with respect to such sites.

Our inability to renew ground 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. In the event of occurrence of any of these events 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 and adversely affected.

Our sites or support locations could become damaged as a result of natural disasters, events of force majeure of acts of God, acts of violence or other unforeseen developments.

Our sites, 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 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.

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 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. We cannot provide any assurance to the effect that our insurance proceeds will be sufficient to cover our repair costs or that our recovery plans will be fully effective. Moreover, in addition to limiting our ability to service our customers the occurrence of an unforeseen event could result reputational damages to us and, consequently, in a loss of customers for which we may elect to pursue legal action or litigation seeking damages or the enforcement of other contractual remedies (such as the payment of penalties or the termination of the relevant agreement). The occurrence of any of the aforementioned events could have a material adverse effect on our business, financial condition and results of operations.

We retain 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 of the above, 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 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. 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.

We endeavor to maintain good relationships with our employees, unions, workers' representatives and other stakeholders as a basis for the successful conduction 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 labor 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 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 the applicable labor laws, some of our employees enjoy of 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 above, 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 would 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 (5) and ten (10) years and such agreements are renewed automatically upon expiration for 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 main customers elects to terminate its service agreements with one of our Operating Subsidiaries or abandons a significant number of sites, the revenues of the relevant

Operating 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.

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 record fair value losses in respect of such instruments. In addition, the creditworthiness of counterparts to any such transaction may deteriorate significantly. This could prevent our counterparts from honoring their obligations to us, which would expose us to market risks and could have a material adverse effect on us.

We intend to consider using derivative financial instruments in the future. If we do so, we may be required to make cash payments or post cash as collateral in connection with our derivative financial instruments.

Related Party Transactions.

In the ordinary course of our business, we engage and will continue to engage in transactions with related parties. We have implemented procedures to ensure that all of our transactions with related parties are entered into on an arms' length basis and, where necessary, will commission transfer pricing analyses of such transactions. In addition, any related party transaction regarded as material by reason of its nature or amount is subject to prior approval by our corporate bodies. Notwithstanding the above, we can give no assurance to the effect that our transactions with related parties will not create conflicts of interest.

We are subject to anti-bribery, anti-corruption 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 most of 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 to the effect 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 costumers, shareholders, employees, tax authorities or injured persons, and claims related to commercial, labor, employment, antitrust, securities, tax or other matters.

Moreover, the process of litigating disputes may be costly even if we are successful and may approximate the cost of damages sought. 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.

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.

Our operations are subject to numerous laws and regulations.

As a provider of site and Passive Infrastructure services, our operations are subject to numerous laws and regulations in each of the countries in which we operate. We are exposed to a significant degree of intervention on the part of tax, regulatory and other authorities, as well as to litigation and 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, 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. These limitations and conditions could impair our operations and have a material adverse effect on our financial condition and operating results.

In addition to its impact on the scope and profitability of our operations, ongoing compliance with the laws and regulations to which we are subject involves and will continue to involve significant amounts of time and resources, which could materially and adversely affect our results of operations.

In the event of the enactment of new laws or regulations or changes in the enforcement of the laws and regulations to which we and our customers are currently subject, our compliance with such laws and regulations could adversely affect our ability to compete with other market participants who are not impacted to the same extent as us. Moreover, the regulations that govern the operations of site companies 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.

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 or extending the term of 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 under our Passive Infrastructure, which could 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 under our Passive Infrastructure 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 7 (seven) to 10 (ten) years. Our inability to protect our rights to the land under our Passive Infrastructure may have a material adverse effect on our business, financial condition or results of operations.

We may be treated as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes, which may result in adverse tax consequences for U.S. holders of our Shares, but we are not required to give notice of such circumstance to our investors.

We may be treated as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes with respect to a given taxable year, which may result in adverse tax consequences for U.S. holders of our Shares, but we are not required to give notice of such circumstance to our investors. We are not required and do not intend to inform our investors of our treatment as a PFIC with respect to any taxable year.

U.S. holders should consult their own tax advisors as to the consequences of such treatment as they relate to their Shares in the light of their own particular circumstances.

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

Our investments in our sites could prove illiquid, which would limit our flexibility to adjust 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 in 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.

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 make 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 to the effect that our customers and vendors would agree to alternative arrangements rather than terminating their site access agreements with us, which could have a material adverse effect on our financial condition and results of operations.

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 or results of operations.

Increased competition in the radiocommunications infrastructure industry could have a material adverse effect on us.

We may face increased competition, which could give rise to a sharp increase in the cost of acquisition of high-quality assets, impair our ability to grow, force us to lower our prices and, accordingly, result in a decrease in our operating margins. Some of our competitors, such as the providers of Passive Infrastructure services who offer access to their towers, may be larger than us or have greater financial resources than we do.

The telecommunications industry is 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 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. 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.

The total or partial collapse, inadequate operation or other occurrence involving any of our sites could result in property damages, personal injury or death, any of which could damage our reputation and have a negative impact on our financial condition.

The total or partial collapse, inadequate operation or other occurrence 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 the applicable laws. In addition, 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. Any such occurrence could have a material adverse effect on our business, financial condition and results of operations.

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

We may incur indebtedness, which could directly or indirectly:

- limit our ability to satisfy our obligations under our debt securities;
- limit our ability to pay dividends;
- 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; 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 or refinancings or raising capital through the issuance of shares. We may not be able to implement these strategies in 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.

Failure to comply with the applicable laws and regulations, which can change at any time, would expose us to the risk of penalties and the potential loss of some of our rights in respect of certain operations.

Our operations are subject to multiple laws and regulations. Our failure to comply in full or in part with any applicable law or regulation could result in penalties and indemnification obligations. We cannot give any assurance to the effect that current or future laws and regulations, including those relating to taxation, will not give rise to the imposition of restrictions on our operations or require us to incur additional costs. These factors could have a material adverse effect on us.

Most of our Operating Subsidiaries are organized under the laws of foreign jurisdictions and are subject to regulation and oversight by the competent authorities of their respective jurisdictions.

Most of our Operating 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 their respective jurisdictions. Government actions and policies and the applicable laws, regulations and statues in the countries in which we operate, or changes therein, 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. Increased regulation or regulatory changes generally in the countries in which we operate could have a material adverse effect on our financial condition and results of operations.

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 regulation 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 on 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. Restrictions such as those described above could result in lower revenues and require capital investments, all of which could materially adversely affect our businesses and results of operations.

Our Passive Infrastructure may be affected by natural disasters and other unforeseen events for which our insurance may not provide adequate coverage.

Our Passive Infrastructure is subject to risks associated with natural disasters such as ice storms, snowstorms, windstorms, rainstorms, tropical storms, solar flares, hurricanes, tornadoes, floods, avalanches, mudslides, earthquakes, sinkholes and other unforeseeable events. Any damage to or the destruction of elements of our Passive Infrastructure or databases may impact our ability to provide services to our customers While we maintain insurance coverage for certain natural disasters, we may not have adequate or sufficient insurance to cover the associated costs of repair or reconstruction after an event of force majeure.

We are a holding company and our ability to pay dividends depends on our Operating Subsidiaries' ability to pay dividends and make other transfers to us, irrespective of our ability to generate profits on our own.

We are a holding company we and conduct our operating activities primarily through our Operating Subsidiaries. As a result, our ability to pay dividends depends primarily on our Operating Subsidiaries' ability to generate profits and pay dividends to us. Our Operating Subsidiaries are separate legal entities. The ability of our Operating Subsidiaries to pay dividends or advances, repay loans and make distributions is subject to general limitations imposed by the laws of their respective jurisdictions relating to the distribution of earnings and employee profit sharing. The ability of any shareholder seeking to enforce a court decision against us is limited by the available assets of our Operating Subsidiaries. The payment of dividends by our Operating Subsidiaries is also subject to their respective earnings and to business considerations of their own. In addition, the ability of a given Operating Subsidiary to transfer assets to us in connection with a reorganization or the liquidation of such Operating Subsidiary is limited by the rights of its creditors, including the holders of accounts receivable.

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 and regions 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 the 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.

Our relationship with AMX 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 AMX 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.

Insurance proceeds may not be sufficient to cover our actual damages.

Insurance proceeds 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. Uninsured losses could result in significant unanticipated expenses that could have an adverse impact on our business, financial condition or results of operations.

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

EBITDAaL is not a measure recognized by IFRS and does not have a standard definition. We present our EBITDAaL in this annual report because we believe it may be useful to some investors as a supplemental measure of our financial performance and ability to repay our debt and fund our capital expenditures. EBITDAaL is not a measure of our liquidity or financial performance under IFRS and should not be construed as an alternative to our net profit, cash flows from operating activities or other measures under IFRS. EBITDAaL, as presented by us, may not be comparable to similarly titled measures presented by other companies in Mexico or other jurisdictions.

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 or a lower market price for our Shares. 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 agreements with AMX, including those relating to the Restructuring, were negotiated within the context of a relationship between affiliates.

Our master service agreements, site agreements and support, supply and other material agreements with AMX, as well as our policies and procedures regarding related party transactions, were negotiated by individuals who at the time were employees of AMX. 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 with unaffiliated third parties, including as to fees, performance criteria, contractual of 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.

Most of the aforementioned agreements entered into with AMX have been amended or are in the process of being amended in order to achieve adequate market conditions for transactions of this type.

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 licenses, or alterations or interpretations thereof, or suspending or terminating business under prior licenses;

- failure to comply with anti-bribery laws;
- 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, and those arising from our operations, investments and financing transactions related to our business. The increase in the volatility of foreign currency exchange rates could affect our ability to plan, forecast and budget for our operations and expansion efforts.

Out of our total site leasing revenues generated during 2023, 44.6% was denominated in U.S. Dollars, 41.1% was denominated in Brazilian Reais, 7.7% was denominated in Chilean *Unidades de Fomento (Chilean Pesos indexed to inflation),* and the remaining 6.6% was denominated in Peruvian Soles. A weakening of these foreign 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.

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). These events could disrupt or impede our operating or financial capabilities and could adversely affect our business and results of operations.

Natural disasters, increases crime rates or outbreaks of disease 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 or results of operations.

The occurrence of any major disruption, catastrophic natural event or pandemic of any kind could have a negative impact on the demand for our services could (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. Among other things, the negative impact of COVID-19 on our business could grow, 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 available prior to the occurrence of the major disruption, catastrophic natural event or pandemic in question and, depending on the spread and impact thereof, we may be forced to adopt a series of measures to ensure our business continuity and preserve our working capital.

We cannot give any assurance to the effect that we will not be affected by these or other similar, unforeseen developments or that our insurance coverage for those occurrences will be sufficient. In addition, any of the aforementioned developments could give rise to a material increase in our insurance premiums, which could have an adverse effect on our financial conditions or results of operations.

We will not furnish information to the SEC on an ongoing basis.

Pursuant to rule 12g3-2(b) under the U.S. Securities Act of 1934, as amended, we are required to publish in our website, in English, our annual and quarterly reports, relevant event announcements and any other information we make public in Mexico. However, since the Issuer's operations and securities are not located in the United States, we will not be required to file annual reports in Form 20-F or periodic reports in Form 6-K before the U.S. Securities and Exchange Commission. As a result, the amount and type of information we distribute to our shareholders is not as extensive or detailed as the information that holders of American Depositary Shares are used to.

Risks Relating to Mexico and Other Countries

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 Mexico and the United States.

Many countries in Latin America and the Caribbean, including Mexico, Brazil and Argentina, have undergone significant economic, political and social crises in the past, and these events may occur again in the future. 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. In addition, the perception of risk in the countries in which we operate may have a negative effect on the trading price of our Shares and may restrict our access to international financial markets.

For example, in recent years several of the countries in which operate have held presidential elections, which could lead to changes in economic and social policies, and we have no control over any of these events. Our operations could be particularly affected by conditions in Mexico and Brazil, with which we maintain close ties. In June this year, presidential elections will be held in Mexico, which will result in a new administration, including changes in the Congress with no prediction as to which political parties will hold the majority of the members of both chambers.

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.

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 result in exchange losses or gains on our net indebtedness and accounts payable. During the year ended December 31, 2023, such fluctuations led us to report a foreign exchange gain, net, of Ps.29 million. The effect of these fluctuations could vary significantly as a result of future material changes in foreign exchange rates or changes in our leverage structure, revenues or costs and could affect our accounting policies, including our definition of functional currency.

In addition, currency fluctuations between the Mexican Peso and the currencies of our non-Mexican subsidiaries 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 would 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 U.S. Dollars and other currencies for the purpose of making timely payments of interest and principal on our indebtedness.

For example, although the Mexican government does not currently restrict the right or ability of Mexican or foreign persons or entities to convert Mexican Pesos into U.S. Dollars or to transfer other currencies out of Mexico, it could institute restrictive exchange rate policies 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.

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

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

Risks Relating to the Acquisition and Ownership of Our Shares

Future offerings or sales of our Shares by our controlling shareholders, or the perception that these sales may occur, could result in dilution or a decline in the market price of our Shares.

While we do not currently plan to do so, in the future we may choose to issue additional equity securities, including Shares and/or securities convertible into or exchangeable for Shares, in order to raise capital to finance acquisitions or for general corporate purposes. Additionally, our majority shareholders could elect to reduce the size of their equity interests in us. Such sales, issuances or the perception that they may occur could result in a dilution of the economic and corporate rights of our shareholders or lead to negative perceptions about the market and could cause the market value of our Shares to decline.

The possibility that our Shares may trade at a discount to their book value is separate and distinct from the risk that our book value per Share may decline. We cannot predict whether our Shares will trade above, at or below book value.

Future offerings of securities that rank senior to our Shares could limit our operational and financial flexibility and could adversely affect the market price and dilute the value of our Shares.

If we issue debt securities which rank senior to our Shares or otherwise incur additional indebtedness in the future, such securities or indebtedness could be governed by indentures or other documents that include covenants that limit our operational flexibility, our ability to make distributions to holders of our Shares or our ability to incur additional indebtedness, carry out acquisitions or make capital expenditures, including payments of dividends. In addition, if we issue securities convertible to or exchangeable for our Shares in the future, such securities could carry rights, preferences or privileges, including the right to receive distributions that are more favorable than our distributions on our Shares, resulting in dilution to the holders of our Shares. Any future decision to issue debt securities for sale in connection with a public offering or otherwise, will depend on market conditions and other factors over which we have no control, and we cannot estimate or predict the amount, timing or nature of any future offering or other financing arrangement, any of which could lead to a decline in the market price of our Shares and dilute their value.

A sufficiently liquid market for our Shares may not develop subsequent to the registration and listing of our Shares for trading on the Mexican Stock Exchange. The market price of our Shares may fluctuate significantly, and investors could lose all or part of their investment.

The Shares were listed on the Stock Exchange in September 2022 and, since then, have performed with fluctuations; however, we cannot predict whether investors may face difficulties in selling the Shares. We cannot predict the extent to which investors' interest in us will lead to active trading in our Shares on the Mexican Stock Exchange, or the degree of liquidity of the market for our Shares. The market price of our Shares as of the date of this annual report may not be indicative of future trading prices of our Shares. Accordingly, investors may be unable to sell the Shares they own at a price which is greater than or equal to the purchase price they paid for such Shares. In addition to the aforementioned risks, the market price of our Shares could be affected by various factors over which we have no control, including:

- significant volatility in the market price and trading volume of securities of companies in the sectors in which we and our subsidiaries operate, which are not necessarily related to the performance of such companies;

- financial analysts not covering our Shares subsequent to their listing, changes in the financial forecasts and recommendations of financial analysts that cover our Shares or the shares of our competitors, or our inability to meet or exceed the expectations of such financial analysts;

- the performance of the Mexican economy or the sectors and countries in which we operate;
- changes in our net profit or fluctuations in our results of operations;
- differences between our actual financial condition and results of operations and those expected by investors;
- the performance of companies comparable to us or our subsidiaries;
- announcements by us or our competitors of significant agreements, acquisitions, strategic alliances, joint ventures or capital commitments;
- new tax and other laws or regulations, or new interpretations of tax and other laws and regulations, applicable to our business or the businesses of our subsidiaries;
- investors' perceptions about us and the sectors in which we operate;
- actions by our principal shareholders with respect to the disposition of the Shares they own, or the perception that such actions might occur;
- additions or departures of key management personnel;
- perceptions about our management style and the manner in which members of our senior management discharge their duties;
- increased competition;
- general economic trends in the Mexican or global economies or financial markets, including those resulting from wars, terrorist acts or responses to such events; and
- political conditions or events in the countries in which we operate, or worldwide.

Stock markets generally experience substantial volatility in trading prices and volumes that is often unrelated or disproportionately related to the operating performance of particular companies. We cannot predict whether our Shares will trade above, at or below book value.

Broad market and industry factors could materially and adversely affect the market price of our Shares, regardless of our actual operating performance.

Our Shares could trade at a discount to their book value.

The possibility that our Shares may trade at a discount to their book value is separate and distinct from the risk that our book value per Share may decline. We cannot predict whether our Shares will trade above, at or below book value.

Our proceeds from any future sale of Shares will be denominated in Mexican Pesos and the exchange rate between the Mexican peso and the U.S. Dollar is subject to fluctuation.

Any significant fluctuation in the exchange rate between the Mexican peso and the U.S. Dollar could have a negative impact on our net proceeds from any sale of our Shares. We cannot predict the extent to which such exchange rate may fluctuate in the future.

Our principal shareholders exercise significant influence on us, and their interest may differ from the interest of our minority shareholders.

Our principal shareholders have the ability to determine the outcome of the vote on any decision submitted for approval by our shareholders at a meeting thereof and, accordingly, exercise control over business decisions such as:

- the composition of our Board of Directors and, consequently, the course of our business and policies, including those relating to the appointment and removal of our senior management;

- mergers, business combinations or other corporate and operational reorganizations, including those resulting in a change of control;

- acquisition, divestitures or assignments of our assets, including the acquisition of new businesses; and

- our permitted level of indebtedness.

The vote of our principal shareholders could lead us to take actions that could be in conflict with the interests of other shareholders. We can give no assurance to the effect that our principal shareholders will not take actions which are only in their own interest.

In compliance with Mexican law, our bylaws restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders.

As required by Mexican law, our bylaws provide that non-Mexican shareholders are regarded as Mexicans with respect to the Shares held by them, to property rights, concessions, participations and interests we own, and to rights and obligations derived from any agreements we have with the Mexican government. Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the shareholder's rights as a shareholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in our company. If a non-Mexican shareholder invokes such governmental protection in violation of this agreement, its Shares could be forfeited to the Mexican government.

The market price of our Shares could be affected by market conditions in other countries.

The securities markets in the countries in which we operate are highly volatile, and economic and business conditions in Mexico and the United States, the financial condition or results of operations of Mexican companies and the market price of the securities of Mexican and U.S. issuers, may be affected to varying degrees by economic and market conditions in other countries. While economic conditions in other countries may differ significantly from economic conditions in Mexico and the United States, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican and U.S. issuers.

The protections afforded to minority shareholders in Mexico are different from those in the United States and other jurisdictions.

Under Mexican law, the protections afforded to minority shareholders and the fiduciary duties of officers and directors are different from those in the United States and other jurisdictions. Although Mexican law has been modified to reduce (to 5%) the percentage necessary to file a shareholder derivative suit (i.e., for our benefit, rather than the benefit of the shareholders) and to impose specific duties of care and loyalty applicable to our directors and to our principal officers, the Mexican legal regime concerning fiduciary duties of directors is not as comprehensive as in the United States and has not been subject to judicial interpretation. In addition, the criteria applied in the United States to ascertain the independence of corporate directors are different from the criteria applicable under corresponding Mexican laws and regulations. Further, in Mexico, the procedure for class actions is not as developed and tested as in the United States, and there are different procedural requirements for shareholder derivative suits. As a result, in practice it may be more difficult for our minority shareholders to seek remedies against us or our directors or officers than it would be for shareholders of a public company incorporated in the United States.

It may be difficult to enforce civil liabilities against our directors, officers and controlling shareholders.

We are a public company organized under the laws of Mexico, our principal place of business is in Mexico, and most of our directors, officers and controlling shareholders reside outside the United States. In addition, a substantial portion of our assets and their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the U.S. or in any other jurisdiction outside Mexico upon such persons or to enforce against them in courts of any jurisdiction outside of Mexico judgments predicated upon the laws of any such jurisdiction, including any judgment predicated upon the civil liability provision of U.S. securities laws. There is doubt as to the enforceability in Mexican courts, in original actions or in actions for enforcement of judgments obtained in U.S. courts, of civil liabilities arising under the laws of the United States, including any judgment predicated solely upon U.S. federal securities laws.

Preemptive rights may be unavailable to non-Mexican holders of our Shares.

Under Mexican law, if we issue new shares for subscription as part of a capital increase, subject to certain limited exceptions (including public offerings), we would be required to grant our shareholders the right to subscribe and pay for a sufficient number of shares to maintain their existing ownership percentage in our company. However, we may not be legally permitted to allow holders of our common shares in the United States and other jurisdictions to exercise any preemptive rights in any future capital increase unless, in the case of the United States, we file with the SEC a registration statement under the U.S. Securities Act of 1933 or, in the case of other jurisdictions, under any similar law, with respect to that future issuance of shares or the offering qualifies for an exemption from the registration requirements of the U.S. Securities Act of 1933.

At the time of any future capital increase, we will evaluate the costs and potential liabilities associated with filing a registration statement that allows non-Mexican shareholders to exercise their preemptive rights, as well as the indirect benefits from allowing such shareholders to exercise such rights, and any other factors that we consider important at that time. We will then determine whether to file a registration statement.

If we are unable to file such a registration statement, non-Mexican shareholders may not be able to exercise their preemptive rights in respect of future issuance of our Shares. In that event, the economic interests and holdings of voting shares of any shareholder who does not subscribe the capital increase, will decrease in proportion to the amount of the issuance.

Our bylaws contain provisions designed to prevent or delay a change of control.

Our bylaws provide that any acquisition or disposition of 10% or more of our Shares by any person or group persons acting in concert must be previously approved by our Board of Directors. As a result, our investors will not be able to acquire or transfer 10% or more of our Shares without the authorization of our Board of Directors. These provisions could discourage, hinder or impede a change of control of our company or a change in our management, which could adversely affect our minority shareholders and, possibly, the market price of our Shares. In addition, under the Mexican Securities Market Law (*Ley del Mercado de Valores*), any person or group of persons that intends to acquire control over our company will be required to conduct a public tender offer to purchase all of our outstanding Shares at the same purchase price to each holder that tenders its Shares.

A change of control of some of our subsidiaries could have a material adverse impact on our business, financial condition and results of operations.

Some of our service agreements may contain a change of control provision pursuant to which the customer would be entitled to terminate its agreement with our local Operating Subsidiary if such Operating Subsidiary is acquired by a third party. The occurrence of such a change of control could have a material adverse effect on our business, financial condition and results of operations.

There are certain requirements to maintain the listing of our Shares on the Mexican Stock Exchange, and non-compliance with these requirements could result in the suspension of the trading of our Shares on the Mexican Stock Exchange.

Mexican law imposes certain requirements that must be met in order to maintain the listing of our Shares on the list of securities authorized for trading on the Mexican Stock Exchange, including maintaining a free float of at least 12% of our capital stock. In the event of non-compliance with this requirement, the Commission and the Mexican Stock Exchange may suspend the trading of our Shares.

Forward-looking statements.

This annual report contains forward-looking statements. We may continue making forward-looking statements in the future in the periodic reports we file with securities regulators in accordance with the Rules issued by the Commission, in our annual and quarterly reports to our shareholders, in our offering circulars or prospectuses, in our press releases and other written materials, or in oral statements made by our directors, executive officers, employees, analysts, institutional investors, members of the media and others. Examples of forward-looking statements include the following:

- projections of our commercial, operating or financial performance, our capital structure or our other financial items or ratios;

- statements of our plans, objectives or goals, including those relating to acquisitions, competition and rates;

- statements concerning regulation or regulatory developments;

- statements about our future economic performance or that of Latin America or other countries in which we may operate;

- competitive developments in our industry;

- other factors and trends affecting our industry generally and our financial condition in particular; and

- statements of assumptions underlying the foregoing statements.

We use words such as "believe," "anticipate," "foresee," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "should" and other similar expressions to identify forward- looking statements, but they are not the only way we identify such statements

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward- looking statements.

These forward-looking statements speak only as to the date they are made, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information or future events or developments.

**[XBRL] Other securities*

As of December 31, 2023, we had no securities registered with the National Registry of Securities other than our Shares and, accordingly, we had not filed with any regulatory authority or stock exchange whatsoever any periodic or other report for public disclosure.

We have an issue of Senior Notes outstanding. Our Senior Notes are listed for trading on the Singapore Exchange (SGX). We are not required to file any periodic or other ongoing information with SGX in respect of these securities. However, we are required to disclose any information that could have a material effect on the trading price of such securities or on an investor's decision to engage in trading in such securities. We are also required to announce any redemption or the cancellation of those instruments. As of December 31, 2023, we had filed or disclose all the information that we are required to disclose under applicable law.

In addition, the Issuer acts as guarantor of a debt bond registered in the Public Registry of the Securities Market of the Peruvian Capital Markets Superintendency ("SMV") and in the Official List of the Luxembourg Stock Exchange ("LuxSE"). In connection with such bond, we are not required to submit to the SMV or the LuxSE any periodic and ongoing information. Notwithstanding the foregoing, in connection with the listing of such bond, we are required to disclose information that may have a material effect on the price or value of such bond or on an investor's decision to trade in such debt securities, as well as to announce the redemption or cancellation of such bond. As of December 31, 2023, we have complied with the submission and disclosure of information required by applicable law.

**[XBRL] Material changes in the rights attached to the securities that are registered with the Registry*

During the period from the date on which we were organized to December 31, 2023, the rights conferred by the securities that are registered with the National Securities Registry did not change in any material respect.

**[XBRL] Use of proceeds, if applicable*

Not applicable. We are a issuer of equity securities incorporated as a result of the América Móvil Spin-off.

**[XBRL] Public documents*

The information contained in this annual report and its exhibits is available for review on the Mexican Stock Exchanges website, www.siteslatam.com, the Commission's website, www.gob.mx/cnbv, and our own website, www.siteslatam.com.

Pursuant to rule 12g3-2(b) under the U.S. Securities Act of 1934, as amended, we are required to publish on our website, in English, our annual and quarterly reports, relevant event announcements and any other information we make public in Mexico.

We will provide a copy of this annual report to any investor upon written request to the attention of María Paloma Vértiz Robleda, Investor Relations Department, Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Ciudad de Mexico, Mexico, (52) 55 1169 1251, investor.relations@siteslatam.com.

[417000-N] The Issuer

[XBRL] History and evolution

Our corporate name is Sitios Latinoamérica, S.A.B. de C.V. and we do business as "Sites LATAM." 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 radiating equipment and other Active Infrastructure for the provision of radiocommunications services, as well as the provision of other related services to the telecommunications sector.

Pursuant to this business approach, our Operating Subsidiaries provide access to and the right to use their Passive Infrastructure to telecommunications carriers in the Latin American countries in which we operate, including América Móvil's subsidiaries.

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

(i) 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.

(ii) Extraordinary general meeting of shareholders of América Móvil. At the extraordinary general meeting of shareholders of América Móvil held September 29, 2021, América Móvil's shareholders approved the América Móvil Spin-off, subject to certain conditions, and, accordingly, the assignment to us of certain assets, liabilities and capital;

(iii) 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., AMX 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, to the effect that:

a. the América Móvil Spin-off would meet the holding period requirement set forth in Article 14-B(II)(a) of the Mexican Federal Tax Code (*Código Fiscal de la Federación*) if the holders of no less than 51% of the shares of stock of each of América Móvil and Sitios Latinoamérica were to remain the same during the period specified in such article, and provided that the aforementioned percentage was determined on the basis of the numbers of shares stipulated in the aforementioned article;

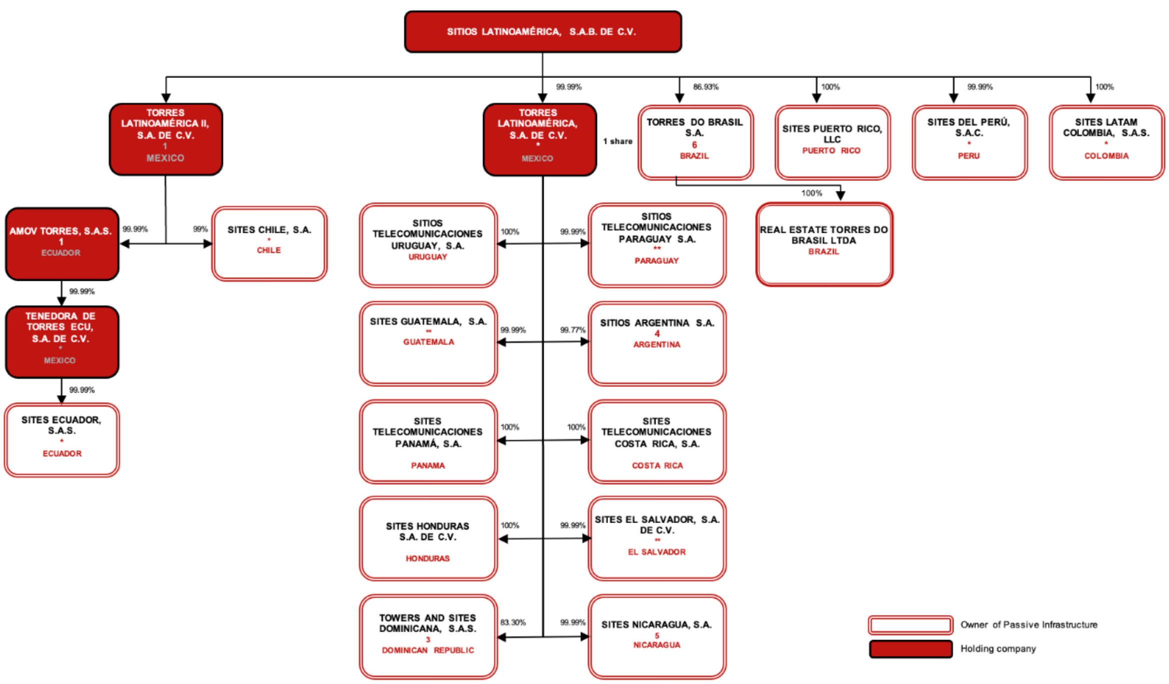
b. the spin-off of the América Móvil subsidiaries that were not residents of Mexico for tax purposes and that would contribute the assets, liabilities and equity of the Passive Infrastructure would not result in taxable income for purposes of Title VI, Chapter I of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*); and

c. any potential increase in net worth of Torres do Brasil, S.A. ("Torres Brazil"), our Brazilian Operating Subsidiary, as a result of any act or transaction preceding the América Móvil Spin-off, would not give rise to the recognition of a capital gain by the shareholders of Torres Brazil for so long as they continue to hold their shares of Torres Brazil.

(iv) Organization. We were organized as a variable capital public company (*sociedad anónima bursátil de capital variable*) 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.

(v) 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 Mexican National Banking and Securities Commission authorized the registration of our Shares in the National Securities Registry maintained by such Commission, without need for a public offering of our Shares. On September 29, 2022, our Shares were listed for trading and began trading on the Mexican Stock Exchange.

The following chart depicts our organizational structure as of December 31, 2023:



Our principal executive offices are located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000, Mexico City, Mexico. Our telephone number at this location is +(52) 55 1169-1251.

During the year ended December 31, 2023, we were not the target of any public tender offer aimed at acquiring control over us and did not ourselves conduct any public tender offer to acquire control over any other company. In addition, we did not enter bankruptcy or reorganization proceedings during such period.

**[XBRL] Business*

Our primary business is the construction, installation, maintenance, operation and commercialization of towers and support structures, physical space and other non-electronic elements of Passive Infrastructure for the installation of radiating equipment and other Active Infrastructure for the provision of radiocommunications services, as well as the provision of other related services to the telecommunications sector.

**[XBRL] Primary activity*

General Information About Us

The following summary does not purport to contain all the information that may be important to you when making an investment decision regarding the securities described herein. This summary highlights certain selected information about us. Our shareholders and prospective investors should read this entire annual report carefully, including the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections, and our Financial Statements and the notes thereto, to better understand our business.

This annual report contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control and could cause our actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. We use words such as "believe," "anticipate," "foresee," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "should" and other similar expressions to identify these factors, some of which are discussed under "Executive Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

General Information About Us

Sitios Latinoamérica, S.A.B. de C.V. is a public company (*sociedad anónima bursátil de capital variable*) organized as a result of the América Móvil Spin-off to offer access to its Passive Infrastructure to radiocommunications service providers at large in each of the countries in which it operates through its subsidiaries. As of December 31, 2023, we had operations in Argentina, Brasil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Dominican Republic and Uruguay.

The year ended December 31, 2023 was our second year of operations as a separate entity; since August 2022, Sitios has built passive infrastructure for América Móvil and other telecommunications operators. It has also generated revenues from the leasing of tower space to various telecommunications companies..

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 radiating equipment and other Active Infrastructure for the provision of radiocommunications services, as well as the provision of other related services to the telecommunications sector.

According to TowerXchange's LATAM Regional Guide Q4 2023, as of December 31, 2023, our site inventory accounted for approximately 19% 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, followed by Mexico, Colombia, Peru and Argentina, accounted for 32% of our total number of sites.

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 December 31, 2023, we had operations in Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Dominican Republic and Uruguay, and we constantly evaluate business and investment opportunities to expand our presence to other countries and regions.

Our principal existing and expected strengths are as follows:

- 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 December 31, 2023, we owned 35,135 towers in 16 countries. According to TowerXchange's LATAM Regional Guide Q4 2022, we are the most geographically diversified provider of Passive Infrastructure in Latin America and the leading provider of Passive Infrastructure in at least 4 of the countries in which we operate.

- Strong and resilient demand in Latin America: We believe that Latin America is a region that offers significant opportunities, 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 the Global System for Mobile Communications Association (GSMA), in its publication The Mobile Economy 2023, mobile penetration in the region is close to 70%, while in Europe, China and North America it exceeds 90%. Therefore, we believe that there are significant expansion opportunities for companies focused on Passive Infrastructure specialized in telecommunications.[6]

Furthermore, the strengthening and deployment of new networks is expected to continue to drive demand for new infrastructure; the GSMA estimates that by 2030, only 55% of the population in Latin America will have adopted 5G networks, while in Europe and North America 81% and 93% of the population respectively will be covered by the new technologies. Sitios Latinoamérica benefits from its leading position in countries with sustained requirements for site construction and sharing arrangements. After giving effect to (i) certain post-spin-off adjustments per country, (ii) our acquisitions and (iii) the construction of new sites, in 2023 we increased our total number of towers to 5,434. In 2023, we expect to build between 1,200 and 1,500 new sites in the countries in which we operate. 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 its needs as it continues to grow. 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 make distributions to our shareholders. As of December 31, 2022, we had an EBITDAaL of approximately Ps.6,459 million and our profit margin on our leased sites was 82.4%. In addition, we enjoy of a geographically diversified source of revenues.

As a matter of a global trend in the telecommunications industry, in recent years networks and their customers had 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 (i) resort

[6] https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-economy/wp-content/uploads/2024/02/260224-The-Mobile-Economy-2024.pdf

to tower and site sharing arrangements, or (ii) sell their Passive Infrastructure to third parties that are better positioned to commercialize and exploit it more efficiently.

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 Sitios Latinoamérica, are facilitating the digital development of Latin America.

This change of paradigm 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 Q4 23 Report, companies such as Oi, Liberty Latin America, Millicom, among others, have adopted business models based on the above, having sold more than 10,000 mobile towers over the last year..

This has given rise to the emergence of a number of companies specializing in the provision of radiocommunications infrastructure services. According to TowerXchange's Tower League 4Q 23 Report, only 2% of the world's towers, excluding in China, are operated by telecommunications companies.

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 December 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 December 31, 2023, 22% of its sites are located in Latin America and 19% in the United States.

The primary customers of these companies are typically local wireless carriers. According to American Tower's annual report for 2023, major telecommunications operators accounted for 75% of their sales in Latin America in 2023.

Meanwhile, SBA Communications, one of the most important operators of radio communications infrastructure in Latin America, reported that the major telecommunications operators in the region accounted for approximately 62% of its international revenues in 2023.

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 December 31, 2023, the Latin American tower industry was comprised of more than 10 operators that collectively owned in excess of 150,000 towers.

As previously indicated, during October 2023, Millicom began the spin-off process of its Passive Infrastructure to a new company dedicated to the management and commercialization of its towers in Latin America. Once all assets are spun-off, "Lati" would have more than 10,000 telecommunications towers in several Latin American countries. 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.

Environmental Performance; Climate Change

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 do not believe that our business operations have a material adverse impact on the environment. Most of our industry's carbon footprint is attributable to the generation of electric power for the operation of the Active Infrastructure installed on our towers by our customers.

For additional information on our environmental performance and on climate change, see "The Issuer – Environmental Performance" and "– Regulation; Taxation" in this annual report.

Competitive Advantages

We believe that the following competitive advantages set us aside from other industry participants and help us maintain and expand our market position in each of the countries in which we operate:

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

   a. *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;

   b. *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;

c. *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;

d. *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;

e. *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

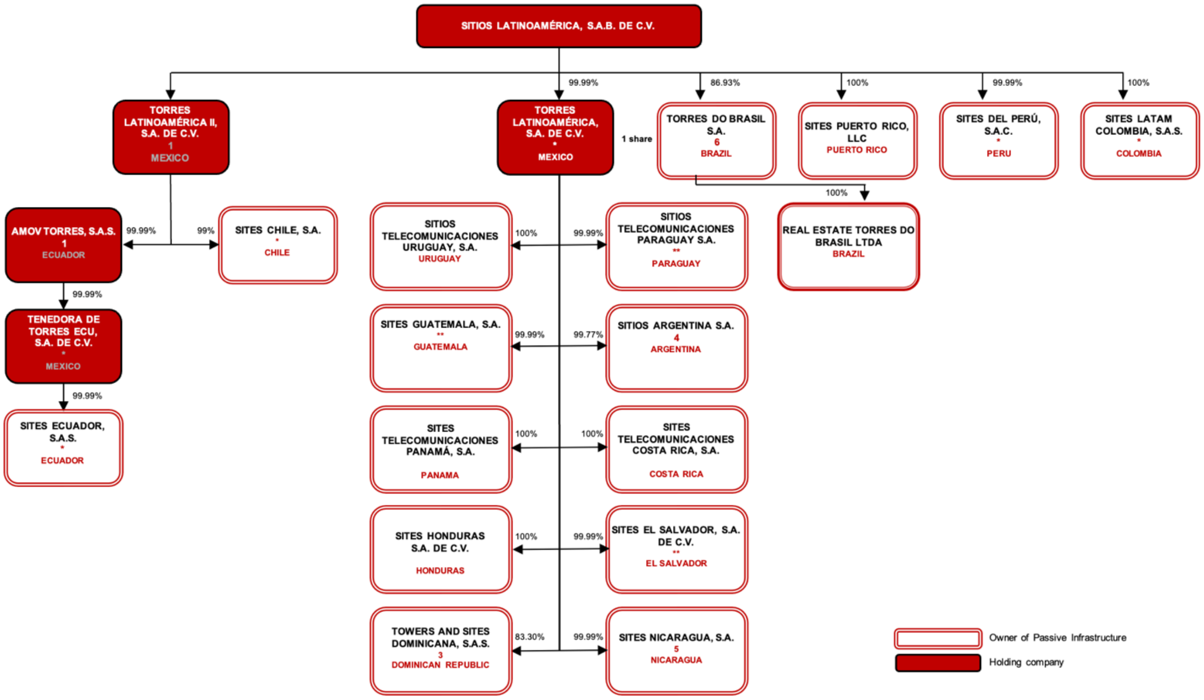
f. *Multi-pronged strategy*. We plan to employ a multi-pronged strategy to increase our profitability directly and through out subsidiaries. This includes (i) reducing our costs through the effective management of our resources, (ii) optimizing the operation and maintenance of our sites, (iii) anticipating the need for new sites, (iv) anticipating the demand from wireless carriers and their technological requirements, (v) adequately managing our contractual relationships with our customers and vendors, (vi) introducing enhanced customer service platforms for our tenants and (v) improving our construction processes on an ongoing basis.

g. *Continued expansion of Passive Infrastructure*. Due to the nature of our business, we have been able to implement projects for company growth and expansion into new territories through the construction of towers, as well as through the acquisition of third-party-owned towers located in strategic areas, which has allowed us to expand our presence and engage more operators.

2. 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.

Organizational Structure

We are a holding company, and we conduct all of our operations through our subsidiaries. The following chart depicts our organizational structure and principal Operating Subsidiaries as of December 31, 2023:



Principal Offices

Our principal executive offices are located at Avenida Paseo de las Palmas 781, Piso 2, Lomas de Chapultepec III Sección, Miguel Hidalgo, 11000 Mexico City, Mexico. Our telephone number at his location is +52 (55) 1169-1251.

For additional information on our ownership interests in our subsidiaries, see "*Organizational Structure*" in this annual report.

Recent Developments

<u>Colombia</u>. On January 18, 2023, Comunicación Celular, S.A., Comcel, S.A. and Sites Latam Colombia, S.A.S. (subsidiary of Sitios), entered into a Telecommunications Infrastructure Administration and Maintenance Services Agreement, whereby, among other matters, they agreed on the terms applicable to the provision of services by Sites Latam Colombia, S.A.S. to manage and maintain the Passive Infrastructure owned by Comunicación Celular, S.A., Comcel, S.A.

<u>Dominican Republic</u>. On February 3, 2023, CODETEL, as buyer, and Sitios RD, as seller, entered into an asset purchase agreement in respect of an aggregate of 1,388 towers in the Dominican Republic. After giving effect to this acquisition and based on our own estimates, as of the date hereof our site inventory accounted for approximately 19% (nineteen percent) of the aggregate number of sites available in the countries in which we operate, taken as a whole.

On February 3, 2023, CODETEL, as customer, and Sitios RD, on the other hand, as service provider, entered into a Master Agreement for the Provision of Passive Infrastructure Sharing Services, whereby, among other matters, they agreed on the terms applicable to the provision of access and shared use of Passive Infrastructure in the Dominican Republic.

Finally, on May 11, 2023, CODETEL, as customer, and Sitios RD, as service provider, entered into a Tower Construction Agreement (Build-to-Suit), whereby they agreed on the terms applicable to the location of real estate and subsequent construction of towers, including, without limitation, the preparation of the works programs, as well as the steps and procedures required to obtain the necessary licenses and permits for the construction and operation of the towers.

Ecuador. On March 3, 2023, Otecel, S.A., in its capacity as customer, and Sites Ecuador S.A. (Operating Subsidiary), on the other hand, entered into a Master Agreement for the Provision of Passive Infrastructure, whereby, among other matters, they agreed on the terms applicable to the lease of Passive Infrastructure in Ecuador.

Peru. On March 31, 2023, América Móvil Perú, S.A.C. ("AMX Perú"), as seller, and Sites del Perú, S.A.C. (Operating Subsidiary) ("Sites Perú"), as purchaser, entered into an Asset Purchase and Sale Agreement, whereby they agreed on the terms and conditions applicable to the transfer of 2,980 towers located in Peru.

In addition, on July 27, 2023, AMX Peru, as seller, and Sites Peru, as purchaser, entered into an Asset Purchase and Sale Agreement, whereby they agreed on the terms and conditions applicable to the transfer of 224 towers located in Peru.

Considering the aforementioned acquisitions, and according to internal estimates, our share of the total sites in the countries in which we have a presence amounts to approximately 19% (nineteen percent).

Finally, on August 29, 2023, and as a consequence of the aforementioned acquisitions, AMX Peru, as a customer, and Sites Peru, as a service provider, entered into a Master Agreement for the Provision of Passive Infrastructure Sharing Services, under which, among other matters, the terms applicable to the provision of passive infrastructure access and sharing services in Peru were agreed upon.

Colombia. On November 17, 2023, Comunicación Celular, S.A., Comcel, S.A. and, on the other hand, Sites Latam Colombia, S.A.S. (Operating Subsidiary), entered into a Telecommunications Infrastructure Commercialization Services Agreement, whereby, among other matters, they agreed on the terms applicable to the management, promotion and commercialization of Passive Infrastructure in Colombia.

Trading on Our Shares

On January 2, 2023, Sitios began operations with an opening price of Ps.9.50 (nine Pesos 50/100 National Currency) per share. The share price varied during 2023, closing with an average price of Ps.7.37 (seven Pesos 37/100 National Currency) throughout the year, reflecting fluctuations typical of a macroeconomically changing year considering instability in exchange rates, interest rates and inflation indicators in the countries where we operate. The following table shows the trading prices and trading volumes for our Shares on the Mexican Stock Exchange during the period from January 1, 2023 to April 30, 2024:

Ticker	Period	Date	Last price	Minimum price	Maximum price	Average price	Volume
LASITE B-1	Annual	2023	6.93	6.04	9.78	7.37	1,876,516
	Quarterly	1T23	7.45	6.62	9.78	8.10	4,399,345
	Quarterly	2T23	6.90	6.68	7.66	7.22	813,862
	Quarterly	3T23	6.94	6.61	7.79	7.16	828,171
	Quarterly	4T23	6.93	6.04	7.86	7.00	1,468,134
	Quarterly	1T24	5.66	5.29	7.29	6.19	4,753,464
	Monthly	Jan. 23	8.71	8.20	9.78	8.97	3,355,895
	Monthly	Feb. 23	7.37	7.11	8.71	8.08	3,007,255
	Monthly	Mar. 23	7.45	6.62	8.07	7.24	6,645,054
	Monthly	Apr. 23	7.28	6.96	7.66	7.38	714,656
	Monthly	May 23	7.34	6.80	7.64	7.24	787,379
	Monthly	Jun. 23	6.90	6.68	7.53	7.08	921,513
	Monthly	Jul. 23	7.51	6.88	7.68	7.15	962,015
	Monthly	Aug. 23	7.16	7.04	7.79	7.28	856,700
	Monthly	Sep. 23	6.94	6.61	7.35	7.03	663,081
	Monthly	Oct. 23	6.45	6.04	7.17	6.67	307,325
	Monthly	Nov. 23	7.12	6.28	7.70	7.13	1,752,892
	Monthly	Dec. 23	6.93	6.93	7.86	7.25	2,512,485
	Monthly	Jan. 24	6.46	5.29	7.29	6.70	3,023,711
	Monthly	Feb. 24	6.02	5.56	6.60	6.01	5,429,327
	Monthly	Mar. 24	5.66	5.50	6.09	5.78	6,116,647
	Monthly	Apr. 24	5.34	5.15	5.70	5.37	555,915

Tower Access Conditions; Master Service Agreements; Site Agreements.

(a) Master Service Agreements; 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.

(b) Master Service Agreements for Passive Infrastructure Sharing

The following table contains a summary of the most relevant master service agreements for passive infrastructure sharing that we had in place, as of December 31, 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.

Framework agreements for the provision of Passive Infrastructure services							
No.	**Country**	**Parties**	**Date**	**Term**	**Renewal**	**Currency**	**Inflation index**
1.	Guatemala	• Sites Guatemala, S.A. • Telecomunicaciones de Guatemala, S.A.	December 22, 2020	10 years	Automatic	USD	U.S. CPI
		• Sites Guatemala, S.A. • Claro Guatemala, S.A.			Automatic		
2.	Colombia	• Comunicación Celular, S.A., Comcel, S.A.	December 22, 2022	10 years	Automatic	Colombian Peso	Colombian CPI
3.	Costa Rica	• Sites Telecomunicaciones Costa Rica, S.A. • Claro CR Telecomunicaciones, S.A.	December 22, 2020	10 years	Automatic	USD	U.S. CPI
4.	Panama	• Sites Telecomunicaciones Panamá, S.A. • Claro Panamá, S.A.	December 22, 2020; amended July 16, 2021	10 years	Automatic	USD	2% per annum
5.	El Salvador	• 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	USD	El Salvador CPI
6.	Honduras	• Sites Honduras, S.A. de C.V. • Servicios de Comunicaciones de Honduras, S.A. de C.V.	May 28, 2021	10 years	Automatic	USD	U.S. CPI
7.	Paraguay	• AMX Paraguay, S.A. • Sitios Telecomunicaciones Paraguay, S.A.	August 31, 2021	10 years	At the customer's option	USD	U.S. CPI
8.	Uruguay	• AM Wireless Uruguay, S.A. • Sitios Telecomunicaciones Uruguay, S.A. (formerly, Veladrik, S.A.)	September 01, 2021	10 years	At the customer's option	USD	U.S. CPI
9.	Argentina	• AMX Argentina, S.A. • Sitios Argentina, S.A. (formerly, Arrendadora Móvil Argentina, S.A.)	November 30, 2021	10 years	At the customer's option	USD	U.S. CPI
10.	Chile	• Claro Chile, S.A. • Sites Chile, S.A.	May 24, 2021	5 years	Automatic	*Unidades de Fomento*	Chilean CPI
11.	Ecuador	• Consorcio Ecuatoriano de Telecomunicaciones, S.A. • Sites Ecuador (ECU-Sites), S.A.S.	April 08, 2021	10 years	Automatic	USD	U.S. CPI
12.	Nicaragua	• Empresa Nicaragüense de Telecomunicaciones, S.A. • Sites Nicaragua, S.A.	November 30, 2021	10 years	Automatic	USD	U.S. CPI
13.	Puerto Rico	• Puerto Rico Telephone Company, Inc. • Sites Puerto Rico, LLC	May 31, 2021	10 years	Automatic	USD	U.S. CPI
14.	Brazil	• Claro, S.A. • Torres do Brasil, S.A.	August 03, 2021	10 years	Automatic	Brazilian Reais	Brazilian ECPI
15.	Peru	• Sites del Perú, S.A.C. • América Móvil Perú, S.A.C.	August 29, 2023	10 years	Automatic	Peruvian Soles	Peruvian CPI
16.	Dominican Republic	• Towers and Sites Dominicana, S.A.C. • Compañía Dominicana de Teléfonos, S.A.	February 3, 2023	10 years	Automatic	USD	U.S. CPI

As of December 31, 2023, revenues from operators other than Claro accounted for 9.5% of total revenues. The main mobile operators in the markets where we operate contributed significantly, as follows: TIGO (Millicom) accounted for 24.6%; Vivo 17.2%; TIM 15.2%; and Telefónica 12.1%. Based on internal estimates of market share in the countries where we have a presence, these operators represent 49.3% of the total number of mobile telecommunications users in the countries where Sitios has a presence.

Out of the total site lease revenues from operators other than Claro, 69.2% is attributed to these operators. Based on internal estimates of market share in the countries where we have presence, TIGO is one of the leading mobile operators with presence in 8 countries, with an estimated regional market share of 10.4%, while Telefónica has presence in 6 countries, with a share of 11.2%.

TIGO is the leading mobile operator in El Salvador, Guatemala, Honduras and Nicaragua, the second largest in Panama, and the third largest in Colombia. Vivo and Tim are the first and third largest operators in Brazil, respectively. Telefónica has the largest market share in Chile, Colombia, Ecuador and Peru, while in Argentina, it is the third largest.

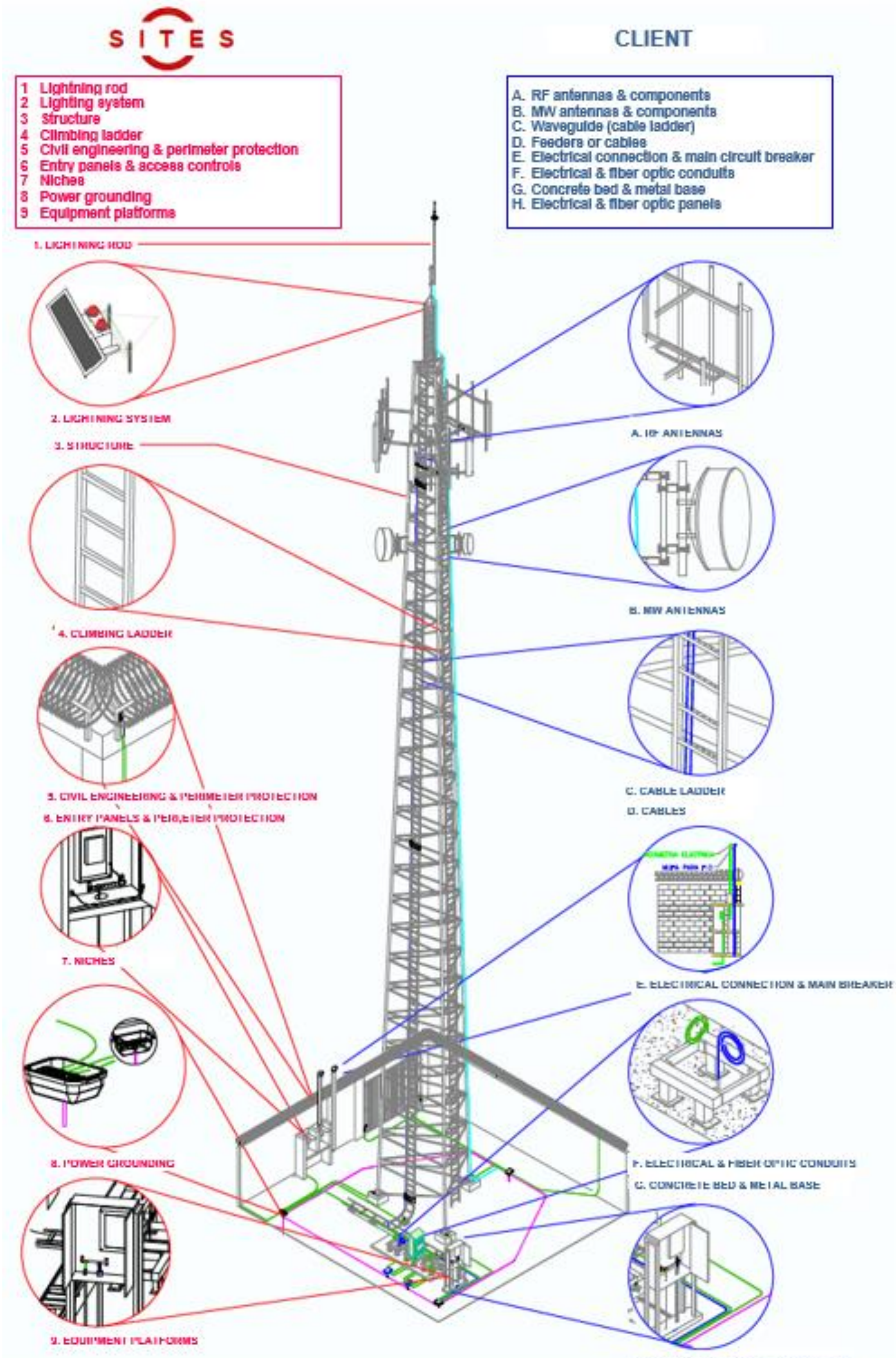
We will continue to seek to enter into new site agreements with the aforementioned additional operators. We anticipate that we would enter into site agreements with other telecommunications carriers on substantially the same terms as those of our existing agreements. Our strategy focuses on increasing 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 December 31, 2022, in addition to our agreements with subsidiaries of AMX, we had entered into agreements with third parties such as WOM, TIGO, (Millicom), Telefónica, Entel, Liberty (Cable & Wireless), TIM, Personal, Digicel and Antel.

(c) 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 ground, and sets forth the term, price, payment terms, ground surface and other terms and conditions, including the use of access points.

The mandatory minimum terms of our site agreements are usually between 5 and 10 years, unless our lease for the underlying land is set to expire in less than 5 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 mature 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.



(d) 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 ("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.

(e) Site Capacity

A majority of our sites are able to host up to 3 tenants or customers. Ground sites with antennas no taller than 45 meters are designed to host up to 3 customers, while ground sites with antennas taller than 45 meters can house up to 5 customers. Rooftop (mast) sites can host additional customers, subject to the installation of additional masts if there is sufficient ground surface.

(f) Area

At our ground-level sites, the larger the area the more stable our braced 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.

(g) Location

The following table contains a breakdown of our site portfolio by country as of December 31, 2023:

Region / Country	**Total number of sites**	**Percentage per country**
Argentina	4,137	11.8%
Brazil	11,391	32.4%
Chile	2,519	7.2%
Colombia	111	0.3%
Costa Rica	594	1.7%
Ecuador	2,505	7.1%
El Salvador	1,261	3.6%
Guatemala	3,125	8.9%
Honduras	1,421	4.0%
Nicaragua	813	2.3%
Panama	544	1.6%
Paraguay	751	2.1%
Peru	3,915	11.1%
Puerto Rico	98	0.3%
Dominican Republic	1,399	4.0%
Uruguay	551	1.6%

Region / Country	Total number of sites	Percentage per country
TOTAL	**35,135**	**100%**

(h) Types of Towers 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: braced towers, self-supporting towers, rooftop towers and monopole towers.

Braced 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. Braced 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-braced 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.

Braced

Self-supporting

Rooftop

Monopole

The following table contains a breakdown of our tower portfolio by type of tower as of December 31, 2023:

Type of tower	**Number of towers installed**	**Percentage**
Braced	2,343	7%
Self-supported	17,081	48%
Monopole	8,444	24%
Rooftop	7,267	21%
Total	**35,135**	**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.

(i) 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.

(j) 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.

As of December 31, 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 5 to 10 years, at market prices, and we in some instances hold an option to renew.

(k) 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 December 31, 2023, we had not experienced any material change in the normal course of our business as it relates to working capital.

Our Customers

As of December 31, 2023, we maintained relationships with third party vendors such as Nacel, CICSA, Caviers, Inmokent and LGF, among other, who provide us with construction services that are strategic for the infrastructure projects that we develop. We are not reliant on any one vendor or any one raw material in particular.

Our operations could be affected by extreme climate or natural disasters, which could have an adverse impact on our business and results of operations notwithstanding that we maintain insurance coverage against those risks in accordance with customary industry practices.

**[XBRL] Distribution channels*

We offer our Passive Infrastructure use and access services to wireless carriers primarily through the execution of master service agreements and site agreements that govern the shared use of and access to our Passive Infrastructure. We may also offer our services to customers other than wireless telecommunications carriers through the execution of other types of commercial arrangements.

**[XBRL] Patent, license, trademark and other agreements*

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 December 31, 2023, we have been awarded 111 trademarks (10 of them in Mexico and 101 in other countries) and have 33 trademark registration applications pending (including 2 in Mexico and 31 in other countries). As of such date we do 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, 38	Name
Sitios Latinoamérica, S.A.B. de C.V.	SITES	37, 38	Name
Sitios Latinoamérica, S.A.B. de C.V.	SITES LATAM and logo	37, 38	Combined
Sitios Latinoamérica, S.A.B. de C.V.	SITES LATAM and logo	37, 38	Combined
Sitios Latinoamérica, S.A.B. de C.V.	SITES and logo	37, 38	Combined
Sitios Latinoamérica, S.A.B. de C.V.	SITES and logo	37, 38	Combined

All trademarks that have been registered, or are pending registration, by América Móvil to Sitios, which registration processes were expected to conclude during the second quarter of 2023; however, some registrations are still in process due to long response times from local authorities, in each country, to address such matters. 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. As of December 31, 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 year ended December 31, 2023, we did not engage in any research and development activities.

**[XBRL] Principal clients*

As of December 31, 2023, América Móvil was our largest customer, but we anticipate that this could change in the future depending on market conditions and our business plans. In addition, AMX could end terminate its business relationship with us or could enter our industry and develop its own Passive Infrastructure.

As it could be reasonably expected to be the case given the nature of our respective businesses and the nature of the transaction that resulted in our organization, as of December 31, 2023 América Móvil was our anchor tenant but it was not our only customer. Rather, given the nature of our business operations, we have customers in several countries.

The following table contains a summary of the principal master service agreements entered into by our Operating Subsidiaries, 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.	11/30/2021	11%	10 years
Brazil	Claro, S.A.	8/3/2022	46%	10 years
Chile	Claro Chile, S.A.	5/24/2021	11%	5 years
Costa Rica	Claro CR Telecomunicaciones, S.A.	12/22/2020	2%	10 years
Ecuador	Consorcio Ecuatoriano de Telecomunicaciones, S.A.	4/8/2021	7%	10 years
El Salvador	Compañía de Telecomunicaciones de El Salvador, S.A. de C.V.	5/26/2021	3%	10 years
Guatemala	Claro Guatemala, S.A.	12/22/2020	8%	10 years
	Telecomunicaciones de Guatemala, S.A.	12/22/2020		10 years
Honduras	Servicios de Comunicaciones de Honduras, S.A. de C.V.	5/28/2021	3%	10 years
Nicaragua	Empresa Nicaragüense de Telecomunicaciones, S.A.	11/30/2021	2%	10 years
Panama	Claro Panamá, S.A.	12/22/2020, amended 07/16/2021	3%	10 years
Paraguay	AMX Paraguay, S.A.	8/31/2021	2%	10 years
Puerto Rico	Puerto Rico Telephone Company, Inc.	5/28/2021	1%	10 years
Uruguay	AM Wireless Uruguay, S.A.	9/1/2021	2%	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.

**[XBRL] Regulation; taxation*

Regulation

Below is a description of several important aspects of the applicable laws in effect in the various jurisdictions in which we operate. In addition to the regulatory framework described below, the deployment of Passive Infrastructure, including the construction and operation thereof, may be subject to specific regulation at the municipal, local or other level in each of the countries in which we operate.

BRAZIL

The Brazilian Telecommunications Law (*Lei Geral das Telecomunicações Brasileiras*) provides the framework for telecommunications regulation. The primary telecommunications regulator in

Brazil is the Telecommunications Agency (*Agência Nacional de Telecomunicações*, or "ANATEL"), which has the authority to grant concessions and licenses in connection with telecommunications services and the use of orbits, except broadcasting, and to adopt regulations that are legally binding on telecommunications services providers.

ARGENTINA

The National Communications Agency (*Ente Nacional de Comunicaciones,* or "ENACOM") is the main telecommunications regulatory authority in Argentina and became operational in 2016. In 2020, the government of Argentina issued a decree by which it declared information and communications technology services and access to telecommunications networks, for and between licensees of such services, as essential and strategic public services in competition. It also established that ENACOM is the competent authority to approve prices for such services and to establish regulations to that effect.

CHILE

The General Telecommunications Law (*Ley General de Telecomunicaciones*) establishes the legal framework for telecommunications services in Chile, including the regulation of concessions, permits, rates and interconnection. The main regulatory agency of the telecommunications sector is the Chilean Transportation and Communications Ministry (*Ministerio de Transportes y Telecomunicaciones*), which acts primarily through the Undersecretary of Telecommunications (*Subsecretaría de Telecomunicaciones*, or SUBTEL)

PARAGUAY

The National Telecommunications Commission of Paraguay (*Comisión Nacional de Telecomunicaciones de Paraguay,* or CONATEL) is in charge of supervising the Telecommunications industry in Paraguay. This authority is responsible for regulating Paraguay's radioelectric spectrum and is authorized to impose penalties, including the cancellation of licenses, in the event of specified breaches of the terms of a licenses. It is also responsible for enforcing the laws and regulations that govern the provision of telecommunications services and the performance of other related activities.

URUGUAY

The Regulatory Unit of Communications Services (*Unidad Reguladora de Servicios de Comunicaciones,* or URSEC) is in charge of the regulation of the telecommunications industry in Uruguay. It is responsible for fostering competition among telecommunications carriers and for overseeing the adequate enforcement of the laws and regulation that are applicable to this sector.

ECUADOR

The primary regulatory authorities for our mobile and fixed-line operations are the National Telecommunications, Regulation and Control Agency (*Agencia de Regulación y Control de las Telecomunicaciones,* or ARCOTEL) and the Telecommunications and Information Society Ministry (*Ministerio de Telecomunicaciones y Sociedad de la Información,* or "MINTEL"). ARCOTEL is responsible for the licensing and oversight of radioelectric spectrum use and telecommunications services provisions. MINTEL is responsible for the promotion of equal access to telecommunications services. The Telecommunications Law (*Ley Orgánica de Telecomunicaciones*), adopted in 2015, serves as the legal framework for telecommunications services.

PERU

The Supervisory Agency for Private Investment in Telecommunication (*Organismo Supervisor de la Inversión Privada en Telecomunicaciones*) is in charge of the regulation of the telecommunications industry in Peru. The Ministry of Transport and Communications (*Ministerio de Transportes y Comunicaciones*, or MTC) grants concessions, permits and licenses. The Telecommunications Law (*Decreto Supremo N° 013-93-TCC Ley de Telecomunicaciones*), adopted in 1993, serves as the legal framework for telecommunications services.

COSTA RICA

The authority responsible for the regulation of the telecommunications market in Costa Rica is the Superintendency of Telecommunications (*Superintendencia de Telecomunicaciones*, or SUTEL). As a technical body, SUTEL is responsible for ensuring that the radioelectric spectrum is used efficiently and for enforcing the applicable telecommunications laws and regulations. The legal framework for the provision of telecommunications services is contained in General Telecommunications Law (*Ley General de Telecomunicaciones*) #8642.

EL SALVADOR

The authority responsible for overseeing and regulating the operations of telecommunications carriers is the General Superintendency of Electricity and Telecommunications (*Superintendencia General de Electricidad y Telecomunicaciones*, or OPAMSS). The Planning Office for the Metropolitan Area of San Salvador (*Oficina de Planificación del Área Metropolitana de San Salvador*, or OPAMSS), together with the municipal authorities, is authorized to issue licenses for the operation of repeater antennas.

NICARAGUA

The authority responsible for the regulation of the telecommunications industry is the Nicaraguan Institute for Telecommunications and Mail (*Instituto Nicaragüense de Telecomunicaciones y Correos*, or TELCOR). The laws and regulations relating to Passive Infrastructure in Nicaragua allow the construction and ownership of such infrastructure both by telecommunications carriers and by others who are not directly engaged in the provision of telecommunications services.

HONDURAS

The telecommunications sector in Honduras is regulated by the Honduran National Telecommunications Commission (*Comisión Nacional de Telecomunicaciones*, or 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.

CONATEL has approved certain Regulations for Network Use and Access Sharing that became effective on December 18, 2022 (the "Regulations"). The Regulations superseded a previous iteration that was 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.

Under the 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 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 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 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.

- 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.

Without prejudice of the above, Sites Honduras is using all the legal recourses available to have the Regulations overturned and to render null and void its effects, based on the argument that its provisions infringe upon its subjective rights. To such effect, on February 13, 2023, Sites Honduras filed an administrative complaint before the competent courts in Honduras.

PANAMA

The authority responsible for the regulation of telecommunications services in Panama in the National Utilities Authority (*Autoridad Nacional de los Servicios Públicos,* or ASEP). As part of its duties, ASEP maintains a data base with respect to all the telecommunications towers installed in the Republic of Panama, including the names of their owners and geographic coordinates of their locations.

PUERTO RICO

The U.S. Federal Communications Commission (FCC), together with the Telecommunications Board of Puerto Rico (*Junta Reglamentadora de Telecomunicaciones de Puerto Rico*), formerly, the Telecommunications Regulatory Agency of Puerto Rico (*Junta Reglamentadora de Telecomunicaciones de Puerto Rico*) are the authorities responsible for regulating the provision of telecommunications services and overseeing the compliance of the applicable laws, and for maintaining a registry of telecommunications towers.

GUATEMALA

The Superintendency of Telecommunications of Guatemala (*Superintendencia de Telecomunicaciones de Guatemala*) is the authority responsible for the regulation and oversight of telecommunications carriers, but does not intervene in the installation of telecommunications towers. The installation of towers for telecommunications services is subject solely to the procurement of the applicable municipal and environmental permits and is not subject to specific regulation.

Anti-trust Investigations Relating to Us

As of December 31, 2023, we were not subject to any anti-trust investigation or proceedings, but we can give no assurance to the effect that we will not become subject to any such investigation or proceedings in the future.

Climate Change

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.

Environmental regulation and its application has increased in recent years, and we expect that this trend will continue and even accelerate in the years to come.

Observed changes in natural resources and climate may result in updated laws and regulations imposing new requirements, which could force us to incur in additional expenditures 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 adequately service our customers and tenants as required by our contractual arrangements.

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. We believe that all of our operations and facilities are in compliance with the applicable environmental laws currently in effect.

For additional information on our environmental performance and on climate change, see "The Issuer – Environmental Performance" in this annual report.

Taxation

We are liable for income taxes on our earnings from the provision of Passive Infrastructure use and access services at rates that may range from 10% to 37.5%. In certain particular instances, we are also subject to asset taxes and revenue taxes, which are reflected in our results of operations.

Additionally, dividend payments to holders of our Shares that are individuals who are residents of Mexico, or the United States may be subject to income taxes at the rate of 10%. Non-Mexican residents may be subject to the lower taxation rate stipulated in the relevant treaty for the avoidance of double taxation, provided they meet certain requirements.

Our Operating Subsidiaries will incur value added taxes and will pass on such taxes to their customers at rates that may vary from 0% to 22%, depending on the country. The amount of such taxes is determined on the basis on the agreed-upon consideration, which, in principle, may be credited by the customer.

In addition, our Operating Subsidiaries may be subject to contributions at the local or municipal level.

As of December 31, 2023, we were not entitled to any specific tax benefit in any of the countries in which we operate.

Mexican Tax Considerations

The following summary contains a description of the principal Mexican tax consequences of the América Móvil Spin-off, but it does not purport to be a comprehensive description of all of the Mexican tax considerations that may be relevant. This discussion is for general information purposes only and is based upon the federal tax laws of Mexico, including the Mexican Income Tax Law and Mexican Federal Tax Code, which are subject to change, including retroactively.

Ownership of Shares Acquired in Connection with the América Móvil Spin-off

The following is a general summary of the principal consequences under the Mexican Income Tax Law and the rules and regulations thereunder, as currently in effect, of the acquisition, ownership and disposition of Shares by a holder that is not a resident of Mexico and that will not hold the Shares or a beneficial interest therein in connection with the conduct of a trade or business through a permanent establishment in Mexico (a "nonresident holder").

This summary does not purport to be a comprehensive description of all the Mexican tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. In particular, this summary (A) does not describe any tax consequences arising under the laws of any state, locality, municipality or taxing jurisdiction other than certain federal laws of Mexico and (B) does not address all of the Mexican tax consequences that may be applicable to specific holders of the Shares, including a holder (i) whose Shares were not acquired through the Mexican Stock Exchange or other markets authorized by the Ministry of Finance and Public Credit or the Mexican Federal Tax Code, (ii) of Shares that control us, (iii) that holds 10% or more of our Shares, (iv) that is part of a group of persons for purposes of Mexican law that controls us (or holds 10% or more of our Shares), or (v) that is a resident of Mexico or is a corporation resident in a tax haven (as defined by the Mexican Income Tax Law).

For purposes of Mexican taxation, the definition of residence is highly technical, and residence arises in several situations. Generally, an individual is a resident of Mexico if he or she has established his or her home or center of vital interests in Mexico, and a corporation is considered a resident if it has its place of effective management in Mexico. However, any determination of residence should take into account the particular situation of each person or legal entity.

If an individual or a legal entity is deemed to have a permanent establishment in Mexico for Mexican tax purposes, all income attributable to that permanent establishment will be subject to Mexican income taxes, in accordance with applicable tax laws.

Tax Treaty

The Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion between Mexico and the United States came into effect on January 1, 1994 and was amended pursuant to an additional protocol that came into effect on July 3, 2003 (together, the "Tax Treaty." In addition, Mexico and the United States have in place an agreement concerning the exchange of information with respect to tax matters. Provisions of the Tax Treaty that may affect the taxation of certain U.S. holders (as defined below) are summarized below.

The Mexican Income Tax Law has established procedural requirements for a nonresident holder to be entitled to benefits under any of the tax treaties to which Mexico is a party, including on dispositions and dividends. These procedural requirements include, among others, the obligation to (i) prove tax treaty residence, (ii) file tax calculations made by a certified public accountant and (iii) appoint representatives in Mexico for taxation purposes. Non-residents should consult their own tax advisors as to the applicability of such requirements.

Payment of Dividends

Under the Mexican Income Tax Law, dividends, either in cash or in kind, paid with respect to our Shares, will generally be subject to a 10% Mexican withholding tax. Nonresident holders could be subject to a lower tax rate, to the extent that they are eligible for benefits under an income tax treaty to which Mexico is a party. Non-residents should consult their own tax advisors as to their possible eligibility to receive benefits under an income tax treaty to which Mexico is a party, including, in the case of U.S. residents, under the Tax Treaty.

Taxation of Dispositions

<u>Taxation of dispositions of shares generally</u>. Under the Mexican Income Tax Law and the applicable tax regulations currently in effect, the tax rate on income realized by a nonresident holder from a disposition of shares through the Mexican Stock Exchange is generally 10%. This

tax is payable through a withholding made by the financial intermediary that executed the transaction.

However, such withholding does not apply to a nonresident holder who provides the financial intermediary with written evidence that the holder is resident in a country with which Mexico has entered into an income tax treaty that is in effect.

The sale or other transfer or disposition of shares not carried out through the Mexican Stock Exchange will be subject to a 25% tax rate in Mexico, which is applicable to the gross proceeds realized from the sale. Subject to certain exceptions, a nonresident holder may, subject to certain requirements (including the appointment of representatives in Mexico for taxation purposes and the filing of a tax return and tax ruling), elect to pay taxes on the net gain realized from the sale of shares at a rate of 35%.

Pursuant to the Tax Treaty, gains realized by a U.S. resident that is eligible to receive benefits pursuant to the Tax Treaty from the sale or other disposition of shares, even if the sale or disposition is not carried out under the circumstances described in the preceding paragraph, will not be subject to Mexican income tax, provided that the gains are not attributable to a permanent establishment or a fixed base in Mexico, and further provided that such U.S. holder owned less than 25% of our Shares during the 12-month period preceding such disposition.

U.S. residents should consult their own tax advisors as to their possible eligibility to receive benefits under the Tax Treaty.

Gains and gross proceeds realized by other nonresident holders that are eligible to receive benefits pursuant to other income tax treaties to which Mexico is a party may be exempt from Mexican income tax, in whole or in part. Non-U.S. holders should consult their own tax advisors as to their possible eligibility under such treaties.

Mexican and non-Mexican holders should consult their own tax advisors as to the tax consequences and withholding rates that may apply in the light of their own particular circumstances.

Taxation of Passive Foreign Investment Companies.

An entity that qualifies as a PFIC is subject to taxation in the United States under special rules. We will be treated as a PFIC in a given taxable year if (a) at least 75% of our gross income for that year is passive income or (b) at least 50% of the average percentage of the market value of the assets held by us during the year are assets that produce passive income or that are held for the production of passive income. Cash balances, including those maintained for working capital purposes, are treated as assets that produce passive income. Passive income typically includes, among other things, dividends, interest, certain earnings derived from rental property and royalties, gains on the disposition of assets that produce passive income, and gains on commodities trading. Earnings from rental property will generally not be treated as passive income (and the properties that produce such earnings will generally not be treated as assets that produce passive income) if the lessor, through its managers and employees, actively and materially participates on a regular basis in the management and operation of the properties while under lease.

We expect to derive a significant portion of our revenues from rental property. However, we may not always actively and materially participate through our managers and employees in the management and operation of our properties on a regular basis while such properties are under lease. Consequently, we may not always produce sufficient active income and hold sufficient active assets to avoid being treated as a PFIC. The determination as to whether we will be treated as a PFIC must be made every year and we may be treated as a PFIC with respect to the current taxable year or may become a PFIC with respect to the following taxable year. If we are treated as a PFIC in any given taxable year, a U.S. holder that does not make a mark-to-market election (or if such election is not available for our Shares) will be subject to a special tax at the regular income tax rate with respect to any "excess distributions," including certain distributions by us and the gain recognized by the U.S. holder on the disposition of its Shares (including, for such purposes, the sale by a depositary on behalf of the U.S. holder). The amount of income tax on any excess distribution will increase by an interest charge to compensate for the tax deferral, calculated as if the excess distribution were obtained proportionately during the period in which a U.S. holder holds our Shares. Generally, there should not be any additional charge to compensate for the tax deferral of taxes if our Shares have been held for less than one year. Our treatment as a PFIC could have other adverse tax consequences, including, in the case of an individual U.S. holder, the disallowance of the readjustment of the value of the Shares for succession purposes. If we become a PFIC with respect to any taxable year in which a U.S. holder holds our Shares and any of our subsidiaries is also treated as a PFIC, the U.S. holder will be deemed to hold a pro rata interest (in terms of value) in the Shares in the lowest PFIC category for purposes of the application of the PFIC rules; and a U.S. holder will generally be subject to similar rules with respect to any distributions made to us by our direct or indirect PFIC subsidiaries and to the disposition by us of shares of any such subsidiary. U.S. holders should consult their own tax advisors as to the application of the PFIC rules to any of our subsidiaries.

A U.S. holder can avoid the adverse consequences described in the preceding paragraph by making a mark to market election with respect to the Shares, provided that such U.S. holder was the owner of such Shares on the last day of its taxable year. If a mark to market election is available, a U.S. holder that makes a mark to market election must include in ordinary income, for each year that we are treated as a PFIC, any excess of the fair market value of the Shares at the close of the taxable year. Additionally, any gain recognized by an electing U.S. holder upon the disposition of its Shares will be taxed as regular income in the taxable year in which the disposition occurred. The mark-to-market election is only available for "marketable stock" or stock that is regularly traded on a "qualified exchange or other market," as defined in the U.S. Treasury Regulations. U.S. holders should consult their own tax advisors as to the availability of the mark-to-market election.

Although a U.S. holder can avoid the aforementioned PFIC rules by making a "qualified electing fund" election, we are not willing to submit to the reporting requirements that would enable such U.S. holder to make a qualified electing fund election. In addition, if we are treated as a PFIC a U.S. holder will not be able to elect to treat its Shares as an interest in a qualified electing fund.

A U.S. holder that owns an equity interest in a PFIC is required to file each year an IRS Form 8621 and may be required to file additional IRS forms. An error in one or more of these forms may toll the running of the statute of limitations in respect of each taxable year for which a U.S. holder is required to file such forms. A U.S. holder that fails to properly file any of these forms for any taxable year in which such U.S. holder is required to do so may result in such U.S. holder remaining open to assessment by the IRS indefinitely

U.S. holders should consult their own tax advisors as to the consequences of the above considerations for U.S. federal income tax purposes, including if we are treated as a PFIC for any taxable year, and as to whether a mark to market election is available in respect of our Shares and, if so, the advisability of making such an election.

Ownership of Our Shares

Distributions in Respect of Our Shares. Subject to the application of the PFIC rules, the gross amount of any distribution with respect to our Shares that is paid out of our current or accumulated earnings and profits will generally be includible in taxable income as ordinary dividend income on the day on which the U.S. holder receives the dividend, and will not be eligible for the dividends-received deduction. We do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles. U.S. holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes. The gross amount of any distribution will generally be includible in a U.S. holder's taxable income as ordinary dividend income on the actual or constructive date of receipt of the dividend by such U.S. holder. Dividends will be paid in Mexican Pesos and their U.S. Dollar value will be calculated by reference to the exchange rate in effect on the date they are received by, and will be includible in the income of, the U.S. holder. If such dividends are converted into U.S. Dollars on the date of such receipt, a U.S. holder generally will not be required to recognize a foreign currency gain or loss in respect of the dividends. U.S. holders should consult their own tax advisors as to the treatment of foreign currency gains or losses, if any, on any dividend received in Mexican Pesos by a U.S. holder or depositary that is converted into U.S. Dollars on a date subsequent to its receipt. If we pay any dividends, such dividends will not be eligible for the dividends-received deduction allowed to corporations under the Code.

Subject to certain exceptions for short-term and hedged positions, and subject to the application of the PFIC rules (as described below), the U.S. Dollar amount of dividends received by an individual with respect to our Shares will be subject to taxation at reduced rates if the dividends are "qualified dividends." Dividends paid on the Shares will be treated as "qualified dividends" if (i) we are eligible for the benefits of the Tax Treaty and (ii) we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a PFIC. However, we may be treated as a PFIC based on our annual pro forma and interim annual financial statements, in which case any dividends we pay on our share will not qualify as "qualified dividends." See "Taxation of Passive Foreign Investment Companies" above. U.S. holders should consult their own tax advisors as to the availability of the reduced dividend tax rate in the light of their own particular circumstances.

Dividends generally will be treated as "passive category" income (or, for certain U.S. holders, as "passive category" income) for purposes of determining a U.S. holder's U.S. foreign tax credit limitation. The rules with respect to foreign tax credits are complex. U.S. holders should consult their own tax advisors as to the application of these rules to our Shares in the light of their own particular circumstances.

Taxation of Dispositions. Subject to the application of the PFIC rules, a U.S. holder generally will recognize a capital gain or loss on the sale or other taxable disposition of our Shares in an amount equal to the difference between the U.S. holder's basis in such Shares (in U.S. Dollars) and the amount realized on the disposition (in U.S. Dollars, determined at the spot rate on the date of disposition if the amount realized is denominated in a foreign currency). The gain or loss recognized by a U.S. holder on such sale or other taxable disposition generally will be a long-term capital gain or loss if, at the time of disposition, our Shares have been held for more than one year. Long-term capital gains recognized by a U.S. holder that is an individual are taxable at reduced rates. The deductibility of a capital loss is subject to limitations.

A capital gain or loss recognized by a U.S. holder on the sale or other taxable disposition of our Shares generally will be a U.S. source gain or loss for U.S. foreign tax credit purposes. Accordingly, if the sale or disposition is subject to Mexican tax withholdings, a U.S. holder that does not receive significant income from other foreign sources may not be able to claim a foreign tax credit for the Mexican taxes withheld. A U.S. holder may be able to treat the gain on the sale or disposition of Shares as a foreign source of income under the Tax Treaty, but in such case the ability of such U.S. holder to obtain a tax credit in respect of such gain may be limited. U.S. holders should consult their own tax advisors as to the applicability of the foreign tax credit rules to their investments in and dispositions of our Shares.

For U.S. federal income tax purposes, the U.S. Dollar value of the amount received in Mexican Pesos by a U.S. holder from the sale or other taxable disposition of our Shares will be determined by reference to the exchange rate in effect on the date of such sale or disposition. On the settlement date for such sale or disposition, a U.S. holder will recognize a U.S. source foreign exchange gain or loss (which will be taxable as regular income or loss) equal to the difference (if any) between the U.S. Dollar value of the amount received, calculated by reference to the exchange rate in effect on the date of such sale or disposition, and the same amount calculated by reference to the exchange rate in effect on the settlement date. However, if our Shares are tradable on an established securities market, the amount received by a U.S. holder (or an accrual basis taxpayer) in connection with the sale or other taxable disposition of such Shares for cash will be calculated by reference to the exchange rate in effect on the settlement date for the transaction and the seller will not recognize a capital gain or loss on such date. A U.S. holder will report taxable income in an amount equal to the U.S. Dollar value of the amount received in Mexican Pesos on the settlement date. Any foreign exchange gain or loss recognized by a U.S. holder on a disposition will be taxable as regular income or loss based on the difference between the U.S. Dollar value of the amount received, which will be relevant for purposes of the foreign tax credit limitation of a U.S. holder.

PFIC Considerations. If we are treated as a PFIC, a U.S. Holder may experience adverse tax consequences from a sale of our Shares and may be subject to certain reporting requirements. We may be treated as a PFIC with respect to the current taxable year or may become a PFIC with respect to the following taxable year. See "Taxation of Passive Foreign Investment Companies" above.

Information Reporting

Dividends on, and proceeds from the sale or other disposition of Shares paid to a U.S. holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the holder:

- establishes that it is an exempt individual or entity, or
- provides an accurate taxpayer identification number on IRS Form W-9 and certifies that no loss of exemption from backup withholding has occurred.

Reportable Transactions

Any U.S. holder that has participated in a "reportable transaction" must file a disclosure statement on IRS Form 8886. Under the applicable laws and partly because our Shares are denominated in Mexican Pesos, a U.S. holder may be required to treat a foreign exchange loss on a disposition of Shares as a reportable transaction if such loss exceeds the relevant threshold ($50,000 Dollars in a single year, if the U.S. holder is an individual or a trust, or a larger amount if it is another type of entity), and to report such transaction using IRS Form 8886. Failure to report a transaction that results in a material loss that constitutes a reportable transaction may result in the imposition of a $10,000 Dollar fine, if the U.S. holder is an individual, or $50,000 Dollars in all other cases. U.S. holders should consult their own tax advisors as to the application of these rules.

Specified Foreign Financial Assets

U.S. holders that are individuals and hold "specified foreign financial assets" are required to file, together with their income tax returns, a statement on IRS Form 8938 with information relating to such assets if the aggregate value of all such assets exceeds U.S.$50,000 on the last day of the taxable year or U.S.$75,000 at any time during the taxable year. "Specified foreign financial assets" include any account maintained by a non-U.S. financial institution and securities issued by non-U.S. issuers (which would include our Shares) that are not maintained by a financial institution. Certain persons living abroad and certain people who are married are subject to larger thresholds. Under U.S. Treasury regulations, the reporting requirement is extensive to certain entities organized or used for the purpose of holding direct or indirect interests in certain foreign financial assets based on certain objective criteria. Failure by a U.S. holder to comply with this reporting requirement may be subject to substantial fines. In addition, such failure may fully or partially toll the running of the statute of limitations for the determination of the tax. U.S. holders should consult their own tax advisors as to the application of these rules to our Shares in the light of their own particular circumstances.

**[XBRL] Human resources*

As of December 31, 2023, we had an aggregate of 414 employees, directly and indirectly, 121 or 29.23% of whom were unionized, while 0.77% were employees in positions of trust. The increase in our number of employees was attributable to the expansion of our operations. We also employ a small number of people on a temporary basis, as needed for certain regional projects.

During 2023 we were not involved in any dispute with the union that represents our indirect employees. We believe that our relationships with our employees and their union are good.

**[XBRL] Environmental performance*

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 Active Infrastructure located in our towers and operating, on a secondary basis, and Passive Infrastructure in order to service our customers and tenants.

In this sense, we recognize the relevance of our industry in an environmental context, therefore we have adopted proactive measures and created strategies intended to minimize the environmental impact derived from our operations. During 2023, we approved our Climate Change and Environment policies to establish clear and consistent guidelines to effectively address and manage the environmental impact of our operations.

We also began measuring Greenhouse Gas ("GHG") emissions associated with the corporate carbon footprint by closely monitoring Scope 1 and 2 emissions for twelve consecutive months in all countries where we operate[7]. This meticulous process has allowed us to compile standardized data to analyze and compare environmental impact indicators across countries. These indicators allow us to develop targeted strategies for reducing and mitigating emissions, while aligning our decisions with advanced environmental practices and reinforcing our commitment to sustainability.

As of December 31, 2023, there were no material judicial or administrative proceedings pending against us in connection with any environmental matter.

As of December 31, 2023, we had not received any environmental certification or award from any competent authority or duly accredited entity; and we had not developed any program or project relating to the defense or restoration of natural resources. 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.

Effects of Climate Change on our Business

We are aware of the vulnerability of our industry in the context of climate change and are taking proactive measures through the development of strategies to reduce the environmental impact of our operations. We have, therefore, created a Climate Change Strategy based on three fundamental pillars: adaptation, mitigation and governance. These pillars not only reflect our strong

[7] Excluding the Colombian operation, as we do not have the relevant information for 12 consecutive months, since such operations were incorporated during the third quarter of 2023.

commitment to sustainability, but also our determination to proactively address current and future climate challenges.

We have identified certain risk factors relating to climate change that could adversely affect our operations. Such factors may be of an economic nature, such as 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, which changes constantly.

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 fuel 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 de demand for energy in each of the facilities or towers that we use to provide service 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 energies.

We have also identified changes in climate patters that expose us to the risk of physical impacts on our infrastructure, which relate primarily to the increase in frequency and intensity of natural disasters such as floods, hurricanes, increase in wind speed, electrical storms or droughts resulting in forest fires. The occurrence of any of these events could result in physical damage to our towers and infrastructure in the countries in which we operate.

**[XBRL] Industry*

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.

As of December 31, 2023, we had operations in the following countries:

Country	Market share[1]
Argentina	28%
Brazil	16%
Chile	19%
Colombia	1%
Costa Rica	14%
Ecuador	43%
El Salvador	35%
Guatemala	37%
Honduras	40%
Nicaragua	35%
Panama	22%
Paraguay	19%
Peru	20%
Puerto Rico	7%
Dominican Republic	42%
Uruguay	23%

(1) Based on our internal estimates.

Based on the most recent market information available (TowerXchange's Latam Regional 4Q23 Update), our market presence is particularly strong in Central America.

Our principal direct competitors are:

- American Tower Corporation
- IHS Tower
- SBA Communications
- Phoenix Tower International
- LATI

Based on internal estimates and based on the total number of towers in Latin American countries, we believe that, as of December 31, 2023, we own 19% of the total number of existing towers in the countries in which we operate.

According to information published by Tower Xchange in its LATAM guide, updated as of the end of 2023, based on the total number of existing towers in Latin America, American Tower is our most important competitor with a market share of approximately 20%, while the Issuer, through its Operating Subsidiaries, owns 14% of the total Passive Infrastructure existing in the region. As a result of our competitive position in the markets in which we operate, 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.

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.

[XBRL] Corporate structure

We are a holding company. As of December 31, 2023, we conducted our operations through 21 subsidiaries.

The following chart depicts our organizational structure as of December 31, 2023:

Principal Operating Subsidiaries

No.	Name	Corporate purpose	Country	Direct/indirect ownership interest
1.	Sitios Argentina S.A.*	Site operator	Argentina	100%
2.	Torres do Brasil S.A.*	Site operator	Brazil	86.93%
3.	Sites Chile S.A.*	Site operator	Chile	100%
4.	Real Estate Torres Do Brasil, S.A.	Real estate acquisition subsidiary	Brazil	86.93%
5.	Sites Telecomunicaciones Costa Rica S.A.	Site operator	Costa Rica	100%
6.	Towers and Sites Dominicana, S.A.S.	Site operator	Dominican Republic	100%
7.	Sites Ecuador S.A.S.	Site operator	Ecuador	100%
8.	Sites El Salvador S.A. de C.V.	Site operator	El Salvador	100%
9.	Sites Guatemala S.A.	Site operator	Guatemala	100%
10.	Sites Honduras S.A. de C.V.	Site operator	Honduras	100%
11.	Sites Nicaragua S.A.	Site operator	Nicaragua	100%
12.	Sites Telecomunicaciones Panamá S.A.	Site operator	Panama	100%
13.	Sitios Telecomunicaciones Paraguay S.A.	Site operator	Paraguay	100%
14.	Sites del Perú S.A.C.	Site operator	Peru	100%
15.	Sites Puerto Rico, LLC	Site operator	Puerto Rico	100%
16.	Sitios Telecomunicaciones Uruguay S.A.	Site operator	Uruguay	100%

* Accounts for 10% or more of our consolidated operating profit.

[XBRL] Description of the principal assets

Our principal assets are the shares of stock our direct and indirect subsidiaries, which are described under "*Corporate Structure*" in this annual report. Our principal executive offices are located in Mexico City.

As of December 31, 2023, our Passive Infrastructure was distributed across Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Puerto Rico, Peru, Dominican Republic and Uruguay and had an estimated useful life of up to 35 years based on its current condition and our maintenance plans. As of December 31, 2023, we owned 35,135 towers in those countries. Based on (i) our acquisitions and (ii) the construction of new sites, in 2023 we increased our total number of towers to 5,434. In 2023, we expect to build between 1,200 and 1,500 new sites in the countries in which we operate.

The following table contains a breakdown of our site portfolio by country as of December 31, 2023:

Region/Country	Total number of sites	Percentage by country
Argentina	4,137	11.8%
Brazil	11,391	32.4%
Chile	2,519	7.2%
Colombia	111	0.3%
Costa Rica	594	1.7%
Ecuador	2,505	7.1%
El Salvador	1,261	3.6%
Guatemala	3,125	8.9%
Honduras	1,421	4.0%
Nicaragua	813	2.3%
Panama	544	1.6%
Paraguay	751	2.1%
Peru	3,915	11.1%
Puerto Rico	98	0.3%
Dominican Republic	1,399	4.0%
Uruguay	551	1.6%
TOTAL	**35,135**	**100%**

The following table contains a breakdown of our tower portfolio by type of tower as of December 31, 2023:

Type of tower	Number of towers installed	Percent of total number of towers
Braced	2,343	7%
Self-supporting	17,081	48%
Monopole	8,444	24%
Rooftop	7,267	21%
Total	**35,135**	**100%**

As of December 31, 2023, we did not own a majority of the real properties on which our Passive Infrastructure is located, and instead held such properties under lease on a long-term basis, typically 5 to 10 years, at market prices, and we in some instances hold an option to renew.

We are engaged on an ongoing basis in the construction, expansion and/or improvement of our Passive Infrastructure based on the needs of our customers and the markets in which we operate. The expected increase in our productive capacity as a result of the upgrade of our Passive Infrastructure will depend on the efficiencies generated by such updates, our growth and the preservation and expansion of our customer base.

Our primary capital resources for financing such upgrades are the operating cash flows generated by each of our Subsidiaries.

As of December 31, 2023, we had not offered any of our assets as collateral to secure a loan.

We and each of our subsidiaries maintain(s) or is in the process of purchasing insurance coverage on terms that are consistent with that maintained by companies engaged in activities similar to ours in the markets in which we operate, including coverage against fire, natural disasters, civil liability, damages to our customer' equipment, including transportation equipment. We believe that such coverage is adequate and sufficient for our needs and those of our subsidiaries.

**[XBRL] Judicial, administrative or arbitration 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 December 31, 2023, we were not a party to any judicial, administrative or arbitration proceedings involving a potential cost of benefit to us of 10% or more of the value of our assets.

Under the applicable laws, we may be adjudicated bankrupt on undergoing reorganization (*concurso mercantil*) if we incur in any of the events contemplated by such laws. As of December 31, 2023 we had not incurred in any of the events set forth in articles 9 and 10 of the Mexican Bankruptcy Law (*Ley General de Concursos Mercantiles*).

**[XBRL] Share capital*

As of December 31, 2023 our paid-in capital was Ps.1,001,572 and we had an aggregate of 3,181,200,000 outstanding Shares, all which were Series B-1 registered shares of common stock, no par value, as shown in the following table:

Series	**No. of Shares**	**Percent of capital**
B-1 Shares	3,181,200,000	100%
Total:	**3,181,200,000**	**100%**

The minimum fixed portion of our capital, which cannot be withdrawn, is represented by Series B-1 Shares of common stock, issued in registered form, no par value, of which confer full voting rights and are fully paid and non-assessable. The variable portion of our capital will be represented by any such number Series B-2 Shares of common stock, issued in registered form, no par value, as our general shareholders meeting may determine at the time of approval of the issuance of such shares.

As of December 31, 2023, all Shares representing our capital stock were fully paid and non-assessable and we did not have any treasury shares.

We have not issued any new shares since the date on which we organized and, accordingly, the amount of capital and the number of Shares into which it is divided remain the same as on such date.

We are a variable capital public company (*sociedad anónima búrsátil de capital variable*). Increases and decreases of the minimum fixed portion of our capital must be approved by at an extraordinary general shareholders meeting and would require an amendment to our bylaws to reflect such change. Increases and decreases of the variable portion of our capital must be approved at an ordinary general shareholders meeting and do not require an amendment to our bylaws.

As of December 31, 2023, we were not aware of the existence of any open positions of financial derivative instruments the underlying securities of which were our Shares.

**[XBRL] Dividends*

We have not paid dividends on our Shares since our organization. At the annual ordinary general shareholders' meeting, our Board of Directors submits our financial statements for the previous fiscal year, together with its report thereon, for approval. Following the approval of our financial statements, our shareholders must allocate our net profits for the previous year. If our shareholders approve a declaration of dividends, we will pay such dividends out of retained earnings reflected in account statements previously approved by our shareholders, provided that we have first established a legal reserve fund and paid off our losses from previous years.

Under our existing financing arrangements, we may not pay dividends until after March 23, 2025.

[424000-N] Financial information

**[XBRL] Description or discussion of selected financial information*

The year ended December 31, 2023, was our second year of operations as a stand-alone entity, and during the course of the year we consolidated the operations of our subsidiaries in Central and South America.

Our Financial Statements include our accounts and those of our subsidiaries over which we exercise control. Our subsidiaries prepared financial statements for the same reporting period as us, applying consistent accounting policies. Our subsidiaries are engaged in the telecommunications sector or provide services to companies in the telecommunications sector. All balances and transactions between us and our subsidiaries, or between such subsidiaries, have been eliminated from our Financial Statements.

A) SELECTED FINANCIAL INFORMATION.

The selected financial information included in this annual report has been derived from our accounting records or our Consolidated Financial Information. Such information should be read in conjunction with our Consolidated Financial Information included in this annual report, and with the explanations provided herein under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The consolidated financial information and other financial information contained in the tables below has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

To understand the factors and uncertainties that may cause our future results to differ from the financial information contained herein, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report.

We were organized on August 8, 2022 and, consequently, we present certain selected financial information as of and for the years ended December 31, 2022 (on a pro forma basis), December 31, 2021 (on a pro forma basis for the period from January 1, 2022 to August 7, 2022, and as audited for the period from August 8, 2022 to December 31, 2022), and December 31, 2023.

Consolidated Statements of Financial Position

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	**As of December 31,**		
(Million Pesos)	**2023**	**2022**	**2021 (Pro forma figures)**
Assets			
Current Assets			
Cash and cash equivalents	1,567	4,107	12,210
Accounts receivable, tax receivable, and other, net	4,383	4,497	3,424
Total current assets	5,950	8,604	15,634
Non-current assets:			
Property and equipment, net	71,064	69,571	64,844
Other assets	13	10	166
Right-of-use assets	19,149	12,985	15,521
Total Assets	96,176	91,170	96,165
Liabilities and equity			
Short-term debt and current portion of long-term debt	3,042	339	16,896
Liabilities related to short-term rights-of-use	1,763	3,403	3,298
Accounts payable	2,912	4,284	905
Total current liabilities	7,717	8,026	21,099
Non-current liabilities			
Long-term debt	50,114	49,970	42,816
Liabilities related to long-term rights of use	18,408	9,696	12,285
Deferred income taxes	12,644	14,251	12,401
Asset retirement obligations	6,088	5,436	4,187
Total non-current liabilities	87,254	79,353	71,689
Total liabilities	94,971	87,379	92,788
Equity:			
Total equity	1,205	3,791	3,377
Total liabilities and equity	96,176	91,170	96,165

Consolidated Statements of Comprehensive Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**For the year ended December 31,**			
(Millions of Pesos)	**2023**	**2022**	**2022 (Pro forma figures)**	**2021 (Pro forma figures)**
Operating income				
Infrastructure rentals	7,834	3,480	8,324	7,253
Lease of floor space	5,298	1,730	3,917	4,884
Other income	112	52		
	13,244	5,262	12,241	12,137
Operating costs and expenses:				
Service cost	346	141	428	619
Operating expenses	1,029	310	610	617
Depreciation	7,854	2,528	7,390	6,512
Total	9,229	2,979	8,428	7,748

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	For the year ended December 31,			
(Millions of Pesos)	2023	2022	2022 (Pro forma figures)	2021 (Pro forma figures)
Operating income (loss)	4,015	2,283	3,813	4,389
Net interest expense	(5,843)	(2,040)	(3,061)	(4,657)
Net foreign exchange gain (loss)	29	(705)	(1,127)	(862)
Other financial costs	1,164	1,103	1,299	(487)
Income (Loss) before income taxes	(635)	641	924	(1,617)
Income taxes	1,121	346	1,145	(517)
Minority participation	238	21	-	-
Annual net income (loss)	(1,994)	274	(221)	(1,100)

**[XBRL] Selected quarterly financial information*

The forgoing report is our annual report and, accordingly, we do not believe it relevant to present quarterly financial information in this report.

**[XBRL] Information relating to the securities guaranteed by subsidiaries of the issuer*

We have not issued any securities guaranteed by our subsidiaries.

**[XBRL] Financial information by line of business, geographic region and export sales*

We own Passive Infrastructure in Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Puerto Rico and Uruguay. Our principal business is the provision of Passive Infrastructure use and sharing services. As of December 31, 2021, 2022 and 2023, our operations were distributed across the following geographic regions in Latin America:

	For the year ended December 31,								
	2023			2022 (Pro forma figures)			2021 (Pro forma figures)		
	(Millions of Mexican Pesos)								
Country/Region	Revenues from Passive Infrastructure access services	Depreciation of right-of-use assets	Depreciation of Passive Infrastructure	Revenues from Passive Infrastructure access services	Depreciation of right-of-use assets	Depreciation of Passive Infrastructure	Revenues from Passive Infrastructure access services	Depreciation of right-of-use assets	Depreciation of Passive Infrastructure
AUP*	1,246	150	460	1,597	168	316	2,052	523	313
Brazil	5,503	1,678	1,457	5,699	1,824	1,548	5,233	1,301	1,213
Andean Region	2,917	1,060	1,195	2,261	963	412	2,302	891	422
CENAM**	3,466	1,127	727	2,795	990	1,167	2,549	758	1,082
Total	13,132	4,015	3,839	12,352	3,945	3,443	12,137	3,481	3,031

For additional financial information by line of business and geographic region, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report, as well as the Financial Statements attached hereto as an integral part hereof.

[XBRL] Material loans

- As of December 31, 2023, the Issuer guaranteed a debt bond, in the form of "Senior Notes" issued by its Peruvian subsidiary Sites del Perú, S.A.C., which principal amount is S/ $872,080,000.00 (eight hundred and seventy-two million eighty thousand Peruvian Soles 00/100), a debt instrument with a semi-annual coupon payment at an annual rate of 9.125% and a maturity date of September 21, 2033. This bond is registered in the Public Registry of the Securities Market of the Peruvian Capital Markets Superintendency and listed on the Official List of the Luxembourg Stock Exchange.

- As of December 31, 2023, the Issuer has the following financing in place:

  (i) On October 7, 2022, we refinanced our debt under certain loan agreements that were scheduled to mature in November 2022. As a result of such refinancing, we and Torres Latinoamérica, S.A. de C.V. entered into a U.S.$515.0 million loan agreement in the same terms as conditions as our original loans. This loan, which matures in October 2025, accrues interest at the Secured Overnight Funding Rate, or SOFR.

  (ii) On March 18, 2022, the Issuer and Torres Latinoamérica, S.A. de C.V. jointly entered into a loan agreement in Pesos for Ps. 20,558,500,000.00, with a maturity date of March 2027.

  The aforementioned loan agreement bears interest at a variable rate (Equilibrium Interbank Interest Rate + 125bps) and is guaranteed by Torres Do Brasil, S.A., one of our Operating Subsidiaries. This agreement imposes covenants that limit the change of control with respect to the borrower and its guarantors; the amounts for which the borrower, its subsidiaries and its guarantors may incur debt with other banks; the distribution of dividends during the first three years of the loan term; and the ability of the guarantors to dispose of or encumber certain of their assets. In addition, the Peso-denominated agreement requires that the guarantor maintains: i) an EBITDAaL debt ratio not higher than 8.5 to 1.00; ii) an interest coverage ratio to EBITDAaL of less than 1.5; and iii) that the debt of its subsidiaries (excluding the debt of Torres Latinoamérica, S.A. de C.V. and Torres Do Brasil, S.A.) may not exceed 20% of our consolidated debt.

- Debt bond, in the form of "Senior Notes", which principal amount equals USD$1,000,000,000 (one billion Dollars 00/100), a debt instrument with a semiannual coupon payment at a rate of 5.375% per annum and maturing on April 4, 2032. This bond is listed on the Official List of the Singapore Exchange Securities Trading Limited (Singapore Exchange Securities Trading Limited or "SGX").

As of December 31, 2023 and for the first quarter of fiscal year 2024, the Issuer and its subsidiaries were in compliance with all our principal and interest payment obligations under the aforementioned arrangements.

The foregoing, except for the financial negative covenant to abstain from referring to the fact that the borrower (as applicable in each Credit Agreement) will not allow the Interest Coverage Ratio of the Tower Business (*Negocio Torres*) (as both terms are defined in the Credit Agreements, respectively) to be less than 1.50 - 1.00. However, both the Issuer and Torres Latinoamérica, S.A. de C.V., in their capacity as borrowers, respectively, timely obtained the required waivers from the lenders under both Credit Agreements, with respect to such financial obligation, for the fourth period of fiscal year 2023 and for the first period of fiscal year 2024.

For additional information on our debt, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources*" in this annual report.

**[XBRL] 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 our Financial Statements, the notes thereto and the information provided under "Selected Financial Information" included in this annual report. Unless otherwise indicated, all the financial information included in this annual report is presented in Mexican Pesos. Our Financial Statements have been prepared in accordance with the International Financial Reporting Standards, or IFRS, issued by the International Accounting Standards Board, or "IASB."

This annual report contains forward-looking statements that reflect our plans, estimates and beliefs, and involve risks, uncertainties and assumptions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this annual report, particularly under "Risk Factors." Investors should consider carefully the following discussion and the information set forth under "Risk Factors" before making any determination about us or our business.

As of December 31, 2023, we had not identified any known trends, commitments or developments that could materially affect our financial condition, results or operations or liquidity.

The results presented include the actual financial information at the close of fiscal year 2023 compared to the pro forma financial information at the close of fiscal year 2021 , which shows that, at the close of 2023, we have a lower balance, in the same proportion, both in debt and cash.

**[XBRL] Results of operations*

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.

Out of the total site lease revenues accrued by the Issuer as of December 31, 2023, 44.6% came from Dollar-denominated agreements, 41.1% in Brazilian Reais, 7.7% in *Unidades de Fomento* (Chilean Pesos indexed to inflation) and the remaining 6.6% in Peruvian Soles. The operating costs and expenses (OPEX) 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 Argentinian subsidiary, Sitios Argentina, S.A., operates in hyperinflationary environment and the effect of inflation is calculated and incorporated into our accounting records on a quarterly basis.

Revenues

Our revenues derive from the monthly site access and usage fees paid by telecommunications carries under our agreements with them. Our rates vary depending on amount of on-site space required for our customers' equipment, the leasable are 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 5 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.

Our pro forma revenues for the 12-month period ended December 31, 2023 were Ps.13,132 million, a 7.27% increase over our pro forma revenues of Ps.12,241 million for the same period in 2022. This change was primarily attributable to an increase in inflation and to the stabilization of our operations following the Transaction, partially offset by the effect of foreign currency translations.

For the twelve (12) month period ended December 31, 2022, our pro forma revenues amounted to Ps.12,241 million, an increase of 0.9% from the Ps.12,137 million corresponding to the same period in 2021 (pro forma). This variation was mainly due to the increase for inflation and the regularization of operations that have taken place since the Spin-Off, mitigated by the translation effect.

For the twelve (12) month period ended December 31, 2023, our main revenue, which is infrastructure lease revenue, represented 60% of our total revenue, while it represented 68% for the same period in 2022 (pro forma), whereas it represented [59.8%] for the same period in 2021 (pro forma).*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 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.

Our pro forma operating costs and expenses for the 12-month period ended December 31, 2023 were Ps.9,230 million, a 9.5% increase over our pro forma operating costs and expenses of Ps.8,429 million for the same period in 2022. 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.

For the 12-month period ended December 31, 2022, our pro forma operating costs and expenses amounted to Ps.8,429 million, an increase of 8.7% from the Ps.7,748 million corresponding to the same period in 2021 (pro forma). This variation was mainly due to the increase in inflationary costs and the beginning of the regularization of the operation as an independent entity, mitigated by the translation effect.

Operating profit

Our operating profit for the 12-month period ended December 31, 2023 was Ps.4,015 million, a 5.3% variation from our operating profit of Ps.3,813 million for the same period in 2022. This change was primarily attributable to depreciation adjustments, transition costs and the stabilization of our operations following the Transaction.

Our pro forma operating income for the 12-month period ended December 31, 2022, amounted to Ps.3,813 million, a variation of (13%) compared to the Ps.4,389 million corresponding to the same period in 2021 (pro forma). This variation was mainly due to transition costs, and to the regularization of operations due to the spin-off, but mainly adjustments in depreciation.

Excluding the effects of depreciation on operating income for the 12-month period ended December 31, 2023, our EBITDAaL amounted to Ps.6,459 million, that is, our EBITDAaL represented 82.4% of infrastructure revenues, compared to Ps.7,286 million for the same period in 2022 (pro forma) in which our EBITDAaL represented 87.5% of operating revenues. This variation was mainly due to the increase in tower revenues.

Excluding the effects of depreciation on operating income for the 12-month period ended December 31, 2022 (pro forma), our EBITDAaL amounted to Ps.7,286 million, *i.e.*, our EBITDAaL represented 87.5% of infrastructure revenues, compared to Ps.6,017 million for the same period in 2021 (pro forma) in which our EBITDAaL represented 83.0% of operating revenues. This variation was mainly due to the increase in tower revenues. EBITDAaL is largely comprised or Passive Infrastructure leasing revenues, less our operating costs and expenses for the period.

Interest expense, net

For the twelve (12) month period ended December 31, 2023, net interest amounted to Ps.5,843, showing an increase of 90.9% in relation to net interest expense of Ps.3,061 million for the same period as of December 31, 2022 (pro forma). This variation was mainly due to the higher portion of debt presented in 2023. Accrued interest is composed of two concepts: (i) interest generated by financing, which in the fiscal year ended December 31, 2023, amounted to Ps.4,570 million, and (ii) interest generated by the right-of-use liability, which amounted to Ps.1,570 million, as of December 31, 2023.

For the twelve (12) month period ended December 31, 2022, pro forma net interest amounted to Ps.3,061 million, showing a decrease of 34.3% in relation to net interest expense of Ps.4,657 million for the same period as of December 31, 2021 (pro forma). This variation was mainly due to the lower portion of debt presented in 2022. Accrued interest is composed of two items: (i) interest generated by financing, which in the year ended December 31, 2022, was Ps.2,271 [million], and (ii) interest generated by the rights-of-use liability, which amounted to Ps.790 [million], as of December 31, 2022. *Exchange gain (loss), net*

The net foreign exchange gain for the twelve (12) month period ended December 31, 2023 was Ps.29 million, which represents a 97% decrease compared to the net foreign exchange loss of Ps.1,127 million for the same period in 2022 (pro forma), due to the depreciation of local currencies versus the U.S. Dollar.

The pro forma net foreign exchange gain for the 12-month period ended December 31, 2022 was Ps.1,127 million, which represents a 30.7% increase compared to the net foreign exchange loss of Ps.862 million corresponding to the same period in 2021 (pro forma), a variation generated by the depreciation of local currencies versus 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.

Income tax expense (income) for the 12-month period ended December 31, 2023 was Ps.1,121 million, versus Ps.(1,145) million for the same period in 2022. This variation was mainly due to adjustments in depreciation, and costs and expenses incurred post spin-off.

Pro forma income tax expense (income) for the 12-month period ended December 31, 2022 was Ps.(1,145) million, versus Ps.(517) million for the same period in 2021 (pro forma). This variation was mainly due to adjustments in depreciation, and costs and expenses incurred post spin-off.

Consolidated net profit (loss)

The accumulated consolidated net loss for the twelve (12) month period ended December 31, 2023, was Ps.1,756 million, an increase from the consolidated net loss of Ps.221 million for the same period in 2022 (pro forma).

The accumulated pro forma consolidated net loss for the twelve (12) month period ended December 31, 2022, was Ps.221 million, a decrease from the consolidated net loss of Ps.1.1 billion for the same period in 2021 (pro forma).*Non-IFRS Financial Measures*

Our analysis of our operating results includes a discussion of our income before interest, income taxes, depreciation and amortization and the lease of infrastructure (“EBITDAaL”). Although derived from information contained in our Financial Statements, EBITDAaL is not a financial measure recognized by IFRS. Accordingly, EBITDAaL should not be construed as an alternative to net loss (as a measure of our operating performance) or to cash flows from operating activities (as a measure of our liquidity). We present our EBITDAaL because we believe it may be a useful indicator of our actual operating performance. We have observed that this measure is useful to investors when assessing our operating performance because it (1) is a key measure used by our management to make decisions and evaluate our performance, (2) is frequently used in our industry to measure operating performance as depreciation and amortization can vary significantly from one company to another based on their accounting and useful life determination methods, particularly where acquisitions and non-operating factors are involved, (3) provides investors with an important measure when assessing our operating performance by eliminating non-operating elements, and (4) provides investors with a useful measure for comparing our operating results with those of other companies.

However, EBITDAaL, as presented by us, may not be fully comparable to similarly titled measures presented by other companies. The following table contains a reconciliation of our net profit (loss) to EBITDA-AL, in millions of Mexican Pesos:

	For the year ended December 31,		
(In millions of Mexican Pesos)	**2023**	**2022 (Pro forma)**	**2021 (Pro forma)**
Net profit (loss)	**(1,994)**	**(221)**	**(1,100)**
Plus:			
Income taxes	1,121	1,145	(517)
Minority participation	238	-	-
Comprehensive financing cost	4,649	2,889	6,006
Depreciation	7,855	7,390	6,512
EBITDA	**11,869**	**11,203**	**10,901**
Minus:			
Lease of properties housing passive infrastructure	(5,410)	3,917	4,884
EBITDAaL	**6, 459**	**7,286**	**6,017**

[XBRL] Financial condition; 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 their 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 of them 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.

- As of December 31, 2023, the Issuer guaranteed a debt bond, in the form of "Senior Notes" issued by its Peruvian subsidiary Sites del Perú, S.A.C., which principal amount is S/ $872,080,000.00 (eight hundred and seventy-two million eighty thousand Peruvian Soles 00/100), a debt instrument with a semi-annual coupon payment at an annual rate of 9.125% and a maturity date of September 21, 2033. This bond is registered in the Public Registry of the Securities Market of the Peruvian Capital Markets Superintendency and listed on the Official List of the Luxembourg Stock Exchange.

- As of December 31, 2023, the Issuer has the following financing in place:

    - On October 7, 2022, we refinanced our debt under certain loan agreements that were scheduled to mature in November 2022. As a result of such refinancing, we and Torres Latinoamérica, S.A. de C.V. entered into a U.S.$515 million loan agreement in the same terms as conditions as our original loans. This loan, which matures in October 2025, accrues interest at the Secured Overnight Funding Rate, or SOFR.

    - On March 18, 2022, the Issuer and Torres Latinoamérica, S.A. de C.V. jointly entered into a loan agreement in Pesos for Ps. 20,558,500,000, with a maturity date of March 2027.

      The aforementioned loan agreement bears interest at a variable rate (Equilibrium Interbank Interest Rate + 125bps) and is guaranteed by Torres Do Brasil, S.A., one of our Operating Subsidiaries. This agreement imposes covenants that limit the change of control with respect to the borrower and its guarantors; the amounts for which the borrower, its subsidiaries and its guarantors may incur debt with other banks; the distribution of dividends during the first three (3) years of the loan term; and the ability of the guarantors to dispose of or encumber certain of their assets. In addition, the Peso-denominated agreement requires that the guarantor maintains: i) an EBITDAaL debt ratio not higher than 8.5 to 1.00; ii) an interest coverage ratio to EBITDAaL of less than 1.5; and iii) that the debt of its subsidiaries (excluding the debt of Torres Latinoamérica, S.A. de C.V. and Torres Do Brasil, S.A.) may not exceed 20% (twenty percent) of our consolidated debt.

- Debt bond, in the form of "Senior Notes", which principal amount equals USD$1,000,000,000,000 (one billion Dollars 00/100), a debt instrument with a semiannual coupon payment at a rate of 5.375% (five point three hundred seventy-five percent) per annum and maturing on April 4, 2032. This bond is listed on the Official List of the Singapore Exchange Securities Trading Limited (Singapore Exchange Securities Trading Limited or "SGX").

Based on the Financial Statements, our level of indebtedness for the year ended December 31, 2023 was Ps.53,156 million, versus Ps.50,309 million for the year ended December 31, 2022 (pro forma) and Ps.59,712 million for the year ended December 31, 2021 (pro forma). Our capital requirements are not affected by season factors but relate to other business considerations.

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 years ended December 31, 2021, 2022 and 2023, we did not accrue any income assets or liabilities.

Capital Investments

During the 12-month periods ended December 31, 2023, as well as for the same periods corresponding to years 2021 and 2022, we did not incur in any capital expenditure.

Assets, Liabilities and Stockholders' Equity

As of December 31, 2023, our consolidated total assets amounted to Ps.96,176 million, of which Ps.71,064 million represented net property and equipment and Ps.19,149 million represented rights of use. As of December 31, 2023, our total consolidated liabilities amounted to Ps.94,971 million, of which Ps.53,156 million represented debt with cost and Ps.20,171 million represented lease-related liabilities. Consolidated net debt at the end of the period amounted to Ps.51,589 million. Our consolidated stockholders' equity on December 31, 2023 amounted to Ps.1,205 million.

On December 31, 2022, our consolidated total assets amounted to Ps.91,170 million, of which Ps.69,571 million represented net property and equipment and Ps.12,985 million represented rights-of-use. As of December 31, 2022, our total consolidated liabilities amounted to Ps.87,379 million, of which Ps.50,309 million represented debt with cost and Ps.13,099 million represented lease-related liabilities. Consolidated net debt at year-end amounted to Ps.46,202 million. Our consolidated stockholders' equity on December 31, 2022 amounted to Ps.3,791 million.

As of December 31, 2021, our consolidated total assets amounted to Ps.96,165 million, of which Ps.64,844 million represented net property and equipment and Ps.15,521 million represented rights of use. As of December 31, 2021, our total consolidated liabilities amounted to Ps.92,788 million, of which Ps.59,713 million represented debt with cost and Ps.15,583 million represented lease-related liabilities. Consolidated net debt at the end of the year amounted to Ps.47,503 million. Our consolidated stockholders' equity on December 31, 2021 amounted to Ps.3,377 million. *The presentation of our results includes our Pro Forma Consolidated Statements of Financial Position as of the year end in 2023, 2022 (pro forma) and 2021 (pro forma). As reflected in such statements, at year's end in 2023 the amount of our cash and cash equivalents had decreased.*

Off-Balance Sheet Arrangements

As of December 31, 2021, 2022 and 2023 we did not have any off-balance sheet arrangement.

Transactions with Derivative Financial Instruments

As of December 31, 2023, 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.

Economic Outlook 2024

In 2023, the global economy experienced Gross Domestic Product (GDP) growth of 3.1%; the United States maintained a stable economy while facing high interest rates, achieving full employment and sustained consumption. China also recovered well, from a growth of 3.0% in 2022 to 5.2% in 2023, aided by government tax incentives.

In particular, the United States reported growth of 2.5% during the same period, attributable to a 4.2% increase in durable goods consumption and a 2.3% increase in services, thus compensating for the 10.6% contraction in residential investment caused by the increase in interest rates.

The Mexican economy expanded by 3.2% in 2023, with the construction sector leading this growth with an increase of 15.5%, thanks to infrastructure projects and the attraction of investments derived from nearshoring. Private consumption maintained an upward trend, evidenced by 4.0% growth in commerce, driven by a 6.3% increase in the real average salary of those insured by the Mexican Social Security Institute (*Instituto Mexicano del Seguro* Social, IMSS) and an all-time record in remittances, which reached US$63.283 billion.

The Mexican Peso closed the year at Ps16.8935 against the Dollar, appreciating 13.0%, fluctuating between a high of Ps19.54 at the beginning of the year and a low of Ps16.62 in July 2023. This appreciation is mainly attributed to the real interest rate differential between Mexico and the United States, as well as positive net flows in the balance of payments, driven by remittances and foreign direct investment.

The Bank of Mexico increased its benchmark rate twice during 2023, from 10.50% to 11.25%, while the U.S. Federal Reserve (Fed) raised it from 4.50% to 5.50%.

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

For the first time, according to the U.S. Census Bureau, Mexico became the leading exporter to the U.S., with exports valued at US$475.607 billion in 2023, surpassing China and Canada.

Nevertheless, Mexico recorded a trade deficit of US$5.464 billion, with an oil deficit of US$18.536 billion not fully offset by the non-oil surplus of US$13.073 billion; automotive exports performed outstandingly with an increase of 14.3% during the year.

The country's public finances remained stable; public debt as a percentage of GDP closed the year at 46.8%, with a primary deficit of 0.1% and public sector financial requirements at -4.3%. For 2024, the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) anticipates a primary deficit of 1.2% and a tax deficit of 5.4%.

We believe that Mexico is facing a historic opportunity to attract unprecedented investment and advance towards development, boosted by its strategic geographic position, the international trade situation and the quality and capacity of its labor force. We consider that these elements make it an attractive manufacturing and service center for companies seeking to optimize their logistics chains and reduce costs without compromising quality.

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

**[XBRL] Internal control*

Our operations expose us to various financial risks, including market risks (which include interest rate risks and cash flow risks), credit risks and liquidity risks. Our management is committed to the mitigation of the potential adverse effects of such risks on our financial performance.

Our risk management functions are entrusted to our finance department under the supervision of our Board of Directors and our Audit and Corporate Practices Committee, the member of which are all independent directors. Our finance and administration department is responsible for identifying, assessing and mitigating our financial risks in coordination with our operations department and in accordance with generally accepted financial risk management standards and certain procedures with respect to certain specific types of risk, including credit risks and/or risks relating to the investment of surplus cash flows.

[XBRL] Critical estimates or accounting provisions or reserves

Property, Civil Engineering and Towers

General

Computation of depreciation

Depreciation is computed on the revalued value of assets using the straight-line method, based on the estimated useful lives of the related assets. Our assets have estimated useful lives of up to 35 year, which take into consideration, among other things, the useful lives assigned by the market to such assets, the condition of such infrastructure as to maintenance, technological changes and it use.

These item relates to our Passive Infrastructure, primarily our towers and civil engineering work, based on the value of such Passive Infrastructure as determined by independent appraisers.

Asset retirement obligation

It represents the estimated future costs we will incur if we replace, modify or cancel the sites that are in operation. We update these costs to their present value using the discount rate that we believe appropriate.

We recognize a liability for this obligation where (i) there is a present obligation (statutory or assumed) as a result of a past event, (ii) the satisfaction of such obligation will likely involve cash outflows, and (iii) the obligation can be reasonably estimated.

When the effect of the value of money overtime is material, the amount of the provision es the present value of the anticipated disbursements that will be necessary to settle the obligation. The rate of discount applied is determined on a pre-tax basis and reflects the market conditions as of the date of the consolidated statement of financial position and, as the case may be, the specific risk of the relevant liability. In these cases, the increase in the obligation is recognized as a financial expense.

We only recognize a provision for contingent liabilities where the settlement of the obligation is likely to involve cash outflows. Contingencies are only recognized where the give rise to a loss.

These provision is recognized in respect of future site dismantlements o reconfigurations and is computed taking into consideration the following factors:

a) The cost of transportation of certain materials;

b) The labor costs associated with site relocations and constructions;

c) The cost of the materials required for new civil engineering works;

d) Inflation; and

e) The periods in which it is estimated that the sites will be relocated.

Leases

The determination as to whether a contract is or contains a lease is based on the underlying economics of the arrangement on the commencement date. A contract is or contains a lease if it conveys the right to use an asset (or assets), even if such asset (or assets) is/are not explicitly identified in the contract.

On the commencement date we must determine if the contract is or contains a lease, that is, if it conveys the right to use an identified asset for a period of time in exchange for consideration. If it does not, the contract is a service contract.

Sitios Latinoamérica, as lessee

We employ a unique perspective for the recognition and valuation of all our leases, except for short-term leases and leases of low-value assets (based on their relative relevance). We recognize lease liabilities to make lease payments and right-of-use assets that represent our right to use the underlying assets.

i) Right-of-use assets

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

Real property	5 to 10 years

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

ii) Lease liabilities

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

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

In calculating the present value of the lease payments, we discount to present value the future cash flows from the leases that are within the scope of the standard, using an incremental borrowing rate, which is an estimate of the rate we would obtain on a loan, to a term similar to that of the current lease obligations and with similar collateral, to obtain an asset similar to the leased asset. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes in future lease payments due to changes in an index or rate used to calculate such payments), or a change in the evaluation of an option to purchase the underlying asset.

Lease liabilities are presented separate from other liabilities in our statement of financial position.

Deferred taxes

Deferred tax assets and liabilities are measured using the tax rates that are expected to be in effect in the period when the asset will materialize or the liability will be settled, based on the enacted tax rates (and tax legislation) that have been enacted or substantially enacted at the financial statements reporting date.

We review the value of deferred tax assets at each financial statement reporting date and we reduce it to the extent that it is more likely that we will not have sufficient future tax profits to allow for the realization of all or a part of our deferred tax assets. Unrecognized deferred tax assets are revalued at each financial statement reporting date and are recognized when it is more likely that there will be sufficient future tax profits to allow for the realization of these assets.

Deferred taxes relating to items recognized other than in profit or loss are recognized together with the underlying transaction, either in Other Comprehensive Income are , concept that generated such deferred taxes or directly in our equity.

General

The estimates and assumptions that we use in connection with the preparation of our financial statements, which are reviewed on an ongoing basis, are based on historical experience and other factors, including projections of future events believed by us to be reasonable under the current circumstances.

As of the date of the statements of financial position and statements of comprehensive income included in this annual report, we had not identified any critical accounting estimate, provision or reserve that warrants disclosure.

As of December 31, 2023, we did not expect any material change in our estimates, provisions or reserves. In the event of occurrence of a material change and depending on the nature of such change, the relevant financial information could be affected.

[427000-N] Management

**[XBRL] Independent Auditor*

The engagement of our independent auditor is the responsibility of our Board of Directors, which selects such auditor based on various factors, including its experience and the quality of its services, taking into consideration the prior opinion of our Audit and Corporate Practices Committee. For several fiscal years, the External Auditors audited AMX's financial information; therefore, the Issuer continued to receive the services of such External Auditors once the Spin-Off of América Móvil became fully effective. Our Financial Statements as of and for the year ended December 31, 2023, which are included in this annual report, have been audited by Mancera S.C., a member practice of E&Y Global Limited, our Independent Auditor, whose opinion includes a qualified opinion on the revaluation of certain assets in Peru and the Dominican Republic. For the fiscal years ended December 31, 2021 and 2022, the external auditors have not issued a modified or unfavorable opinion, that is, they have not issued a qualified opinion, an unfavorable (or adverse) opinion or a disclaimer (or abstention) of opinion on the Issuer's financial statements for such fiscal years.

Our unaudited pro forma Financial Statements as of and for the years ended December 31, 2022, and December 31, 2021, which are included in this annual report, have been reviewed by Mancera S.C., a member practice of E&Y Global Limited, our Independent Auditor.

During the years ended December 31, 2023, 2022 and 2021 our Independent Auditor has not and did not provide to us any service other than audit services.

**[XBRL] Related party transactions; conflicts of interest*

As of December 31, 2023, our principal customer is América Móvil. We enter into a number of transactions with related parties in the ordinary course of our business and will continue to do so in the future. Among other things, we enter into financial and commercial transactions with 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.

Examples of these transactions include the following:

We and our Operating Subsidiaries maintain commercial relationships with América Móvil and its subsidiaries in our respective markets. These transactions, which include service agreements for access to and use of our Passive Infrastructure by subsidiaries of América Móvil, derive from the presence of pre-existing Active Infrastructure of América Móvil on our Passive Infrastructure. We also provide these types of services to unaffiliated telecommunications carriers. As of December 31, 2023, América Móvil was our largest customer, but we anticipate that this could change in the future depending on market conditions and our business plans.

We purchase a number of financial products and services from subsidiaries of Grupo Financiero Inbursa, S.A.B. de C.V., including investment, brokerage and checking accounts, loans, insurance policies and performance bonds.

All our transactions with related parties are on market terms, at prevailing market prices and otherwise in compliance with the applicable laws.

**[XBRL] Additional management and shareholder information*

Our management is entrusted to a Board of Directors. Our Board of Directors consists of eight directors, three of whom are independent. No alternate directors have been appointed. Our bylaws provide for the Board of Directors to consist of a maximum of 21 directors and allow for the election of an equal number of alternate directors. Directors need not be shareholders. The directors and alternate directors are elected by the holders of a majority of our Shares, and any holder or group of holders of at least 10% of our Shares is entitled to name one director and one alternate director. Each alternate director attends meetings of the Board of Directors and votes in the absence of the corresponding director. Directors and alternate directors are elected or reelected at each annual general meeting of shareholders. In accordance with the Mexican Securities Market Law, the determination as to the independence of our directors is made by our shareholders, but the Commission may challenge such determination. In accordance with the Mexican Securities Market Law and our bylaws, at least 25% of our directors must be independent. The quorum for any board meeting is a majority of the directors and action may be taken a majority of the directors entitled to vote at the relevant meeting.

Pursuant to our bylaws, our Board of Directors has broad powers and authority to manage our business and take any action in furtherance of our corporate purposes, limited only by the powers and authority that are reserved to our shareholders. More specifically, our Board of Directors is authorized to design and approve all our policies.

Pursuant to our bylaws, directors are elected to serve for a term of one year. However, under the Mexican General Law on Companies directors must remain in office for up to 30 days after the end of their terms if their successors have yet to be appointed or to take office. Furthermore, under certain circumstances specified in the Mexican Securities Market Law, our Board of Directors may appoint acting directors and such directors must be subsequently confirmed or replaced by our shareholders.

The following are the names of the members of the Issuer's Board of Directors as of December 31, 2023, including their position, their experience in the business, as well as other experience as a directors. The appointment of such members of the Board of Directors was ratified by the Ordinary General Meeting of Sitios, held on April 28, 2023.

Name	**Title**	**Age**	**Gender**	**Member since**
Arturo Elías Ayub	Chairman and Director	58	Male	2022
Carlos Slim Helú	Director	84	Male	2022
Gerardo Kuri Kaufmann	Director	40	Male	2022
Daniel Hajj Slim	Director	30	Male	2022
Mauricio Hajj Slim	Director	24	Male	2022
Juan Pablo del Valle Perochena (1)	Director	51	Male	2023
José Shedid Merhy (1)	Director	84	Male	2022

(1) *Independent member of the Board of Directors*

The appointment of engineer Juan Pablo del Valle Perochena, as regular member of the Board of Directors, was resolved pursuant to the resolutions adopted by the Board of Directors at its meeting held on July 11, 2023.

Our Corporate Secretary, who is not a member of our Board of Directors, is Javier Arnau Quiroga.

Included below is a brief biography of each of the members of our Board of Directors.

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. Elías Ayub holds a degree in Business Administration from Universidad Anáhuac and a diploma in Senior Management from IPADE. He is 58 years old.

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 Board of Bolsa Mexicana de Valores (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. He is 84 years old.

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 is also the chief executive officer of Minera Frisco, S.A.B. de C.V., and he serves on the boards of Inmuebles Carso, S.A.B. de C.V., Elementia Materiales, S.A.P.I. de C.V., Fortaleza Materiales, S.A.P.I. de C.V., Fomento de Construcciones y Contratas, S.A., Realia Business, S.A., Cementos Portland Valderrivas, S.A. and Carso lnfraestructura y Construcción, S.A. de C.V. Mr. Kuri Kaufmann holds a degree in Industrial Engineering from Universidad Anáhuac. He is 40 years old.

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. He is 30 years old.

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. He is 24 years old.

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 Execute 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. She is 63 years old.

Juan Pablo del Valle Perochena 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., of Elementia Materiales, S.A.B. de C.V., as well as a member of the Board of Directors of Fortaleza Materiales, S.A.P.I. de C.V. Mr. del Valle Perochena holds a degree in electrical mechanical engineering from the Universidad Anáhuac and a master's degree in business administration from Harvard Business School. He is 51 years old.

José Shedid Merhy was Chief Executive Officer of Constructora Kaley, S.A. and Constructora Mazaryk, S.A. Prior to that, he 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’s degree in management science from Stanford University. He is 84 years old.

Daniel Hajj Slim and Mauricio Hajj Slim are siblings, grandsons of Carlos Slim Helú and nephews of Arturo Elias Ayub. Arturo Elías Ayub is Carlos Slim Helú’s son-in-law.

There is no relationship by blood or affinity between any other member of the Board of Directors and any Relevant Executive Officer of the Issuer.

Audit and Corporate Practices Committee

Under the Mexican Securities Market Law, we are required to have an audit committee comprised of no less than three independent directors appointed by our Board of Directors (unless we are controlled by a person or corporate group that holds 50% or more of our capital stock, in which case a majority of the members of the Audit and Corporate Practices Committee must qualify as independent). The Audit and Corporate Practices Committee (together with our Board of Directors, which has additional duties) replaced the statutory auditor formerly required by the Mexican General Law on Companies.

The mandate of the Audit and Corporate Practices Committee is to assist our Board of Directors in overseeing our operations and establish and monitor procedures and controls in order to ensure that the financial information we distribute is useful, appropriate and reliable and accurately reflects our financial position.

In particular, the Audit and Corporate Practices Committee is required to, among other things:

i. call shareholders' meetings and recommend items to be included on the agenda;

ii. advise the Board of Directors on internal control procedures, succession plans and compensation structures of our key executives;

iii. select and monitor our auditors;

iv. discuss with our auditors the procedures for the preparation of the annual financial statements and the accounting principles to the annual and the interim financial statements; and

v. obtain from our auditors a report that includes a discussion of the critical accounting policies used by us, any alternative accounting treatments for material items that have been discussed by management with our auditors and any other written communications between our auditors and the Board of Directors.

In addition, pursuant to our bylaws, the Audit and Corporate Practices Committee is in charge of our corporate governance functions under the Mexican securities laws and regulations and is required to submit an annual report to the Board of Directors with respect to our corporate and audit practices. The Audit and Corporate Practices Committee must request the opinions of our executive officers for purposes of preparing this annual report.

As of December 31, 2023, our Audit and Corporate Practices Committee consisted of the following individuals (each of whom qualified as independent within the meaning of the Mexican Securities Market Law):

Name	Title	Status
Miriam Guadalupe de la Vega Arizpe	Chairwoman	Independent
José Shedid Merhy	Member	Independent
Juan Pablo del Valle Perochena	Member	Independent

The appointment of Mr. Juan Pablo del Valle Perochena as regular member of the Audit and Corporate Practices Committee was resolved pursuant to the resolutions adopted by the Audit and Corporate Practices Committee at its meeting held on July 11, 2023.

All of the members of our Audit and Corporate Practices Committee are highly experienced and have long track records as business owners or public or private officials, and a majority of them serve or have served on the boards of various financial institutions. José Shedid Merhy is our financial expert, as defined in the Rules.

We do not have any other intermediate management body.

Senior Officers

The following table sets forth the name, principal occupation, experience, other directorships and years of service of our senior officers.

Name	**Title**	**Age**	**Gender**	**Years with our Company**
Gerardo Kuri Kaufmann	Chief Executive Officer	40	Male	1
Sergio Javier Galicia Sánchez	Chief Financial and Administration Officer	45	Male	1
Francisco Javier Arnau Quiroga	General Counsel	34	Male	1
Luis Humberto Díaz Jouanen	Chief Operating Officer	54	Male	1
María Paloma Vértiz Robleda	Director of Investor Relations	36	Female	1

Included below is a brief biography of each of the members of our senior management team.

Gerardo Kuri Kaufmann is our Chief Executive Officer. Previously, he served as Chief Executive Officer of Inmuebles Carso, S.A.B. de C.V., from its organization through April 2016, and as Director of Procurement at Carso Infraestructura y Construcción, S.A. de C.V., from 2008 to 2010. He was recently appointed Chief Executive Officer of Minera Frisco, S.A.B. de C.V. He serves on the boards of Inmuebles Carso, S.A.B. de C.V., Elementia Materiales, S.A.P.I. de C.V., Fortaleza Materiales, S.A.P.I. de C.V., Fomento de Construcciones y Contratas, S.A., Realia Business, S.A., Cementos Portland Valderrivas, S.A. and Carso lnfraestructura y Construcción, S.A. de C.V. Mr. Kuri Kaufmann holds a degree in Industrial Engineering from Universidad Anáhuac. He is 40 years old.

Sergio Javier Galicia Sánchez 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 2000 to 2015. Subsequently, until 2020, he served as Controller at Telesites, S.A.B. de C.V. and, finally, from 2020 to 2023, as Chief Financial Officer at Minera Frisco, S.A.B. de C.V. Mr. Galicia Sánchez holds a degree in public accounting from the Instituto Politécnico Nacional. He is 45 years old.

Francisco Javier Arnau Quiroga joined América Móvil in 2014 as a member of its legal team and most recently served as Legal Manager. From 2020 to 2021, he worked as a Foreign Associate at the New York offices of Willkie Farr & Gallagher, LLP. Prior to joining América Móvil, he worked as an Associate at SAI Consultores, S.C. Mr. Arnau Quiroga holds a degree in Law from

Universidad Iberoamericana and a diploma in Real Estate Law from Escuela Libre de Derecho. He is 34 years old.

Luis Humberto Díaz Jouanen served as Director of Operations at Operadora de Sites Mexicanos, S.A. de C.V. from 2015 to January 2022. Prior to that, he served as Deputy Director of Embedded Systems at Radiomóvil Dipsa, S.A. de C.V. from 2002 to 2015, and as Director of Fiberoptics Construction at Grupo Condumex from 1996 to 2002. Mr. Díaz Jouanen holds a degree in Civil Engineering from Universidad Iberoamericana. He is 54 years old.

María Paloma Vértiz Robleda held various positions within América Móvil' 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. She is 36 years old.

Compensation of Directors and Senior Management

The aggregate compensation paid to our directors and senior management in 2023 was approximately Ps.9.5 million.

Directors were paid a fee of Ps.48,700 for each meeting of our Board of Directors they attended throughout the year 2023. The directors who are members of our Audit and Corporate Practices Committee were paid an additional fee of Ps.24,300 for each meeting of such committee they attended.

We have not established any pension, retirement or other similar plan for our directors, executive officers or any other individual may be deemed to be a related party of ours.

Code of Ethics

We have a Code of Ethics that is reflective of our goal of conforming to the best industry practices. Our Code of Ethics codifies the principles of ethical conduct that are applicable to us as a company and to all of our directors, senior management, employees and vendors, irrespective of our obligations under the applicable labor laws. Our Code of Ethics is available for review on our website, *www.siteslatam.com/codigo-de-etica.pdf*.

Principal Shareholders

The following table identifies, on a prospective basis and illustrative purposes, the individuals and entities that as of this date, are, without limitation, our principal shareholders.

Shareholder	Shares owned (Millions)
B-1 Shares	
Banco Inbursa, S.A., as trustee of trust No. F/126 (the Family Trust)[1]	887
Control Empresarial de Capitales, S.A. de C.V. [2]	712
Carlos Slim Helú	258
Ibuplus, S.A. de C.V. Fondo de Inversión de Renta Variable	255

(1) The Family Trust is a holder of Shares for the benefit of members of the Slim Family.

(2) Includes shares owned by subsidiaries of Control Empresarial de Capitales. Based on beneficial ownership reports filed with the SEC, Control Empresarial de Capitales may be deemed to be controlled by the Slim Family.

Except as otherwise indicated in this annual report, as of December 31, 2023 we were (i) not controlled by any other company, foreign government, individual or entity and (ii) not aware of any commitment that may result in a change of control over us.

**[XBRL] Description of the labor inclusion policy or program*

As a matter of corporate culture, we are respectful of occupational, cultural and gender diversity and foster professional advancement on the basis of talent, moral character, academic education, knowledge, discipline and effort, without regard for gender, race, religion or other subjective factors. We strongly condemn any discriminatory conduct, including discrimination on the basis of gender. We are working on the implementation of policies that actively encourage diversity in the workplace and the selection of the best candidates at each level of our corporate structure, without setting any specific standards but with the aim of increasing our diversity in terms of gender, perspectives and experience. We have a dedicated team that is directly responsible for ensuring compliance with these policies. As of December 31, 2023, women accounted for 20% of our senior management team and 12.5% of our board members, while men accounted for 80% and 87.5%, respectively. We expect to improve our male-to-female ratios as we engage in more active efforts and initiatives toward the achievement of increased diversity in terms of the perspectives and experiences of our human capital.

**[XBRL] Bylaws and other agreements*

The following is a brief summary of certain material provisions of our bylaws and Mexican law. This summary does not purport to be complete and is qualified in its entirety by reference to our bylaws.

Organization and Registration

We are a public company (*sociedad anónima bursátil de capital variable*) organized in Mexico under the Mexican General Law on Companies and the Mexican Securities Market Law. We were organized 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.

Our bylaws, as currently in effect, are contained in public instrument No. 54,000, dated May 8, 2023, issued by notary public No. 180 for Mexico City, Luis Eduardo Paredes Sánchez.

Corporate purpose

Our main corporate purposes, as set forth in Article Three of our bylaws, are to

a) hold ownership interests or participations in all types of companies, corporations and partnerships, whether from their inception or upon the acquisition of shares, partnership interests, equity instruments or instruments convertible into equity of pre-existing entities; dispose of or transfer any such shares, partnership interests, equity instruments or instruments convertible into equity; take all the actions permitted of a holding company as with respect to any entity in which it holds a majority of the voting shares, partnership interests or other equity instruments or which is otherwise under its control or in which it has the ability to direct the course of the management by any lawful means whatsoever;

b) build, own, operate, maintain, preserve, market by any means, lease and, generally, manage all types of towers and other support structures and facilities employed in the installation of broadcast and other related equipment, in accordance with the applicable laws and regulations; and

c) lease as lessor or lessee, enter into *commodatum* agreements with respect to and possess, exchange, dispose of or create security interests on the ownership or possession of all types of real and personal property or rights thereto, as it may deem it necessary or advisable in furtherance of its business.

Share Capital

As of December 31, 2022, the minimum fixed portion of our capital amounted to Ps.1,571,641.61 and we had an aggregate of 3,181,200,000 Shares outstanding, all which were Series B-1 voting shares of common stock issued in registered form, no par value. All of our Shares are fully paid and non-assessable, and are free from any restriction. No portion of our authorized capital remains unsubscribed.

Voting Rights

All of our Shares of stock confer full voting rights. Each Share entitles its holder to cast one vote at any meeting of our shareholders.

Shareholders' Meetings

General shareholders' meetings may be ordinary meetings or extraordinary meetings Extraordinary meetings are called to consider certain matters specified in Article 182 of the Mexican General Law on Companies, including, among others, amendments to our bylaws, our liquidation, merger or transformation from one type of company to another and the removal of our Shares from listing on the Mexican Stock Exchange or any foreign exchange. Meetings called to consider any other matter are ordinary meetings.

An ordinary meeting must be held each year to consider the approval of our financial statements for the previous year, elect or reelect our directors and allocate our profits for the previous year.

Transactions representing 20% or more of our consolidated assets in any given year must be approved by our shareholders at an ordinary meeting.

The quorum for an ordinary meeting is 50% of our outstanding Shares and action at any such meeting may be taken by a majority of the Shares present. If a quorum is not available, a second call may be issued and action at that meeting may be taken by a majority of the Shares present, regardless of the number of such Shares. The quorum for an extraordinary meeting is 75% of our outstanding Shares. If a quorum is not available, a second call may be issued, and a majority of our outstanding Shares will form a quorum at that meeting. Action at any extraordinary meeting, whether held on first or second call, may be taken by one-half of our outstanding Shares.

Holders of 20.0% of our outstanding Shares may seek to have any shareholder action set aside by filing a complaint with a court of law within 15 days from the date on which the meeting at which such action was taken was adjourned, on the basis that such action is in violation of Mexican law or our bylaws. In addition, any shareholder may seek to have any shareholder action set aside by filing a complaint at any time within five years of the date on which the relevant meeting was adjourned. Relief under these provisions is only available to holders:

- who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action; and

- whose Shares were not represented when the action was taken or, if represented, were voted against such action.

Shareholders' meetings may be called by our Board of Directors, its chairman, our Corporate Secretary, the Chairman of the Audit and Corporate Practices Committee or a court of law. The Chairman of the Board of Directors or the Chairman of the Audit and Corporate Practices Committee may be required to call a shareholders' meeting by any holder or holders of 10% of our outstanding Shares. Notices of shareholders' meetings must be published at least 15 days prior to the date of the relevant meeting.

In order to attend any shareholders' meeting, shareholders are required to deposit their Shares with our Corporate Secretary, a Mexican or non-Mexican securities depository or a Mexican broker-dealer.

Dividend Rights

At the annual ordinary general shareholders' meeting, our Board of Directors submits our financial statements for the previous fiscal year, together with its report thereon, for approval. Following the approval of our financial statements, our shareholders must allocate our net profits for the previous year. Shareholders are required by law to allocate 5.0% of such net profits to a legal reserve, which is not thereafter available for distribution except as a stock dividend, until the amount of the legal reserve equals 20% of our capital stock. The remainder of such net profits is available for distribution.

All Shares outstanding at the time a dividend or other distribution is declared are entitled to participate in such dividend or other distribution.

Limitation on Capital Increases

Our bylaws require that any capital increase be represented by new Shares of each series in proportion to the number of Shares of each series outstanding.

Preemptive Rights

Except in certain limited circumstances, including mergers, the conversion of convertible securities, public offerings and sales of previously repurchased Shares, in the event of a capital increase a holder of existing Shares of a given series has a preemptive right to subscribe a number of new Shares of the same series that is sufficient to maintain such holder's percent ownership of Shares of that series. Such right must be exercised within 15 days from the date of publication of notice of the capital increase. Under Mexican law, preemptive rights cannot be traded separately from the Shares that confer them. As a result, there is no trading market for the rights relating to capital increases.

Restrictions on Certain Transactions

Our bylaws provide that any transfer of 10% or more of our outstanding Shares, in a single transaction or a series of related transactions, by any person or group of persons acting in concert, requires prior approval by our Board of Directors. Under Mexican law and our bylaws, if our Board of Directors denies such approval it must designate an alternate transferee to purchase the relevant Shares at market price as quoted by the Mexican Stock Exchange.

Restrictions on Deregistration From the National Securities Registry

Our Shares are registered with the National Securities Registry as required under the Mexican Securities Market Law and the Rules.

If we cancel our registration voluntarily, or if such registration is canceled by an order of the Commission, we will be required to make a public offer for the purchase of all of our outstanding Shares prior to such cancellation. The offer will be addressed to all holders of record of our Shares or other securities representing such Shares, other than the members of our controlling group of shareholders, as of (i) the date specified by the Commission, if the registration is canceled thereby, or (ii) the date of the extraordinary general shareholders' meeting at which the cancellation is approved, if canceled voluntarily.

Pursuant to our bylaws, if upon completion of the purchase offer there are still outstanding Shares being held by the general public, we will be required to establish a trust for a period of six months and to contribute to such trust funds in an amount sufficient to purchase, at the same price as the offer price, all of the outstanding Shares being held by the public investors who did not participate in the offer.

Unless otherwise authorized by the CNBV and subject to the prior approval of our Board of Directors, taking into consideration the opinion of our Audit and Corporate Practices Committee, the offer price will be the higher of (i) the average closing price for the previous 30 days on which our Shares may have been quoted on the Mexican Stock Exchange, or (ii) the book value, as reflected in the most recent quarterly report we have filed with the Commission and the Mexican Stock Exchange.

The voluntary cancellation of the registration must be previously approved by (i) the Commission and (ii) the holders of 95.0% of our outstanding Shares at an extraordinary general shareholders' meeting.

Tender Offer Requirement

Our bylaws provide that in the event of the acquisition of a significant ownership interest in our company (i.e., 30% or more of our outstanding Shares) by any person or group of persons, other than through a public tender offer made in accordance with the Rules, such person or persons will not be entitled to exercise the corporate rights otherwise conferred by their Shares and we will not be required to register such transfer in our stock registry.

Other Provisions

<u>Variable Capital</u>

We are permitted to issue Shares constituting fixed capital and Shares constituting variable capital. As of December 31, 2023, all of our outstanding Shares were fixed capital Shares. The issuance of variable capital Shares, unlike the issuance of fixed capital Shares, does not require an amendment of our bylaws, although it does require approval by the affirmative vote of a majority of our outstanding Shares.

<u>Forfeiture of Shares</u>

Our bylaws provide that any non-Mexican national who acquires an interest or participation in the company, whether upon our organization or at any time thereafter, will be regarded as Mexican for purposes of such interest or participation and will be deemed to have agreed not to invoke the protection of its own government, under penalty, in the event of violation of such agreement, of forfeiture of such interest or participation to the Mexican nation. Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the rights of such shareholder, but is not deemed to have waived any other rights it may have with respect to its investment in our company. If the shareholder invokes such governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government. Mexican law requires that such a provision be included in the bylaws of all Mexican companies unless such bylaws prohibit the ownership of shares by non-Mexican nationals.

<u>Exclusive Jurisdiction</u>

Our bylaws provide that legal actions relating to the execution, interpretation or performance of such bylaws must be brought before a Mexican court.

<u>Duration</u>

Pursuant to our bylaws, the duration of our company is indefinite.

Purchase of Our Own Shares

Pursuant to our bylaws, we may repurchase our Shares on the Mexican Stock Exchange at any time at the then-prevailing market price. Any such repurchase must conform to the guidelines established by our Board of Directors, and the amount available to repurchase Shares must be approved at an ordinary general shareholders' meeting. The economic and voting rights otherwise conferred by repurchased Shares may not be exercised for as long as our company remains their owner, and such Shares are not deemed outstanding for purposes of the determination of any quorum or vote at any shareholders' meeting during such period.

Conflicts of Interest

A shareholder that votes on a business transaction in which its interest conflicts with our interest may be liable for damages, but only if the transaction would not have been approved without its vote.

Withdrawal Rights

If a shareholders' meeting approves a change of corporate purpose, a change of nationality of our company or its transformation from one type of company to another, any shareholder entitled to vote on such change that has voted against it may withdraw from our company and receive the book value of its Shares, provided this right is exercised within 15 days from the date on which the meeting was adjourned.

**[XBRL] Additional information about the managers and shareholders*

We do not make any additional disclosures regarding our managers and shareholders.

[429000-N] Capital Market

**[XBRL] Capital structure*

As of December 31, 2023 our paid-in capital was Ps.1,571,641.61 and we had an aggregate of 3,181,200,000 outstanding Shares, all which were Series B-1 registered shares of common stock, no par value, as shown in the following table:

Series	No. of Shares	Percent of capital
B-1 Shares	3,181,200,000	100%
Total:	**3,181,200,000**	**100%**

**[XBRL] Trading prices*

On January 2, 2023, Sitios began operations with an opening price of Ps.9.50 (nine Pesos 50/100 Mexican Pesos) per share. The share price varied during 2023, closing with an average price of Ps.7.37 (seven Pesos 37/100 Mexican Pesos) throughout the year, reflecting fluctuations typical of a macroeconomically changing year considering instability in exchange rates, interest rates and inflation indicators in the countries where we operate. The following table shows the trading prices and trading volumes for our Shares on the Mexican Stock Exchange during the period from January 1, 2023 to April 30, 2024:

Ticker	Period	Date	Last price	Minimum price	Maximum price	Average price	Volume
LASITE B-1	Annual	2023	6.93	6.04	9.78	7.37	1,876,516
	Quarterly	1T23	7.45	6.62	9.78	8.10	4,399,345
	Quarterly	2T23	6.90	6.68	7.66	7.22	813,862
	Quarterly	3T23	6.94	6.61	7.79	7.16	828,171
	Quarterly	4T23	6.93	6.04	7.86	7.00	1,468,134
	Quarterly	1T24	5.66	5.29	7.29	6.19	4,753,464
	Monthly	Jan. 23	8.71	8.20	9.78	8.97	3,355,895
	Monthly	Feb. 23	7.37	7.11	8.71	8.08	3,007,255
	Monthly	Mar. 23	7.45	6.62	8.07	7.24	6,645,054
	Monthly	Apr. 23	7.28	6.96	7.66	7.38	714,656
	Monthly	May 23	7.34	6.80	7.64	7.24	787,379
	Monthly	Jun. 23	6.90	6.68	7.53	7.08	921,513
	Monthly	Jul. 23	7.51	6.88	7.68	7.15	962,015
	Monthly	Aug. 23	7.16	7.04	7.79	7.28	856,700
	Monthly	Sep. 23	6.94	6.61	7.35	7.03	663,081
	Monthly	Oct. 23	6.45	6.04	7.17	6.67	307,325
	Monthly	Nov. 23	7.12	6.28	7.70	7.13	1,752,892
	Monthly	Dec. 23	6.93	6.93	7.86	7.25	2,512,485
	Monthly	Jan. 24	6.46	5.29	7.29	6.70	3,023,711
	Monthly	Feb. 24	6.02	5.56	6.60	6.01	5,429,327
	Monthly	Mar. 24	5.66	5.50	6.09	5.78	6,116,647
	Monthly	Apr. 24	5.34	5.15	5.70	5.37	555,915

**[XBRL] Name of each entity that provided market making services during the previous year*

As of December 31, 2023 we had not entered into any market maker services agreement.

**[XBRL] Identify the securities that were traded by the market maker*

As of December 31, 2023 we had not entered into any market maker services agreement.

**[XBRL] Effective date, extension or renewal, term and, as the case may be, termination or rescission of the market maker services agreement*

As of December 31, 2023 we had not entered into any market maker services agreement.

**[XBRL] Describe the services rendered by the market maker and the general terms and conditions of the agreement that was then in effect*

As of December 31, 2023 we had not entered into any market maker services agreement.

**[XBRL] General description of the impact of the market maker's services on the trading prices and volumes of the securities of the issuer that were traded by such intermediary*

As of December 31, 2023 we had not entered into any market maker services agreement.