
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 20-F/A

(Amendment No. 2)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

or

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number: 001-16269

AMÉRICA MÓVIL, S.A.B. DE C.V.
(Exact name of Registrant as specified in its charter)

America Mobile
(Translation of Registrant's name into English)

United Mexican States
(Jurisdiction of incorporation or organization)

Daniela Lecuona Torres
Phone: (5255) 2581-3700
Facsimile: (5255) 2581-4422
Lago Zurich, Plaza Carso/Edificio Telcel, Colonia Ampliación Granada, Miguel Hidalgo
11529, Mexico City, Mexico
(Address of principal registered office)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class

Trading
Symbol

Name of Each Exchange
on Which Registered

American Depositary Shares, each representing 20 B Shares, without par value	AMX	New York Stock Exchange
3.625% Senior Notes Due 2029	AMX29	New York Stock Exchange
2.875% Senior Notes Due 2030	AMX30	New York Stock Exchange
4.700% Senior Notes Due 2032	AMX32	New York Stock Exchange
6.375% Senior Notes Due 2035	AMX35	New York Stock Exchange
6.125% Senior Notes Due 2037	AMX37	New York Stock Exchange
6.125% Senior Notes Due 2040	AMX40	New York Stock Exchange
4.375% Senior Notes Due 2042	AMX42	New York Stock Exchange
4.375% Senior Notes Due 2049	AMX49	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

The number of outstanding shares of each class of the registrant's classes of capital or common stock as of December 31, 2023 was:
62,450 million B Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of "accelerated filer," "large accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐
Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐
No ☒

EXPLANATORY NOTE

This Amendment No. 2 on Form 20-F/A (“Amendment No. 2”) amends the Annual Report on Form 20-F/A of América Móvil, S.A.B. de C.V. (“América Móvil,” “we” or the “Company”) for the fiscal year ended December 31, 2023, filed on May 1, 2024 (the “Original Form 20-F”). Unless otherwise indicated or unless the context requires otherwise, all references herein to this Annual Report on Form 20-F, this Form 20-F, this Annual Report and similar names refer to the Original Form 20-F, as amended by this Amendment No. 2.

Subsequent to the filing of the Company’s 20-F, in August 2024, the Company’s independent registered public accounting firm, Mancera S.C., a member of Ernst & Young Global Limited (“Mancera/EY”), informed the Company and its Audit and Corporate Practices Committee (*Comité de Auditoría y Prácticas Societarias*) that the Public Company Accounting Oversight Board (PCAOB) commenced an inspection of Mancera/EY’s integrated audit of the Company’s consolidated financial statements for the fiscal year ended December 31, 2023 (the “PCAOB Inspection”). As a result of this inspection, Mancera/EY performed a series of additional procedures it had omitted during the 2023 audit conducted on internal controls and identified certain internal control deficiencies with respect to our Mexican business and concluded that such deficiencies resulted in a material weakness in the Company’s ICFR. On January 9, 2025, the Company received a letter from Mancera/EY (the “January 9 letter”), stating that Mancera/EY had withdrawn its opinion, dated April 29, 2024, relating to the effectiveness of the Company’s internal control over financial reporting as of December 31, 2023, included in Item 15 of the Company’s Annual Report on Form 20-F/A, filed with the U.S. Securities and Exchange Commission on May 1, 2024 (the “Original Mancera/EY Opinion”). Since the receipt of the January 9 letter, the Company has provided Mancera/EY with the additional information requested for the performance of the additional procedures conducted or additional concerns over the Company’s ICFR. As of the date of this Amendment No. 2, as a result of these additional procedures, Mancera/EY has reported to management additional material weaknesses over its internal control over financial reporting and has revised its assessment on the Company’s internal control over financial reporting, as set forth in this Amendment No. 2.

This Amendment No. 2 is being filed to amend (i) Part II—Item 15. Controls and Procedures to reflect the material weaknesses described above and related disclosures; and Mancera/EY’s opinion on our internal control over financial reporting set forth therein (ii) Part III—Item 18. Financial Statements to revise Mancera/EY’s opinion on the consolidated financial statements and (iii) Part III—Item 19 Exhibits to include currently dated certifications from our Chief Executive Officer and Chief Financial Officer as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications are attached to this Amendment No. 2 as Exhibits 12.1, 12.2 and 13.1.

This Amendment No. 2 does not modify, amend, or update in any way any other items or disclosures contained in the Original Form 20-F, including the XBRL data filed in Exhibit 101. The Company has not made any changes to its consolidated financial statements other than as described above with respect to the opinion of Mancera/EY. Except as noted herein, this Amendment No. 2 has not been updated for other events or information subsequent to the date of the filing of the Original Form 20-F.

TABLE OF CONTENTS

<u>PART II</u>	1
<u>Item 15. Controls and Procedures</u>	1
<u>PART III</u>	4
<u>Item 18. Financial Statements</u>	4
<u>Item 19. Exhibits</u>	4
<u>Signatures</u>	5
<u>Consolidated Financial Statements</u>	F-1

PART II

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2023. Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time period specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). Based on the information provided under the explanatory note and upon that evaluation, our management has concluded that, because of the material weaknesses identified below related to (i) certain ineffective ITGCs at our Colombian subsidiary, (ii) controls associated with business processes that are part of the “Mexico Fixed” segment; (iii) controls associated with the prepaid and postpaid revenue processes that are part of the “Mexico Wireless” segment; and (iv) controls at both the Mexican Fixed and Mexico Wireless segments, which were not sufficiently designed nor operating effectively to assess the completeness and accuracy of information provided by the entity (IPE), our disclosure controls and procedures were not effective as of December 31, 2023.

In light of the material weaknesses discussed below, we performed additional analysis and other post-closing procedures to ensure our consolidated financial statements are prepared in accordance with generally accepted accounting principles. Accordingly, our management, including our Chief Executive Officer and Chief Financial Officer, have concluded that the consolidated financial statements included in this Amendment No. 2 present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with IFRS, and no adjustments are required to our financial statements as a result of such weaknesses.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and other personnel, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “COSO criteria”).

Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as issued by the IASB and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of the inherent limitations in all control systems, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In Management's Annual Report on Internal Control over Financial Reporting included in the Original Form 20-F, management identified deficiencies in internal controls with respect to:

- (i) Ineffective ITGCs in our Colombian subsidiary related to (a) user access controls over granting access to, and terminations, modifications and certification of, users; and (b) program change management controls related to inadequate restrictions on developers making changes to certain applications in the production environment.

Management concluded, based on its evaluation under the COSO criteria, that such deficiencies represented a material weakness and therefore the Company's internal control over financial reporting was not effective as of December 31, 2023.

Subsequent to the filing of the Original Form 20-F, as explained in the explanatory note above, management re-evaluated the effectiveness of our disclosure controls and procedures and concluded that as of December 31, 2023, additional material weaknesses in internal controls existed and related to a lack of evidence, records or supporting documentation with respect to the following:

- (i) Identification, design and operating effectiveness of relevant controls associated with business processes at the "Mexico Fixed" segment, including entity level controls, application controls, manual controls dependent on information derived from systems, and management review controls;
- (ii) Design and operating effectiveness of relevant controls associated with the prepaid and postpaid revenue processes at the "Mexico Wireless" segment, including application controls, manual controls dependent on information derived from systems, and management review controls; and
- (iii) Controls at both the Mexico Fixed and Mexico Wireless segments were not sufficiently designed nor operating effectively to assess the completeness and accuracy of IPE that is used in the execution of controls.

As a result, management has amended and restated its report on the Company's internal control over financial reporting and concluded that the Company's internal control over financial reporting was not effective as of December 31, 2023 based on its evaluation under the COSO criteria due to the above material weaknesses.

These material weaknesses did not result in a material misstatement in our consolidated financial statements as of and for the year ended December 31, 2023, and, accordingly, no adjustments are required to our financial statements as a result thereof. Such financial statements are reincluded in this Amendment No. 2 for purposes of the Mancera/EY opinion, but have not been amended or restated in any respect since the Original Form 20-F.

Mancera, S.C. a member practice firm of Ernst & Young Global Limited, an independent registered public accounting firm, issued a revised attestation report on our internal control over financial reporting, which is included elsewhere herein.

Attestation Report of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of América Móvil, S.A.B. de C.V.

Opinion on Internal Control Over Financial Reporting

We have audited América Móvil, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission “(2013 framework)” (the COSO criteria). In our opinion, because of the effect of the material weaknesses described below on the achievement of the objectives of the control criteria, América Móvil, S.A.B. de C.V. and subsidiaries (the Company) has not maintained effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

In our report dated April 29, 2024, we expressed an adverse opinion that the Company had not maintained effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria. Management has subsequently identified deficiencies in controls related to the Company's: i) lack of identification, design and operating effectiveness of relevant controls associated with all business processes at the consolidated operations in Mexico that are part of the 'Mexico Fixed' segment, including entity level controls, application controls, manual controls dependent on information derived from systems, and management review controls; ii) lack of design and operating effectiveness of relevant controls associated with the prepaid and postpaid revenue processes at the Mexican operation that is part of the 'Mexico Wireless' segment, including application controls, manual controls dependent on information derived from systems, and management review controls; and iii) controls at both, the 'Mexico Fixed' and 'Mexico Wireless' segments, were not designed and operating effectively to assess the completeness and accuracy of information produced by the entity, which are used in the execution of controls (collectively, “Additional Material Weaknesses in the 'Mexico Fixed' and 'Mexico Wireless' segments”), and has further concluded that such deficiencies represented material weaknesses as of December 31, 2023. As a result, management has revised its assessment, as presented in the accompanying Management's Report on Internal Control over Financial Reporting, to describe these Additional Material Weaknesses in the 'Mexico Fixed' and 'Mexico Wireless' segments as of December 31, 2023. Accordingly, our present opinion on the effectiveness of internal control over financial reporting as of December 31, 2023, as expressed herein, includes additional material weaknesses from that included in our previous report.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment. Management has identified a material weakness in controls related to ineffective information technology general controls related to user access and program change management in one of the Company's foreign subsidiaries that are relevant to the preparation of the financial statements. As a result, business process controls in that foreign subsidiary, application controls and manual controls dependent on information derived from such systems, including management review controls, were also determined to be ineffective. Management also has identified the Additional Material Weaknesses in the 'Mexico Fixed' and 'Mexico Wireless' segments.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of three years in the period ended December 31, 2023, and the related notes. These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the 2023 consolidated financial statements, and this report does not affect our report dated April 29, 2024, except for the effects of the Additional Material Weaknesses in the 'Mexico Fixed' and 'Mexico Wireless' segments described in the second paragraph of the Opinion on the Consolidated Financial Statements, as to which the date is April 9, 2025, which expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ MANCERA, S.C.

A member of Ernst & Young Global Limited

Mexico City, Mexico

April 29, 2024, except for the effects of the Additional Material Weaknesses in the 'Mexico Fixed' and 'Mexico Wireless' segments described in the second and third paragraphs above, as to which the date is April 9, 2025.

Remediation Plan for Material Weakness and Changes in Internal Control over Financial

Management is committed to the continued improvement of the Company's internal control over financial reporting. Management is implementing measures designed to ensure that any control deficiencies are remediated, such that our controls are designed, implemented, and operating effectively.

As of the date of this annual report, management has made, and continues to make changes to remediate the control deficiencies giving rise to the material weaknesses disclosed in this annual report through remediation actions that include, but are not limited to: (i) maintaining sufficient user access controls over granting access to, and terminations, modifications and certification of, users, including determining user access to information systems and applications at an individual user level; (ii) implementing restrictions on developers making changes to certain applications in the production environment; (iii) complementing the documentation currently compiled in connection with certain of our controls with additional information as necessary to demonstrate the accuracy of IPE where appropriate, including the details of the activities performed in connection with the execution of said controls, and keeping logs, metrics and data for any such activities and related processes; (iv) re-designing some of our controls by either automating them or replacing them with enhanced controls; (v) extending the retention period for documentation and evidence gathered in connection with the execution of certain controls; and (vi) keeping operating manuals readily available and accessible to our auditors.

While some of these ongoing remediation actions have been completed as of the date of this annual report, management has not completed and tested all of the planned corrective processes, enhancements, procedures and related evaluations necessary to determine whether the material weakness disclosed in this annual report have been fully remediated. Moreover, the corrective actions and controls need to be in operation for a sufficient period of time for management to conclude that the control environment is operating effectively and has been adequately tested by management. As the Company continues its evaluation and remediation efforts, management may modify the actions described above or identify and take additional measures to address the control deficiencies.

Other than the remediation actions described above to address the material weaknesses disclosed in this annual report, there has been no change in our internal control over financial reporting during 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 18. FINANCIAL STATEMENTS

The financial statements beginning on Page F-1 of this Amendment No. 2 are incorporated herein by reference.

ITEM 19. EXHIBITS

The Exhibits listed in the accompanying Index to Exhibits are filed or incorporated by reference as part of this Amendment No. 2.

1.1	<u>Amended and Restated Bylaws of América Móvil, S.A.B. de C.V., dated as of April 14, 2023.</u>
2.1	<u>Description of Securities Registered Under Section 12 of the Exchange Act.</u>
4.1	<u>Stock Purchase Agreement by and among Verizon, América Móvil, S.A.B. de C.V., AMX USA Holding, S.A. de C.V. and TracFone Wireless, Inc. dated as of September 13, 2020 (incorporated by reference to Exhibit 4.1 of our annual report on Form 20-F File No. 001-16269, filed on April 29, 2021).</u>
4.2	<u>Form of Deposit Agreement by and among América Móvil, S.A.B. de C.V., Citibank, N.A., as ADS depository, and the holders and beneficial owners of American Depositary Shares thereunder (incorporated by reference to Exhibit (a) to the Registration Statement on Form F-6 (File No. 333-270031) filed with the Commission on February 24, 2023).</u>
8.1	<u>List of certain subsidiaries of América Móvil, S.A.B. de C.V.</u>
12.1	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
12.2	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
13.1	<u>Certification pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.</u>
15.1	<u>Code of Ethics.</u>
17.1	<u>Subsidiary Guarantors.</u>
97.1	<u>Policy Relating to Recovery of Erroneously Awarded Compensation of América Móvil, S.A.B. de C.V.</u>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Document.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

Omitted from the exhibits filed with this annual report are certain instruments and agreements with respect to long-term debt of América Móvil, none of which, individually, authorizes securities in a total amount that exceeds 10% of the total assets of América Móvil. We hereby agree to furnish to the SEC copies of any such omitted instruments or agreements as the Commission requests.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Dated: April 9, 2025

AMÉRICA MÓVIL, S.A.B. DE C.V.

By: /s/ Carlos José García Moreno Elizondo
Name: Carlos José García Moreno Elizondo
Title: Chief Financial Officer

By: /s/ Alejandro Cantú Jiménez
Name: Alejandro Cantú Jiménez
Title: General Counsel

AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Financial Statements

Years Ended December 31, 2021, 2022 and 2023

Contents:

<u>Report of Independent Registered Public Accounting Firm (PCAOB ID: 1284)</u>	F-2
Audited Consolidated Financial Statements:	
<u>Consolidated Statements of Financial Position</u>	F-5
<u>Consolidated Statements of Comprehensive Income</u>	F-6
<u>Consolidated Statements of Changes in Shareholders' Equity</u>	F-7
<u>Consolidated Statements of Cash Flows</u>	F-8
<u>Notes to Consolidated Financial Statements</u>	F-9

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of América Móvil, S.A.B. de C.V.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of América Móvil, S. A. B. de C. V. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 29, 2024, except for the effects of the Additional Material Weaknesses in the 'Mexico Fixed' and 'Mexico Wireless' segments, described in the second and third paragraphs of that report, as to which the date is April 9, 2025, expressed an adverse opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our

opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Deferred tax assets, realizability of amounts related to net operating loss carryforwards and temporary differences related to employee benefits

Description of the Matter

As discussed in Note 13 to the consolidated financial statements, as of December 31, 2023, the balance of deferred tax assets was Ps. 137,883,622 thousand. The Company has recognized deferred tax assets arising from net operating loss carryforwards (NOLs) of Ps. 36,970,123 thousand, of which Ps. 25,293,302 thousand was generated by its subsidiary in Brazil. In addition, the Company has recognized deferred tax assets of Ps. 34,663,794 thousand related to employee benefits, which are primarily derived from the 'Mexico Fixed' segment. Auditing management's assessment of the realizability of the deferred tax assets arising from NOLs in Brazil and the employee benefits from the 'Mexico Fixed' segment involved complex auditor judgement because management's estimate of realizability was based on assessing the likelihood, timing and sufficiency of future taxable profits and available tax planning opportunities. These projections are sensitive because they can be affected by future operating results and future market and economic conditions. Additionally, auditing management's assessment of the realizability of the deferred tax assets related specifically to the employee benefits from the 'Mexico Fixed' segment was complex, as there were material weaknesses in internal controls over the design and operating effectiveness of the controls to assess the completeness and accuracy of information produced by the entity.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement related to the realizability of the deferred tax assets arising from NOLs in Brazil. Additionally, we tested controls over management's analyses of the Brazilian subsidiary's future reversal of existing taxable temporary differences, their projections of future taxable income and related assumptions used in developing the projected financial information and their identification of available tax planning opportunities. Furthermore, our audit also included the testing of controls that address the completeness and accuracy of the data used in the analyses for the Brazilian subsidiary.

To test the realizability of the deferred tax assets arising from NOLs in Brazil, and after consideration of the material weaknesses in internal controls at the 'Mexico Fixed' segment related to the deferred tax assets arising from employee benefits, our audit procedures included, among others, the review of management's estimates of future taxable income, the methodology used, the significant assumptions and the underlying data used by the Company in developing the projected financial information, such as customer attrition rates, growth rates, and other key assumptions by comparing them with historical, economic and industry trends and evaluating whether changes to the Company's business model and other factors would significantly affect the projected financial information. We also involved our valuation specialists to evaluate the analysis and assumptions used, and to test the calculations used by the Company.

In addition, with the assistance of our tax professionals, we assessed the application of relevant tax laws, including assessing the Company's future tax planning opportunities, and tested the scheduling of the timing and amounts of expected reversals of taxable temporary differences.

We also assessed the adequacy of the related financial statement disclosures.

Discount rate used in determining defined benefit pension obligations in Mexico

Description of the Matter

As discussed in Note 2 q) and in Note 18 to the consolidated financial statements, as of December 31, 2023, the defined benefit pension obligation balance was Ps. 134,188,504 thousand, which was primarily derived from the 'Mexico Fixed' segment. The Company assessed and updated its estimates and assumptions used to actuarially measure and value the defined benefit pension obligation as of December 31, 2023, using the assistance of independent actuarial specialists.

Auditing the defined benefit pension obligation related specifically to the ‘Mexico Fixed’ segment involved complex auditor judgement and required the involvement of our actuarial and valuation specialists because of the highly judgmental nature of the discount rate used in the Company’s measurement process. This assumption was complex because it required a valuation of the credit quality of the corporate bonds used to develop the discount rate and the correlation of those bonds’ cash inflows to the timing and amount of future expected benefit payments. Additionally, auditing the defined benefit pension obligation of the ‘Mexico Fixed’ segment was complex, as there were material weaknesses in internal controls over the design and operating effectiveness of controls to assess the completeness and accuracy of information produced by the entity.

*How We Addressed the
Matter in Our Audit*

To test the determination of the discount rate of the defined benefit pension obligation we involved our valuation and actuarial specialists to assist us in evaluating the methodology used to select the yield curve applied on the calculation, assessing the credit quality of the corporate bonds that comprise the yield curve and the timing and amount of cash flows at maturity with the expected amounts and duration of the related benefit payments.

We also evaluated the objectivity and competence of management’s internal specialist responsible for overseeing the determination of the discount rate and the independent actuarial specialists through the consideration of their professional qualifications, experience and use of accepted methodology.

We also assessed the adequacy of the related financial statement disclosures.

/s/ MANCERA, S.C.

A member of Ernst & Young Global Limited

We have served as the Company’s auditor since 1993.

Mexico City, Mexico

April 29, 2024, except for the effects of the Additional Material Weaknesses in the ‘Mexico Fixed’ and ‘Mexico Wireless’ segments described in the second paragraph of the Opinion on the Consolidated Financial Statements above, as to which the date is April 9, 2025.

AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Financial Position

(In thousands of Mexican pesos)

		At December 31,			
	Note	2022	2023	2023 Millions of U.S. dollars	
Assets					
Current assets:					
Cash and cash equivalents	3	Ps. 33,700,949	Ps. 26,597,773	US\$ 1,574	
Equity investments at fair value through other comprehensive income (OCI) and other short-term investments	4	88,428,111	73,755,627	4,366	
Accounts receivable:					
Subscribers, distributors, recoverable taxes, contract assets and other, net	5	199,424,202	206,802,150	12,242	
Related parties	6	2,287,213	1,071,520	63	
Derivative financial instruments	7	2,602,680	1,446,034	86	
Inventories, net	8	23,995,133	19,271,625	1,141	
Other current assets, net	9	10,565,422	11,222,259	664	
Total current assets		Ps. 361,003,710	Ps. 340,166,988	US\$ 20,136	
Non-current assets:					
Property, plant and equipment, net	10	Ps. 657,226,210	Ps. 628,650,904	US\$ 37,213	
Intangibles, net	11	128,893,422	121,498,519	7,192	
Goodwill	11	141,121,365	146,078,897	8,647	
Investments in associated companies	12b	23,975,462	14,380,463	851	
Deferred income taxes	13	128,717,811	137,883,622	8,162	
Accounts receivable, subscriber, distributors and contract assets, net	5	8,724,497	9,400,123	556	
Other assets, net	9	39,581,622	37,643,712	2,228	
Debt instruments at fair value through OCI	4	6,981,149	14,914,412	883	
Right-of-use assets	15	121,874,096	113,568,320	6,723	
Total assets		Ps.1,618,099,344	Ps.1,564,185,960	US\$ 92,591	
Liabilities and equity					
Current liabilities:					
Short-term debt and current portion of long-term debt	14	Ps. 102,024,414	Ps. 160,963,603	US\$ 9,528	
Short-term liability related to right-of-use of assets	15	32,902,237	24,375,010	1,443	
Accounts payable	16a	174,472,769	162,097,416	9,595	
Accrued liabilities	16b	56,815,331	55,214,324	3,268	
Income tax	13	29,174,066	29,516,162	1,747	
Other taxes payable		33,887,645	40,082,150	2,373	
Derivative financial instruments	7	25,331,346	17,896,379	1,059	
Related parties	6	7,224,218	6,766,826	401	
Deferred revenues		27,044,928	27,494,667	1,628	
Total current liabilities		Ps. 488,876,954	Ps. 524,406,537	US\$ 31,042	
Non-current liabilities:					
Long-term debt	14	Ps. 408,565,066	Ps. 339,713,449	US\$ 20,109	
Long-term liability related to right-of-use of assets	15	101,246,574	100,794,146	5,967	
Deferred income taxes	13	30,302,060	21,269,102	1,259	
Deferred revenues		2,556,103	2,666,273	158	
Asset retirement obligations	16c	10,799,997	10,117,928	599	
Employee benefits	18	137,923,317	143,516,143	8,495	
Total non-current liabilities		Ps. 691,393,117	Ps. 618,077,041	US\$ 36,587	
Total liabilities		Ps.1,180,270,071	Ps.1,142,483,578	US\$ 67,629	
Equity:					
Capital stock	20	Ps. 95,365,329	Ps. 95,362,024	US\$ 5,645	
Retained earnings:					
Prior years		429,324,326	469,543,111	27,794	
Profit for the year		76,159,391	76,110,617	4,505	
Total retained earnings		505,483,717	545,653,728	32,299	
Other comprehensive loss items		(227,044,342)	(274,303,207)	(16,237)	
Equity attributable to equity holders of the parent		373,804,704	366,712,545	21,707	
Non-controlling interests		64,024,569	54,989,837	3,255	
Total equity		437,829,273	421,702,382	24,962	
Total liabilities and equity		Ps.1,618,099,344	Ps.1,564,185,960	US\$ 92,591	

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

AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(In thousands of Mexican pesos, except for earnings per share)

For the years ended December 31					2023
	Note	2021 ⁽¹⁾	2022 ⁽¹⁾	2023	Millions of U.S. dollars, except for earnings per share
Operating revenues:					
Service revenues		Ps. 694,300,431	Ps. 712,985,548	Ps. 689,154,325	US\$ 40,794
Sales of equipment		136,387,021	131,515,849	126,858,519	7,509
		<u>Ps. 830,687,452</u>	<u>Ps. 844,501,397</u>	<u>Ps. 816,012,844</u>	<u>US\$ 48,303</u>
Operating costs and expenses:					
Cost of sales and services		328,510,002	330,532,450	316,476,140	18,734
Commercial, administrative and general expenses		173,579,745	179,454,030	173,001,297	10,241
Other expenses		4,738,463	5,010,379	6,965,828	412
Depreciation and amortization	9,10,11 and 15	156,302,992	158,633,786	151,786,064	8,985
		<u>Ps. 663,131,202</u>	<u>Ps. 673,630,645</u>	<u>Ps. 648,229,329</u>	<u>US\$ 38,372</u>
Operating income		<u>Ps. 167,556,250</u>	<u>Ps. 170,870,752</u>	<u>Ps. 167,783,515</u>	<u>US\$ 9,931</u>
Interest income		3,834,150	4,823,579	9,628,340	570
Interest expense		(35,738,305)	(41,258,803)	(44,545,241)	(2,637)
Foreign currency exchange (loss) gain, net		(16,714,847)	20,761,622	14,653,523	867
Valuation of derivatives, interest cost from labor obligations and other financial items, net	22	(14,243,517)	(19,116,219)	(26,814,668)	(1,586)
Equity interest in net result of associated companies		113,918	(1,811,432)	(5,371,824)	(318)
Profit before income tax		<u>104,807,649</u>	<u>134,269,499</u>	<u>115,333,645</u>	<u>6,827</u>
Income tax	13	<u>32,717,477</u>	<u>46,044,089</u>	<u>34,544,003</u>	<u>2,045</u>
Net profit for the year from continuing operations		<u>Ps. 72,090,172</u>	<u>Ps. 88,225,410</u>	<u>Ps. 80,789,642</u>	<u>US\$ 4,782</u>
Profit (loss) after tax for the year from discontinued operations	2, Ac	<u>124,235,942</u>	<u>(6,719,015)</u>	<u>—</u>	<u>—</u>
Net profit for the year		<u>Ps. 196,326,114</u>	<u>Ps. 81,506,395</u>	<u>Ps. 80,789,642</u>	<u>US\$ 4,782</u>
Net profit for the year attributable to:					
Equity holders of the parent from continuing operations	20	Ps. 68,187,225	Ps. 82,878,406	Ps. 76,110,617	US\$ 4,505
Equity holders of the parent from discontinued operations	2, Ac	124,235,942	(6,719,015)	—	—
Non-controlling interests		<u>3,902,947</u>	<u>5,347,004</u>	<u>4,679,025</u>	<u>277</u>
		<u>Ps. 196,326,114</u>	<u>Ps. 81,506,395</u>	<u>Ps. 80,789,642</u>	<u>US\$ 4,782</u>
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations	20	<u>Ps. 1.03</u>	<u>Ps. 1.30</u>	<u>Ps. 1.21</u>	<u>US\$ 0.07</u>
Basic and diluted earnings per share attributable to equity holders of the parent from discontinued operations	20	<u>Ps. 1.88</u>	<u>Ps. (0.11)</u>	<u>Ps. —</u>	<u>US\$ —</u>
Other comprehensive income (loss):					
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent years (net of tax):					
Effect of translation of foreign entities from continuing operations		Ps. (7,134,153)	Ps. (35,114,722)	Ps. (41,548,455)	US\$ (2,459)
Effect of translation of foreign entities from discontinued operations		(829,163)	5,193,281	—	—
Items that will not be reclassified to profit (or loss) in subsequent years (net of tax):					
Re-measurement of defined benefit plan, net of deferred taxes		11,261,896	(4,305,716)	(3,769,565)	(223)
Unrealized gain (loss) on equity investments at fair value, net of deferred taxes	4	4,560,869	(4,707,276)	(967,609)	(57)
Revaluation surplus, net of deferred taxes		—	—	868,456	51
Total other comprehensive income (loss) items for the year, net of deferred taxes	21	<u>7,859,449</u>	<u>(38,934,433)</u>	<u>(45,417,173)</u>	<u>(2,688)</u>
Total comprehensive income for the year		<u>Ps. 204,185,563</u>	<u>Ps. 42,571,962</u>	<u>Ps. 35,372,469</u>	<u>US\$ 2,094</u>
Comprehensive income for the year attributable to:					
Equity holders of the parent from continuing operations		Ps. 202,418,502	Ps. 40,959,024	Ps. 34,578,854	US\$ 2,047
Non-controlling interests		<u>1,767,061</u>	<u>1,612,938</u>	<u>793,615</u>	<u>47</u>
		<u>Ps. 204,185,563</u>	<u>Ps. 42,571,962</u>	<u>Ps. 35,372,469</u>	<u>US\$ 2,094</u>
Comprehensive income for the period:					
Net comprehensive income from continuing operations		Ps. 79,949,621	Ps. 49,290,977	Ps. 35,372,469	US\$ 2,094
Net comprehensive income (loss) from discontinued operations	2, Ac	<u>124,235,942</u>	<u>(6,719,015)</u>	<u>—</u>	<u>—</u>
		<u>Ps. 204,185,563</u>	<u>Ps. 42,571,962</u>	<u>Ps. 35,372,469</u>	<u>US\$ 2,094</u>

(1) Discontinued operations.

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

AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2021, 2022 and 2023

(In thousands of Mexican pesos)

	Capital stock	Legal reserve (Note 20)	Retained earnings	Unrealized loss on equity investment at fair value	Re-measurement of defined benefit plans	Cumulative translation adjustment	Revaluation surplus	Total equity attributable to equity holders of the parent	Non- controlling interests	Total equity
As of January 1, 2021	Ps.96,341,695	Ps.358,440	Ps.314,359,584	Ps.(10,881,989)	Ps. (113,607,942)	Ps.(100,926,140)	Ps. 64,835,155	Ps.250,478,803	Ps.64,638,815	Ps.315,117,618
Net profit for the year	—	—	192,423,167	—	—	—	—	192,423,167	3,902,947	196,326,114
Unrealized gain on equity investments at fair value, net of deferred taxes (Note 21)	—	—	—	4,560,869	—	—	—	4,560,869	—	4,560,869
Remeasurement of defined benefit plan, net of deferred taxes (Note 21)	—	—	—	—	11,100,835	—	—	11,100,835	161,061	11,261,896
Effect of translation of foreign entities (Note 21)	—	—	—	—	—	(2,514,992)	(2,322,214)	(4,837,206)	(2,296,947)	(7,134,153)
Discontinued operations (Note 21)	—	—	—	—	—	(829,163)	—	(829,163)	—	(829,163)
Transfer of assets' revaluation surplus (Note 21)	—	—	3,803,349	—	—	—	(3,803,349)	—	—	—
Comprehensive income for the year	—	—	196,226,516	4,560,869	11,100,835	(3,344,155)	(6,125,563)	202,418,502	1,767,061	204,185,563
Dividends declared	—	—	(26,640,797)	—	—	—	—	(26,640,797)	(1,919,674)	(28,560,471)
Repurchase of shares	(8,263)	—	(36,752,766)	—	—	—	—	(36,761,029)	—	(36,761,029)
Other acquisitions of non-controlling interests	—	—	139,448	—	—	—	—	139,448	(79,403)	60,045
Balance at December 31, 2021	Ps.96,333,432	Ps.358,440	Ps.447,331,985	Ps. (6,321,120)	Ps. (102,507,107)	Ps.(104,270,295)	Ps. 58,709,592	Ps.389,634,927	Ps.64,406,799	Ps.454,041,726
Net profit for the year	—	—	76,159,391	—	—	—	—	76,159,391	5,347,004	81,506,395
Unrealized loss on equity and debt investments at fair value, net of deferred taxes (Note 21)	—	—	—	(4,707,276)	—	—	—	(4,707,276)	—	(4,707,276)
Remeasurement of defined benefit plan, net of deferred taxes (Note 21)	—	—	—	—	(4,599,407)	—	—	(4,599,407)	293,691	(4,305,716)
Effect of translation of foreign entities (Note 21)	—	—	—	—	—	(29,222,333)	(1,864,632)	(31,086,965)	(4,027,757)	(35,114,722)
Discontinued operations (Note 21)	—	—	—	—	—	5,193,281	—	5,193,281	—	5,193,281
Transfer of assets' revaluation surplus (Note 21)	—	—	2,165,706	—	—	—	(2,165,706)	—	—	—
Comprehensive income for the year	—	—	78,325,097	(4,707,276)	(4,599,407)	(24,029,052)	(4,030,338)	40,959,024	1,612,938	42,571,962
Dividends declared	—	—	(28,000,073)	—	—	—	—	(28,000,073)	(1,880,736)	(29,880,809)
Repurchase of shares	33,469	—	(26,234,786)	—	—	—	—	(26,201,317)	—	(26,201,317)
Recycling of assets revaluation surplus by spin-off, net of deferred taxes	—	—	35,289,339	—	—	—	(35,289,339)	—	(79,806)	(79,806)
Spin-off effects	(1,001,572)	—	(1,581,315)	—	—	—	—	(2,582,887)	—	(2,582,887)
Other acquisitions of non-controlling interests	—	—	(4,970)	—	—	—	—	(4,970)	(34,626)	(39,596)
Balance at December 31, 2022	Ps.95,365,329	Ps.358,440	Ps.505,125,277	Ps.(11,028,396)	Ps. (107,106,514)	Ps.(128,299,347)	Ps. 19,389,915	Ps.373,804,704	Ps.64,024,569	Ps.437,829,273
Net profit for the year	—	—	76,110,617	—	—	—	—	76,110,617	4,679,025	80,789,642
Unrealized loss on equity and debt investments at fair value, net of deferred taxes (Note 21)	—	—	—	(967,609)	—	—	—	(967,609)	—	(967,609)
Remeasurement of defined benefit plan, net of deferred taxes (Note 21)	—	—	—	—	(3,662,102)	—	—	(3,662,102)	(107,463)	(3,769,565)
Effect of translation of foreign entities (Note 21)	—	—	—	—	—	(36,676,031)	(723,649)	(37,399,680)	(4,148,775)	(41,548,455)
Revaluation surplus, net deferred taxes (Note 21)	—	—	—	—	—	—	497,628	497,628	370,828	868,456
Transfer of assets' revaluation surplus (Note 21)	—	—	815,693	—	—	—	(815,693)	—	—	—
Comprehensive income for the year	—	—	76,926,310	(967,609)	(3,662,102)	(36,676,031)	(1,041,714)	34,578,854	793,615	35,372,469
Dividends declared	—	—	(28,946,819)	—	—	—	—	(28,946,819)	(1,965,529)	(30,912,348)
Repurchase of shares	(3,305)	—	(14,319,762)	—	—	—	—	(14,323,067)	—	(14,323,067)
Recycling of assets revaluation surplus related to Peru and the Dominican Republic's sale of towers, net of deferred taxes	—	—	4,911,409	—	—	—	(4,911,409)	—	—	—
Other acquisitions of non-controlling interests	—	—	1,598,873	—	—	—	—	1,598,873	(7,862,818)	(6,263,945)
Balance at December 31, 2023	Ps.95,362,024	Ps.358,440	Ps.545,295,288	Ps.(11,996,005)	Ps. (110,768,616)	Ps.(164,975,378)	\$ Ps.13,436,792	Ps.366,712,545	Ps.54,989,837	Ps.421,702,382

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

AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In thousands of Mexican pesos)

	Note	For the years ended December 31			2023
		2021 (1)	2022 (1)	2023	Millions of U.S. dollars
Operating activities					
Profit before income tax from continuing operations		Ps. 104,807,649	Ps. 134,269,499	Ps. 115,333,645	US\$ 6,827
Profit (loss) before income tax from discontinued operations	2, Ac	148,529,197	(8,524,516)	—	—
Profit before income tax		253,336,846	125,744,983	115,333,645	6,827
Items not requiring the use of cash:					
Depreciation property, plant and equipment and right-of-use assets	10 and 15	136,987,034	140,353,169	133,818,176	7,921
Amortization of intangible and other assets	9 and 11	19,315,958	18,280,617	17,967,888	1,064
Equity interest in net result of associated companies		(113,918)	1,811,432	5,371,824	318
(Gain) loss on sale of property, plant and equipment		(6,849,699)	935,644	(5,055,264)	(299)
Net period cost of labor obligations	18	18,688,374	15,979,152	16,971,936	1,005
Foreign currency exchange loss (income), net		14,192,416	(20,008,610)	(16,175,776)	(958)
Interest income		(3,834,150)	(4,823,579)	(9,628,340)	(570)
Interest expense		35,738,305	41,258,803	44,545,241	2,637
Employee profit sharing		3,130,722	3,637,813	3,938,274	233
Loss in valuation of derivative financial instruments, capitalized interest expense and other, net		5,239,927	17,072,520	4,623,029	274
Gain on net monetary positions	22	(4,876,842)	(11,538,061)	(9,321,480)	(552)
Gain on sale of subsidiary	2, Ac	(132,821,709)	(3,405,014)	—	—
Loss on deconsolidation of subsidiary	12b	—	9,390,641	—	—
Impairment to notes receivable from joint venture	22	—	—	12,184,562	721
Impairment of joint venture	22	—	—	4,677,782	277
Working capital changes:					
Subscribers, distributors, recoverable taxes, contract assets and other, net		8,609,836	(6,803,202)	(19,201,698)	(1,137)
Prepaid expenses		(872,738)	(2,527,168)	(6,154,082)	(364)
Related parties		449,655	1,884,945	758,301	45
Inventories		6,083,461	(1,183,883)	2,832,978	168
Other assets		(9,521,953)	(1,321,813)	(1,564,370)	(93)
Employee benefits		(27,223,091)	(25,723,517)	(13,090,945)	(775)
Accounts payable and accrued liabilities		7,447,308	(10,291,588)	10,098,156	598
Employee profit sharing paid		(1,922,029)	(2,935,880)	(3,316,540)	(196)
Financial instruments and other		(1,664,465)	(2,353,920)	—	—
Deferred revenues		(9,068,794)	2,430,434	3,062,445	181
Interest received		2,665,854	2,652,195	4,882,509	289
Income taxes paid		(60,535,903)	(62,015,057)	(49,466,056)	(2,928)
Cash flows from discontinued operating		5,601,233	(1,214,025)	—	—
Net cash flows provided by continuing operating activities		Ps. 258,181,638	Ps. 225,287,031	Ps. 248,092,195	US\$ 14,686
Investing activities					
Purchase of property, plant and equipment		(140,789,643)	(146,192,426)	(131,101,509)	(7,760)
Acquisition of intangibles		(12,202,142)	(11,661,530)	(25,237,297)	(1,494)
Dividends received	22	2,628,600	5,426,370	4,590,313	272
Proceeds from sale of property, plant and equipment		7,215,177	3,795,740	7,042,757	417
Acquisition of business, net of cash acquired	12	—	(18,525,639)	—	—
Contractual earn-out from business combination	2, Ac	—	2,298,532	3,468,655	205
Financial instruments		—	—	(9,420,419)	(558)
Partial sale of shares of associated company		199,158	6,329	—	—
Investments in associate companies		—	(1,043,954)	(459,750)	(27)
Proceeds from the sale of businesses		75,518,886	5,791,488	—	—
Acquisition of short-term investments		(3,361,507)	—	(10,061,353)	(596)
Sale of short-term investments		—	9,690,285	10,482,150	620
Acquisition of notes from joint venture		—	—	(14,292,963)	(846)
Cash flows from discontinued investing		(5,729,473)	(1,944,235)	—	—
Net cash flows used in investing activities		Ps. (76,520,944)	Ps. (152,359,040)	Ps. (164,989,416)	US\$ (9,767)
Financing activities					
Loans obtained		93,675,127	188,414,369	249,380,436	14,762
Repayment of loans		(152,029,408)	(145,340,377)	(214,735,610)	(12,711)
Payment of liability related to right-of-use of assets	15	(30,544,750)	(33,823,287)	(39,498,197)	(2,338)
Interest paid		(23,884,410)	(26,882,181)	(29,031,855)	(1,719)
Repurchase of shares		(36,745,743)	(26,143,162)	(14,331,361)	(848)
Dividends paid		(27,829,345)	(29,534,053)	(30,466,636)	(1,803)
Acquisition of non-controlling interests	12	(7,720)	(39,596)	(6,263,945)	(371)
Net cash flows used in financing activities		Ps. (177,366,249)	Ps. (73,348,287)	Ps. (84,947,168)	US\$ (5,028)
Net increase (decrease) in cash and cash equivalents		Ps. 4,294,445	Ps. (420,296)	Ps. (1,844,389)	US\$ (110)
Adjustment to cash flows due to exchange rate fluctuations, net		(1,532,461)	(4,558,646)	(5,258,787)	(311)
Cash and cash equivalents at beginning of the year		35,917,907	38,679,891	33,700,949	1,995
Cash and cash equivalents at end of the year		Ps. 38,679,891	Ps. 33,700,949	Ps. 26,597,773	US\$ 1,574
Non-cash transactions related to:					
Acquisitions of property, plant and equipment in accounts payable at year end	Ps.	18,385,498	Ps. 1,476,834	Ps. 6,928,514	US\$ 410
Revaluation surplus		—	—	1,157,941	69
Spin-off		—	(1,376,353)	—	—
Non-cash transactions	Ps.	18,385,498	Ps. 100,481	Ps. 8,086,455	US\$ 479

(1) Discontinued operations.

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

AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended December 31, 2021, 2022 and 2023

(In thousands of Mexican pesos Ps. and thousands of U.S. dollars US\$, unless otherwise indicated)

Note 1. Description of the Business and Relevant Events

I. Corporate Information

América Móvil, S.A.B. de C.V. and subsidiaries (hereinafter, the “Company”, “América Móvil” or “AMX”) was incorporated under the laws of Mexico on September 25, 2000. The Company provides its services in 22 countries or territories. These telecommunications services include mobile and fixed-line voice services, wireless and fixed data services, internet access, Pay TV, over the top (OTT) and other related services. The Company also sells equipment, accessories and computers.

- Voice services provided by the Company, both wireless and fixed, mainly include the following: airtime, local, domestic and international long-distance services, and network interconnection services.
- Data services include value added, corporate networks, data and Internet services.
- Pay TV represents basic services, as well as pay per view and additional programming and advertising services.
- AMX provides other related services to advertising in telephone directories, publishing and call center services.
- The Company also provides video, audio and other media content that is delivered through the internet directly from the content provider to the end user.

In order to provide these services, América Móvil has licenses, permits and concessions (collectively referred to herein as “licenses”) to build, install, operate and exploit public and/or private telecommunications networks and provide miscellaneous telecommunications services (mostly mobile and fixed voice and data services) and to operate frequency bands in the radio-electric spectrum for point-to-point and point-to-multipoint microwave links. The Company holds licenses in the 22 countries where it has networks, and such licenses have different dates of expiration through 2056.

Certain licenses require the payment to the respective governments of a share in sales determined as a percentage of revenues from services under concession. The percentage is set as either a fixed rate or in some cases based on certain size of the infrastructure in operation.

The corporate offices of América Móvil are located in Mexico City, Mexico, at Lago Zurich 245, Colonia Ampliación Granada, Alcaldía Miguel Hidalgo, 11529, Mexico City, Mexico.

The accompanying consolidated financial statements were approved for their issuance by the Company’s Board of Directors and the Chief Financial Officer on April 29, 2024 and subsequent events have been considered through that date.

II. Relevant events in 2023

a) On January 16, 2023, the Company announced that, after extensive dialogue with the Telephone Operators Union of the Mexican Republic, a constructive agreement had been reached regarding retirement conditions (pensions) for new personnel hired by Teléfonos de México, S.A.B de C.V. (hereinafter “Telmex”) from January 2023.

b) On February 3, 2023 and between the months of March and July 2023, as part of the Company's reorganization plan approved in early 2021, the Company completed the sale of 1,388 and 3,204 of its telecommunications towers property of its subsidiaries in the Dominican Republic and Peru, respectively, to Sitios Latinoamerica, S.A.B. de C.V. (hereinafter "Sitios Latam"), for a total of 3,704 towers in Peru. The telecommunications towers owned by the Company's Dominican and Peruvian subsidiaries were sold for an amount of Ps. 2,419,568 and Ps. 3,963,059, respectively.

c) On April 27, 2023, the Company's shareholders approved a repurchase fund of Ps. 20 billion and the payment of a Ps. 0.46 (forty six peso cents) ordinary dividend per share to be paid in two installments. The Company's shareholders also agreed to the cancellation of the treasury shares acquired as part of its repurchase program and to modify the sixth article of the Company's bylaws to reduce share capital proportionally to the cancellation of the shares.

d) On February 6, 2023, the Company entered into a definitive agreement with Österreichische Beteiligungs AG ("OBAG"), with respect to OBAG's and the Company's participations in Telekom Austria AG, which became effective on February 6, 2023. The definitive agreement provides a new 10-year term from February 2, 2023, ensures the Company's control over Telekom Austria Group and provides the Company with the right to continue to nominate the majority of the Supervisory Board members and to nominate the Chairman and Chief Executive Officer of the Management Board of the Company with decision making vote over all management decisions. As part of the renewal of the definitive agreement, the Company and OBAG agreed to formally execute the spin-off of the mobile towers in most of the countries in which Telekom Austria AG operates, including Austria. The tower spin-off was approved by the shareholders of Telekom Austria AG in an extraordinary shareholders' meeting on August 1, 2023. On September 22, 2023, Telekom Austria AG completed the spin-off of its telecommunications towers and other related passive infrastructure in Austria, Bulgaria, Croatia, North Macedonia, Serbia and Slovenia and listed the shares of the spun-off tower company: EuroTeleSites AG, on the Vienna Stock Exchange. As part of the spin-off, Telekom Austria contributed to EuroTeleSites AG net total assets of €290 million in the form of capital stock, assets and liabilities, mainly consisting of the shares of Telekom Austria's subsidiary holding telecommunications towers and other associated infrastructure in the countries in which Telekom Austria operates. The Telekom Austria AG shareholders received one EuroTeleSites AG share for every four Telekom Austria AG shares they owned.

e) On June 9, 2023, the Company closed a 500 million-euro, five-year bullet loan for EuroTeleSites AG. The loan was provided by a group of six international banks. On July 6, 2023, EuroTeleSites AG launched a 5.25%, 500 million-euro five-year bond. The five-year bullet loan and five-year bond ensured EuroTeleSites AG was fully funded at the time of the spin-off.

f) On June 26, 2023, the Company launched the inaugural issue of its new global peso notes program, authorized for up to Ps. 130 billion over five years. In its inaugural offering, registered both with the SEC in the U.S.A. and with the National Banking and Securities Commission (for and hereinafter referred to its acronym in Spanish "CNBV") in Mexico, the Company issued a seven-year, Ps. 17 billion, 9.5% sustainable bond—approximately US\$ 1 billion equivalent—maturing in January 2031.

g) On July 24, 2023, the Company acquired, through its subsidiary América Móvil, B.V., shares corresponding to 5.55% of the voting rights in Telekom Austria AG from a private investor. Subsequently, through a series of open market transactions, América Móvil, B.V. acquired an additional 1.85% of the voting rights, as of December 31, 2023 overall ownership in Telekom Austria AG of 58.4% of its total outstanding shares.

h) On December 26, 2023, the Company entered into a transaction agreement with Liberty Latin America Ltd. ("LLA"), its joint venture, Claro Chile, SpA (hereinafter, "ClaroVTR"), and certain affiliates of the Company and LLA. Pursuant to the transaction agreement, the Company and LLA agreed to, collectively in proportion to their respective shareholding percentage interest or individually, provide additional capital required by ClaroVTR through June 30, 2024 in an aggregate amount not to exceed CLP\$972.4 billion (Ps. 18,728,611).

Note 2. Basis of Preparation of the Consolidated Financial Statements and Summary of Significant Accounting Policies and Practices

a) Basis of preparation

The accompanying consolidated financial statements have been prepared in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IASB") (hereafter referred to as IFRS).

The consolidated financial statements have been prepared on the historical cost basis, except for the derivative financial instruments (assets and liabilities), the passive infrastructure of mobile telecommunications towers, the trust assets of post-employment and other employee benefit plans; debt instruments and investments in equity at fair value through other comprehensive income (OCI), which are presented at their market value.

Effective July 1, 2018, the Argentine economy has been considered to be hyperinflationary in accordance with the criteria in IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29"). Accordingly, for the Argentine subsidiaries, we have included adjustments for hyperinflation and reclassifications as is required by the standard for purposes of presentation of IFRS in the consolidated financial statements.

The preparation of these consolidated financial statements under IFRS requires the use of critical estimates and assumptions that affect the amounts reported for certain assets, liabilities, revenue and expenses. It also requires that management exercise judgment in the application of the Company's accounting policies. Actual results could differ from these estimates and assumptions.

The Mexican peso is the functional currency of the Company's Mexican operations and the consolidated reporting currency of the Company.

i) Changes in Accounting Policies and Disclosures

The accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2023 are consistent with those used in the preparation of the Company's consolidated annual financial statements for the years ended December 31, 2022 and 2021, with the exception of the following new standards and amendments to existing standards issued by the IASB, which were mandatory for annual periods beginning on or after January 1, 2023:

Definition of Accounting Estimates—Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's consolidated financial statements.

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

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Company's consolidated financial statements.

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

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Company's consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the Organisation for Economic Co-operation and Development's – OECD Base erosion and profit shifting's – BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before December 31, 2023.

Management applied the mandatory temporary exception and will continue to analyze future impacts. The amendments had no impact on the Company's consolidated financial statements.

ii) Basis of consolidation

The consolidated financial statements include the accounts of América Móvil, S.A.B. de C.V. and those subsidiaries over which the Company exercises control. The consolidated financial statements for the subsidiaries were prepared for the same period as the Company's and applying consistent accounting policies. All of the subsidiary companies operate in the telecommunications sector or related.

Subsidiaries are entities over which the Company has control. Control is achieved when the Company has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are consolidated on a line-by-line basis from the date which control is achieved by the Company. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Changes in the Company's ownership interests in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners.

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

All intra-Company balances and transactions, and any unrealized gains and losses arising from intra-Company transactions, are eliminated in preparing the consolidated financial statements.

Non-controlling interests represent the portion of profits or losses and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statements of comprehensive income and in equity in the consolidated statements of financial position separately from Company's own equity.

Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those decisions.

The Company's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The investments in associated companies in which the Company exercises significant influence are accounted for using the equity method, whereby Company recognizes its share in the net profit (losses) and equity of the associate.

Joint venture:

A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in the joint venture are accounted for using the equity method. Pursuant to such method, the joint venture is initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

The results of operations of the subsidiaries and associates are included in the Company's consolidated financial statements beginning as of the month following their acquisition and its share of other comprehensive income after acquisition is recognized directly in other comprehensive income.

The Company assesses at each reporting date whether there is objective evidence that investment in associates and joint venture is impaired. If so, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

The equity interest in the most significant subsidiaries is as follows:

		Equity interest at December 31	
	Country	2022	2023
Subsidiaries:			
América Móvil B.V. ^{a)}	Netherlands	100.0%	100.0%
Compañía Dominicana de Teléfonos, S.A. (“Codetel”) ^{b)}	Dominican Republic	100.0%	100.0%
Sercotel, S.A. de C.V. ^{a)}	Mexico	100.0%	100.0%
Radiomóvil Dipsa, S.A. de C.V. and subsidiaries (“Telcel”) ^{b)}	Mexico	100.0%	100.0%
Puerto Rico Telephone Company, Inc. ^{b)}	Puerto Rico	100.0%	100.0%
Servicios de Comunicaciones de Honduras, S.A. de C.V. (“Sercom Honduras”) ^{b)}	Honduras	100.0%	100.0%
Claro S.A. ^{b)}	Brazil	99.6%	99.6%
NII Brazil Holding S.A.R.L ^{c)}	Luxembourg	100.0%	—
AMX International Mobile S.A. de C.V. ^{c)}	Mexico	—	100.0%
Claro NXT Telecomunicações, S.A. ^{b)}	Brazil	100.0%	100.0%
Telecomunicaciones de Guatemala, S.A. (“Telgua”) ^{b)}	Guatemala	99.3%	99.3%
Claro Guatemala, S.A. ^{b)}	Guatemala	100.0%	100.0%
Empresa Nicaragüense de Telecomunicaciones, S.A. (“Enitel”) ^{b)}	Nicaragua	99.6%	99.6%
Compañía de Telecomunicaciones de El Salvador, S.A. de C.V. (“CTE”) ^{b)}	El Salvador	95.8%	95.8%
Comunicación Celular, S.A. (“Comcel”) ^{b)}	Colombia	99.4%	99.4%
Consorcio Ecuatoriano de Telecomunicaciones, S.A. (“Conecel”) ^{b)}	Ecuador	100.0%	100.0%
AMX Argentina, S.A. ^{b)}	Argentina	100.0%	100.0%
AMX Paraguay, S.A. ^{b)}	Paraguay	100.0%	100.0%
AM Wireless Uruguay, S.A. ^{b)}	Uruguay	100.0%	100.0%
América Móvil Perú, S.A.C ^{b)}	Peru	100.0%	100.0%
Teléfonos de México, S.A.B. de C.V. ^{b)}	Mexico	98.8%	98.8%
Telekom Austria AG ^{b)}	Austria	51.0%	58.4%
EuroTeleSites AG and subsidiaries ^{d)}	Austria	—	57.0%
Joint venture:			
Claro Chile, SpA	Chile	50.0%	50.0%

a) Holding companies.

b) Operating companies of mobile and fixed services.

c) On January 2023, this entity merged with AMX International Mobile, S.A. de C.V.

d) Company spun-off from Telekom Austria AG on September 22, 2023.

iii) Basis of translation of financial statements of foreign subsidiaries and associated companies

The operating revenues of foreign subsidiaries represent approximately 63%, 63% and 60% of consolidated operating revenues for the years ended December 31, 2021, 2022 and 2023, respectively, and their total assets represent approximately 64% and 65% of consolidated total assets at December 31, 2022 and 2023, respectively.

The financial statements of foreign subsidiaries have been prepared under or converted to IFRS in the respective local currency (which is their functional currency) and then translated into the Company’s reporting currency as follows:

- all monetary assets and liabilities were translated at the closing exchange rate of the period;

- all non-monetary assets and liabilities at the closing exchange rate of the period;
- equity accounts are translated at the exchange rate at the time the capital contributions were made and the profits were generated;
- revenues, costs and expenses are translated at the average exchange rate of the period, except for the operations of the subsidiaries in Argentina, whose economy is considered hyperinflationary since 2018;
- the consolidated statements of cash flows presented using the indirect method were translated using the weighted-average exchange rate for the applicable period (except for Argentina), and the resulting difference is shown in the consolidated statements of cash flows under the heading “Adjustment to cash flows due to exchange rate fluctuations, net”.

The difference resulting from the translation process is recognized in equity in the caption “Effect of translation of foreign entities”. At December 31, 2022 and 2023, the cumulative translation adjustment was Ps. (128,299,347) and Ps. (164,975,378), respectively.

The basis of translation for the operations of the subsidiaries in Argentina are described below:

In recent years, the Argentina economy has shown high rates of inflation. Although inflation data has not been consistent in recent years and several indexes have coexisted, inflation in Argentina indicates that the three-year cumulative inflation rate exceeded 100% in 2018, which is one of the quantitative references established by IAS 29. As a result, Argentina was considered a hyperinflationary economy in 2018 and the Company applies hyperinflation accounting to its subsidiary whose functional currency is the Argentine peso for financial information for periods ending on or after July 1, 2018, however the calculation of the cumulative impact was measured as of January 1, 2018.

In order to restate for hyperinflation its financial statements, the subsidiary used the series of indices defined by resolution JG No. 539/18 issued by the “Federación Argentina de Consejos Profesionales de Ciencias Económicas” (“FACPCE”), based on the National Consumer Price Index (IPC) published by the Instituto Nacional de Estadística y Censos (INDEC) of the Argentine Republic and the Wholesale Internal Price Index (IPIM) published by FACPCE. The cumulative index at December 31, 2023 is 3,576.400, while on an annual inflation for 2023 is 211.41%.

The main implications are as follows:

- Adjustment of the historical cost of non-monetary assets and liabilities and equity items from their date of acquisition, or the date of inclusion in the consolidated statements of financial position, to the end of the year, in order to reflect changes in the currency’s purchasing power caused by inflation.
- The gain on the net monetary position caused by the impact of inflation in the year is included in the consolidated statements of comprehensive income as part of the caption “*Valuation of derivatives, interest cost from labor obligations and other financial items, net*”. Items in the statement of comprehensive income and in the statements of cash flows are adjusted by the inflation index since their origination, with a balancing entry, and a reconciling item in the statements of cash flows, respectively.
- All items in the financial statements of the Argentine company are translated at the closing exchange rate, which at December 31, 2022 and 2023 were 0.1096 and 0.0209, respectively, per Argentine peso per Mexican peso.

b) Revenue recognition

The Company revenues are derived principally from providing the following telecommunications services and products: wireless voice, wireless data and value-added services, fixed voice, fixed data, broadband and IT services, Pay TV and over-the-top (“OTT”) services.

The Company provides fixed and mobile services. These services are offered independently in contracts with customers or together with the sale of handsets (mobile) under the postpaid model. In accordance with IFRS 15 “*Revenues from contracts with customers*”, the transaction price should be assigned to the different performance obligations based on their relative standalone selling price.

The Company with respect to the provided services, it has market observable information, to determine the standalone selling price of the services. On the other hand, in the case of the sale of bundled mobile phones sold (including service and handset) by the Company, the allocation of the sales is done based on their relative standalone selling price of each individual component related to the total bundled price.

The services provided by the Company are satisfied over the time of the contract period, given that the customer simultaneously receives and consumes the benefits provided by the Company.

Such service bundles, voice and data, accomplish the criteria mentioned in IFRS 15 of being substantially similar and of having the same transfer pattern which is why the Company concluded that the revenue from these different services offered to its customers are considered as a single performance obligation with revenue being recognized over time, except for sales of equipment.

Under IFRS 15, for those contracts with customers in which generally the sale of equipment and other electronic equipment is a single performance obligation, the Company recognizes the revenue at the moment when it transfers control to the customer which generally occurs when such goods are delivered.

The commissions are considered incremental contract acquisition costs that are capitalized and are amortized over the expected period of benefit, during the average duration of customer contracts.

Some subsidiaries have loyalty programs where the Company awards credits customer credit awards referred as “points”. The customer can redeem accrued “points” for awards such as devices, accessories or airtime. The Company provides all awards. The consideration allocated to the award credits is identified as a separate performance obligation; the corresponding liability of the award credits is measured at its fair value. The consideration allocated to award credits amount is recognized as a contract liability until the points are redeemed. Revenue is recognized upon redemption of products by the customer.

c) Cost of sales

The cost of mobile equipment and computers is recognized at the time the client and distributor receive the device which is when the control is transferred to the customer.

d) Cost of services

The cost of services represents the costs incurred to properly deliver the services to the customers, it includes the network operating costs and licenses related costs and is accounted at the moment in which such services are provided.

e) Commissions to distributors

The Company pays commissions to its network of distributors primarily to acquire and retain customers for the Company. Such commissions are recognized in “*commercial, administrative and general expenses*” in the consolidated statements of comprehensive income at the time in which the distributor either reports an activation or reaches certain number of lines activated or obtained at a certain point of time.

f) Cash and cash equivalents

Cash and cash equivalents represent bank deposits and liquid investments with maturities of less than three months. These amounts are stated at cost plus accrued interest, which is similar to their market value.

The Company also maintains restricted cash held as collateral to meet certain contractual obligations. As restricted cash the Company includes the judicial deposits that are presented as part of “Other assets, net” within non-current assets’ portion given that the restrictions are long-term in nature. See Note 9.

g) Equity investments at fair value through OCI and other short/long-term investments

Equity investments at fair value through OCI and other short-term investments are primarily composed of equity investments and other short-term financial investments. Amounts are initially recorded at their estimated fair value. Fair value adjustments for equity investments are recorded through other comprehensive income, and other short-term investment.

h) Inventories

Inventories are initially recognized at historical cost and are valued using the average cost method without exceeding their net realizable value.

The estimate of the realizable value of inventories on-hand is based on their age and turnover.

i) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, which in accordance with IFRS 3, “*Business acquisitions*”, consists in general terms as follows:

- (i) Identify the acquirer;
- (ii) Determine the acquisition date;
- (iii) Value the acquired identifiable assets and assumed liabilities; and
- (iv) Recognize the goodwill or a bargain purchase gain.

For acquired subsidiaries, goodwill represents the difference between the purchase price and the fair value of the net assets acquired at the acquisition date. The investment in acquired associates includes goodwill identified on acquisition, net of any impairment loss.

Goodwill is reviewed annually to determine its recoverability or more often if circumstances indicate that the carrying value of the goodwill might not be fully recoverable.

The possible loss of value in goodwill is determined by analyzing the recovery value of the cash generating unit (or the group thereof) to which the goodwill is associated at the time it was originated. If this recoverable amount is lower than the carrying value, an impairment loss is charged to the results of operations. The recoverable amount is determined based on the higher of fair value less cost of disposal or value in use.

For the years ended December 31, 2021, 2022 and 2023, no impairment losses were recognized for goodwill.

j) Property, plant and equipment

i) Property, plant and equipment are recorded at acquisition cost, net of accumulated depreciation; except for the passive infrastructure of telecommunications towers, which are recognized under the revaluation model.

Depreciation is computed on the cost of assets using the straight-line method, based on the estimated useful lives of the related assets, beginning the month after they become available for use.

Borrowing costs that are incurred for general financing for construction in progress for a substantial period of time are capitalized as part of the cost of the asset. During the years ended December 31, 2021, 2022 and 2023, borrowing costs that were capitalized amounted to Ps. 1,527,259, Ps. 1,514,654 and Ps. 1,442,077, respectively.

In addition to the purchase price and costs directly attributable to preparing an asset in terms of its physical location and condition for operating as intended by management, when required, the cost also includes the estimated costs of dismantling and removal of the asset and for restoration of the site where it is located. See Note 16c.

The passive infrastructure of telecommunications towers is recorded at revalued value, which is its fair value at the time of revaluation less accumulated depreciation; if there is any loss or impairment, it must also be considered within its value. The revaluations will be calculated with sufficient regularity to ensure that the book value, every time, does not differ significantly from that which could be determined using the fair value at the end of the reporting period.

The increase resulting from a revaluation is recorded in other comprehensive income (OCI) and is accumulated in equity as a revaluation surplus. To the extent that there is a decrease in revaluation, it will be recognized in profit or loss, except to the extent that it compensates for an existing surplus on the same asset.

An annual transfer of the asset revaluation surplus and accumulated earnings is made to the extent that the asset is used, therefore, the surplus is equal to the difference between the depreciation calculated on the revalued value and the one calculated according to its original cost. These transfers do not record in the results for the period. A total transfer of the surplus may be made when the entity disposes of the asset.

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

iii) The Company periodically assesses the residual values, useful lives and depreciation methods associated with its property, plant and equipment. If necessary, the effects of any changes in accounting estimates is recognized prospectively, at the closing of each period, in accordance with IAS 8, *“Accounting Policies, Changes in Accounting Estimates and Errors”*.

For property, plant and equipment made up of several components with different useful lives, the major individual components are depreciated over their individual useful lives. Maintenance costs and repairs are expensed as incurred.

Annual depreciation rates are as follows:

Network infrastructure	5%-33%
Buildings and leasehold improvement	2%-33%
Other assets	10%-50%

iv) The carrying value of property, plant and equipment is reviewed annually if there are indicators of impairment in such assets. If an asset’s recovery value is less than the asset’s net carrying value, the difference is recognized as an impairment loss.

During the years ended December 31, 2021, 2022 and 2023, no impairment losses were recognized.

v) Spare parts for network operation are recognized at cost.

The valuation of inventory for network considered obsolete, defective or slow-moving, is reduced to their estimated net realizable value. The estimate of the recovery value of inventories is based on their age and turnover.

k) Intangibles

i) Licenses

Licenses to operate wireless telecommunications networks granted by the governments of the countries in which the Company operates are recorded at acquisition cost or at fair value at their acquisition date, net of accumulated amortization. Certain licenses require payments to the governments, such payments are recognized in the cost of service and equipment.

The licenses that in accordance with government requirements are categorized as automatically renewable, for a nominal cost and with substantially consistent terms, are considered by the Company as intangible assets with an indefinite useful life. Accordingly, they are not amortized. Licenses are amortized when the Company does not have a basis to conclude that they are indefinite lived. Other licenses are amortized using the straight-line method over a period ranging from 3 to 30 years, which represents the usage period of the assets.

The Company has conducted an internal analysis on the applicability of the International Financial Reporting Interpretation Committee (“IFRIC”) No. 12 (Service Concession Agreements) and has concluded that its concessions are outside the scope of IFRIC 12. To determine the applicability of IFRIC 12, the Company analyzes each concession or group of similar concessions in a given jurisdiction. As a threshold matter, the Company identifies those government concessions that provide for the development, financing, operation or maintenance of infrastructure used to render a public service, and that set out performance standards, mechanisms for adjusting prices and arrangements for arbitrating disputes.

With respect to those services, the Company evaluates whether the grantor controls or regulates (i) what services the operator must provide, (ii) to whom it must provide them and (iii) the applicable price (the “Services Criterion”). In evaluating whether the applicable government, as grantor, controls the price at which the Company provides its services, the Company looks at the terms of the concession agreement according to all applicable regulations. If the Company determines that the concession under analysis meets the Services Criterion, then the Company evaluates whether the grantor would hold a significant residual interest in the concession’s infrastructure at the end of the term of the arrangement.

ii) Trademarks

Trademarks acquired are measured on initial recognition at cost. The cost of trademarks acquired in a business combination is their fair value at the date of acquisition. The useful lives of trademarks are assessed as either definite or indefinite. Trademarks with finite useful lives are amortized using the straight-line method over a period ranging from 1 to 10 years. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, if not, the change in useful life from indefinite to definite is made on a prospective basis.

iii) Irrevocable rights of use

Irrevocable rights of use are recognized according to the amount paid for the right and are amortized over the period in which they are granted.

The carrying values of the Company's licenses and trademarks are reviewed annually and whenever there are indicators of impairment in the value of such assets. When an asset's recoverable amount, which is the higher of the asset's fair value, less disposal costs and its value in use (the present value of future cash flows), is less than the asset's carrying value, the difference is recognized as an impairment loss.

iv) Customer relationships

The value of customer relations is determined and valued at the time that a new subsidiary is acquired, as determined by the Company with the assistance of independent appraisers and is amortized over a 5-year period.

During the years ended December 31, 2021, 2022 and 2023, no significant impairment losses were recognized for licenses, trademarks, irrevocable rights of use or customer relationships.

l) Impairment in the value of long-lived assets

The Company assesses the existence of indicators of impairment in the carrying value of long-lived assets, goodwill and intangible assets according to IAS 36 "*Impairment of assets*". When there are such indicators, or in the case of assets whose nature requires an annual impairment analysis (goodwill and intangible assets with indefinite useful lives), the Company estimates the recoverable amount of the asset, which is the higher of its fair value, less disposal costs, and its value in use. Value in use is determined by discounting estimated future cash flows, applying a pre-tax discount rate that reflects the time value of money and taking into consideration the specific risks associated with the asset. When the recoverable amount of an asset is below its carrying value, impairment is considered to exist. In this case, the carrying value of the asset is reduced to the asset's recoverable amount, recognizing the loss in results of operations for the respective period. Depreciation and/or amortization expense of future periods is adjusted based on the new carrying value determined for the asset over the asset's remaining useful life. Impairment is computed individually for each asset. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In the estimation of impairments, the Company uses the strategic plans established for the separate cash-generating units to which the assets are assigned. Such strategic plans generally cover a period from 3 to 5 years. For longer periods, beginning in the fifth year, projections are based on such strategic plans while applying a constant or declining expected perpetual growth rate.

Key assumptions used in value in use calculations

The forecasts are made in real terms (net of inflation) and in the functional currency of the subsidiary as of December 31, 2023. Financial forecasts, premises and assumptions are similar to what any other market participant in similar conditions would consider.

Local synergies, that any other market participant would not have taken into consideration to prepare similar forecasted financial information, have not been included.

The assumptions used to develop the financial forecasts were validated for each of the cash generating units ("CGUs"), typically identified by country and by service (in the case of Mexico fixed and mobile) taking into consideration the following:

- Current subscribers and expected growth;
- Type of subscribers (prepaid, postpaid, fixed line, multiple services);
- Market environment and penetration expectations;
- New products and services;

- Economic environment of each country;
- Expenses for maintaining the current assets;
- Investments in technology for expanding the current assets; and
- Market consolidation and synergies.

The foregoing forecasts could differ from the results obtained through time; however, the Company prepares its estimates based on the current situation of each of the CGUs.

The recoverable amounts are based on value in use. The value in use is determined based on the method of discounted cash flows. The key assumptions used in projecting cash flows are:

- Margin on EBITDA is determined by dividing EBITDA (operating income plus depreciation and amortization) by total revenues.
- Margin on CAPEX is determined by dividing capital expenditures (“CAPEX”) by total revenues.
- Post-tax weighted average cost of capital (“WACC”) is used to discount the projected cash flows.

As discount rate, the Company uses the WACC which was determined for each of the cash generating units and is described in the following paragraphs.

The estimated discount rates to perform the IAS 36 “*Impairment of assets*”, impairment test for each CGU consider market participants assumptions. Market participants were selected taking into consideration size, operations and characteristics of the business that were similar to those of Company. These discount rates do not include inflation.

The discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments. The WACC takes into account both debt and equity costs. The cost of equity is derived from the expected return on investment for each GCU. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. Segment-specific risk is incorporated by applying individual beta factors.

The beta factors are evaluated annually based on publicly available market data.

Market participant assumptions are important because, not only do they include industry data for growth rates, but also management assesses how the CGU’s position, relative to its competitors, might change over the forecasted period.

The most significant forward-looking estimates used for the 2022 and 2023 impairment evaluations are shown below:

	Average margin on EBIDTA	Average margin on CAPEX	Average pre-tax discount rate (WACC)
2022:			
Europe (7 countries)	32.70% - 47.31%	7.7% - 21.1%	5.47% - 24.11%
Brazil (fixed line, wireless and TV)	41.90%	19.62%	9.30%
Puerto Rico	26.98%	8.91%	6.14%
Dominican Republic	53.93%	13.82%	11.13%
Mexico (fixed line and wireless)	36.19%	18.61%	8.60%
Ecuador	47.14%	18.42%	20.13%
Peru	36.53%	21.05%	10.39%
El Salvador	45.18%	17.59%	22.37%
Colombia	42.25%	27.41%	13.70%
Other countries	32.92% - 49.54%	9.63% - 25.97%	9.16% - 29.94%
2023:			
Europe (7 countries)	26.81% - 43.90%	4.46% - 16.89%	6.08% - 29.15%
Brazil (fixed line, wireless and TV)	43.07%	14.37%	10.45%
Puerto Rico	23.92%	10.46%	6.31%
Dominican Republic	52.34%	13.78%	11.95%
Mexico (fixed line and wireless)	36.10%	10.66%	9.37%
Ecuador	50.81%	18.49%	21.77%
Peru	41.80%	7.11%	9.13%
El Salvador	46.27%	9.26%	20.15%
Colombia	43.39%	20.78%	10.15%
Other countries	28.06% - 51.46%	11.68% - 27.15%	10.29% - 22.79%

Sensitivity to changes in assumptions:

The implications of the key assumptions for the recoverable amount are discussed below:

Margin on CAPEX- The Company performed a sensitivity analysis by increasing its CAPEX by 5% and maintaining all other assumptions the same. The sensitivity analysis would require the Company to adjust the amount of its long-lived assets in one of its CGUs with potential impairment of approximately Ps. 1,208,795.

WACC- Additionally, should the Company increase by 50 base points in WACC per CGU and maintain all other assumptions the same. The sensitivity analysis would require the Company to adjust the amount of its long-lived assets in one of its CGUs with potential impairment of approximately Ps. 1,235,848.

m) Right-of-use assets

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

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or

before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Useful life
Towers and sites	2 to 24 years
Property	2 to 24 years
Other equipment	2 to 20 years

The right-of-use assets are also subject to impairment test.

ii) Lease liabilities.

At the commencement date of the lease, the Company recognizes 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. The lease payments also include 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, the Company uses an incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. 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 in-substance fixed payments or change in the assessment to purchase the underlying asset.

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

The Company applies the short-term lease recognition exemption for its leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption lease of low-value assets (that is, below US\$ 5,000). Short-term lease payments and leases of low-value assets are recognized as expenses on straight-line basis over the lease term.

n) Financial assets and liabilities

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them, with the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments);

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash equivalents and receivables.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statements of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument by instrument basis. More details of these investments are disclosed in Note 4 to the accompanying consolidated financial statements.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statements of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income within “Valuation of derivatives, interest cost from labor obligations and other financial items”.

Derecognition of financial assets

A financial asset is primarily derecognized when:

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

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

Impairment of financial assets

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

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

For some trade receivables and contract assets *based on available information*, the Company applies the simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a *loss rate approach* that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statements of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of profit or loss.

Derecognition of financial liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o) Transactions in foreign currency

Transactions in foreign currency are initially recorded at the prevailing exchange rate at the time of the related transactions. Foreign currency denominated assets and liabilities are subsequently translated at the prevailing exchange rate at the financial statements reporting date. Exchange differences determined from the transaction date to the time foreign currency denominated assets and liabilities are settled or translated at the financial statements reporting date are charged or credited to the results of operations.

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

The exchange rates used for the translation of foreign currencies against the Mexican peso are as follows:

Country or Zone	Currency	Average exchange rate			Closing exchange rate at December 31,	
		2021	2022	2023	2022	2023
Argentina ⁽¹⁾	Argentine Peso (AR\$)	0.2137	0.1586	0.0680	0.1096	0.0209
Brazil	Real (R\$)	3.7625	3.9045	3.5545	3.7209	3.4895
Colombia	Colombian Peso (COP\$)	0.0054	0.0048	0.0041	0.0040	0.0044
Guatemala	Quetzal	2.6212	2.5981	2.2675	2.4725	2.1584
U.S.A. ⁽²⁾	US Dollar	20.2769	20.1283	17.7617	19.4143	16.8935
Uruguay	Uruguay Peso	0.4655	0.4893	0.4574	0.4845	0.4329
Nicaragua	Cordoba	0.5765	0.5611	0.4875	0.5359	0.4613
Honduras	Lempira	0.8384	0.8171	0.7184	0.7853	0.6819
Chile	Chilean Peso (CLP\$)	0.0268	0.0232	0.0212	0.0226	0.0193
Paraguay	Guaraní	0.0030	0.0029	0.0024	0.0026	0.0023
Peru	Sol (PEN\$)	5.2297	5.2454	4.7394	5.0823	4.5498
Dominican Republic	Dominican Peso	0.3540	0.3647	0.3163	0.3436	0.2893
Costa Rica	Colon	0.0325	0.0310	0.0324	0.0323	0.0321
European Union	Euro	23.9835	21.2285	19.2047	20.7830	18.6487
Bulgaria	Lev	12.2617	10.8523	9.8189	10.6188	9.5336
Belarus	New Belarusian Ruble	7.9932	7.3993	6.4630	7.0644	6.1471
Croatia	Croatian Kuna	3.1852	2.8173	2.5487	2.7584	2.4751
Macedonia	Macedonian Denar	0.3893	0.3445	0.3119	0.3378	0.3038
Serbia	Serbian Denar	0.2040	0.1807	0.1638	0.1772	0.1593

(1) Year-end rates are used for the translation of revenues and expenses if IAS 29 “*Financial Reporting in Hyperinflationary Economies*” is applied.

(2) Includes Ecuador, El Salvador and Puerto Rico.

In December 2023, a new Argentine administration took office and called for new economic framework calling for liberalization of economic policy. This caused a major devaluation of the country’s currency, with the Argentine peso losing nearly 60% of its value vis-à-vis the U.S. dollar in December alone.

In addition, as of December 31, 2023, the Argentinean peso suffered a devaluation of its currency of 80.9% year-to-date against the Mexican peso, therefore, this matter is considered within the consolidated foreign currency exchange figure as of the date of the consolidated statement of comprehensive income.

Financial reporting in hyperinflationary economies

Financial statements of Argentina subsidiaries are restated before translation to the reporting currency of the Company and before consolidation in order to reflect the same value of money for all items. Items recognized in the statements of financial position which are not measured at the applicable year-end measuring unit are restated based on the general price index. All non-monetary items measured at cost or amortized cost is restated for the changes in the general price index from the date of transaction or the last hyperinflationary calculation to the reporting date. Monetary items are not restated. All items of shareholders' equity are restated for the changes in the general price index since their addition or the last hyperinflationary calculation until the end of the reporting period. All items of comprehensive income are restated for the change in a general price index from the date of initial recognition to the reporting date. Gains and losses resulting from the net-position of monetary items are reported in the consolidated statements of operations in financial result in exchange differences. In accordance with IFRS, prior year financial statements were not restated.

As of April 29, 2024, the exchange rate between the U.S. dollar and the Mexican peso was Ps. 17.155200. The depreciation of the Mexican peso against the US dollar represents 1.55% with respect to the year-end value.

p) Accounts payable, accrued liabilities and provisions

Liabilities are recognized whenever (i) the Company has current obligations (legal or assumed) resulting from a past event, (ii) when it is probable the obligation will give rise to a future cash disbursement for its settlement, and (iii) the amount of the obligation can be reasonably estimated.

When the effect of the time value of money is significant, the amount of the liability is determined as the present value of the expected disbursements to settle the obligation. The discount rate is determined on a pre-tax basis and reflects current market conditions at the financial statements reporting date and, where appropriate, the risks specific to the liability. Where discounting is used, an increase in the liability is recognized as finance expense.

Contingent liabilities are recognized only when it is probable, they will give rise to a future cash disbursement for their settlement.

q) Employee benefits

The Company has defined benefit pension plans for its subsidiaries Puerto Rico Telephone Company, Telmex, Claro S.A., and Telekom Austria. Claro S.A. also has medical plans and defined contribution plans and Telekom Austria provides retirement benefits to its employees under a defined contribution plan. The Company recognizes the costs of these plans based upon independent actuarial computations and are determined using the projected unit credit method. The latest actuarial computations were prepared as of December 31, 2023.

Mexico

Mexican subsidiaries have the obligation to pay seniority premiums to personnel based on the Mexican Federal Labor Law which also establishes the obligation to make certain payments to personnel who cease to provide services under certain circumstances. Pensions (for Telmex) and seniority premiums are determined based on the salary of employees in their final year of service, the number of years worked at and their age at the moment of retirement.

The costs of pensions, seniority premiums and severance benefits, are recognized based on calculations by independent actuaries using the projected unit credit method using financial hypotheses, net of inflation.

Telmex has established an irrevocable trust fund and makes annual contributions to that fund.

Puerto Rico

In Puerto Rico, the Company has noncontributing pension plans for full-time employees, which are tax qualified as they meet Employee Retirement Income Security Act of 1974 requirements.

The pension benefit is composed of two elements:

- (i) An employee receives an annuity at retirement if they meet the rule of 85 (age at retirement plus accumulated years of service). The annuity is calculated by applying a percentage times year of services to the last three years of salary.
- (ii) The second element is a lump-sum benefit based on years of service ranging from 9 to 12 months of salary. Health care and life insurance benefits are also provided to retirees under a separate plan (post-retirement benefits).

Brazil

Claro S.A. provides a defined benefit plan and post-retirement medical assistance plan, and a defined contribution plan, through a pension fund that supplements the government retirement benefit for certain employees.

Under the defined benefit plan, the Company makes monthly contributions to the pension fund equal to 17.5% of the employee's aggregate salary. In addition, the Company contributes a percentage of the aggregate salary base for funding the post-retirement medical assistance plan for the employees who remain in the defined benefit plan. Each employee makes contributions to the pension fund based on age and salary. All newly hired employees automatically adhere to the defined contribution plan and no further admittance to the defined benefit plan is allowed. For the defined contribution plan. See Note 18.

Austria

Telekom Austria provides retirement benefits to its employees under defined contribution and defined benefit plans.

The Company pays contributions to publicly or privately administered pension or severance insurance plans on mandatory or contractual basis. Once the contributions have been paid, the Company has no further payment obligations. The regular contributions are recognized as employee expenses in the year in which they are due.

All other employee benefit obligations provided in Austria are unfunded defined benefit plans for which the Company records provisions which are calculated using the projected unit credit method. The future benefit obligations are measured using actuarial methods on the basis of an appropriate assessment of the discount rate, rate of employee turnover, rate of compensation increase and rate of increase in pensions.

For severance and pensions, the subsidiary recognizes actuarial gains and losses in other comprehensive income. The re-measurement of defined benefit plans relates to actuarial gains and losses only as Telekom Austria holds no plan assets. Interest expense related to employee benefit obligations is reported in "Valuation of derivatives, interests cost from labor obligation and other financial items, net" in the statements of comprehensive income.

Other subsidiaries

For the rest of the Company's subsidiaries, there are no defined benefit plans or compulsory defined contribution structures. However, certain subsidiaries make contributions to national pension, social security and severance plans in accordance with the percentages and rates established by the applicable social security and labor laws of each country. Such contributions are made to the entities designated by the countries legislation and are recorded as direct labor expenses in the consolidated statements of comprehensive income as they are incurred.

Remeasurements of defined benefit plans, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to “Remeasurement of defined benefit plan” through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment; and
- (ii) The date that the Company recognizes restructuring-related costs.

Net interest on liability for defined benefits is calculated by applying the discount rate to the net defined benefit liability or asset and it is recognized in the “valuation of derivatives, interest cost from labor obligations and other financial items” in the consolidated statements of comprehensive income. The Company recognizes the changes in the net defined benefit obligation under “Cost of sales and services” and “Commercial, administrative and general expenses” in the consolidated statements of comprehensive income.

Paid absences

The Company recognizes a provision for the cost of paid absences, such as vacation time, based on the accrual method.

r) Employee profit sharing (“EPS”)

EPS is paid by certain subsidiaries of the Company to its eligible employees. The Company has employee profit sharing in Mexico, Ecuador and Peru. In Mexico, employee profit sharing is computed at the rate of 10% on the individual subsidiaries taxable base adjusted for employee profit sharing purposes as provided by law.

Employee profit sharing is presented as an operating expense in the consolidated statements of comprehensive income.

The amendment to the Federal Labor Law in Mexico dated April 23, 2021 established a limit on the amount to be paid for profit sharing to employees, which indicates that the amount of EPS assigned to each employee may not exceed the equivalent of three months of the employee’s current salary, or the average EPS received by the employee in the previous three years, whichever is greater. If the EPS determined is less than or equal to this limit, the EPS will be determined by applying 10% of the individual company taxable income. If the EPS determined exceeds this limit, the limit would apply and this should be considered the EPS for the period.

s) Taxes

Income taxes

Current income tax payable is presented as a short-term liability, net of prepayments made during the year.

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

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. The value of deferred tax assets is reviewed by the Company at each financial statement reporting date and is reduced to the extent that it is more likely that the Company will not have sufficient future tax profits to allow for the realization of all or a

part of its 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 in Other Comprehensive Income are recognized together with the concept that generated such deferred taxes. Deferred taxes consequence on unremitted earnings from subsidiaries and associates are considered as temporary differences, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Taxes withheld on remitted foreign earnings are creditable against Mexican taxes, thus to the extent that a remittance is to be made, the deferred tax would be limited to the incremental difference between the Mexican tax rate and the rate of the remitting country. As of December 31, 2022 and 2023, the Company has not provided for any deferred taxes related to unremitted foreign earnings.

The Company offsets tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the tax authorities is included as part of the current receivables or payables in the consolidated statements of financial position unless they are due in more than a year in which case they are classified as non-current.

Uncertainty over Income Tax Treatments

The acceptability of a particular tax treatment under tax law may not be known until the tax authority or courts of justice reach a decision in the future. Consequently, a dispute or inspection of a specific tax treatment by the tax authority could affect the accounting of the asset or liability for current or deferred taxes by the Company.

In accordance with IFRIC 23 *Uncertainty over Income Tax Treatments*, the Company determines each uncertain tax treatment based on the approach that best predicts the resolution of the uncertainty.

To determine the approach that best predicts the resolution of the uncertainty, the Company may consider, for example:

- (a) How does the Company prepare their income tax return and support such tax treatments and how it sustains the tax treatments.
- (b) How does the Company expect that the tax authority carry-out its inspection and resolve the issues that arise from the aforementioned inspection.

The Company must disclose in the notes to the consolidated financial statements what is mentioned below:

- 1) The Company must determine whether the uncertain tax treatments will be evaluated separately or as a whole;

- 2) The Company will assume that the authority will examine the tax situation and will be aware of considering all information relevant to said treatment;
- 3) If it is concluded that it is unlikely that the authority will accept an uncertain fiscal position, the effect of the uncertainty will be reflected when determining its accounting fiscal position, estimating the effect based on the following methods:
- a) Most probable quantity – is the only quantity in a range of possible outcomes that can be predicted by the resolution of the uncertainty; either,
 - b) Expected value – is the value resulting from the sum of the different amounts weighted by their probability of occurrence, in a range of possible results. The expected value is the one that can best predict the resolution of the uncertainty, if there is a range of possible outcomes.
- 4) If the uncertain tax treatment affects the tax base for tax (caused) and deferred tax, the Company must make consistent judgments and estimates in the determination of both taxes; and
- 5) The Company must reassess a judgment or estimate of an uncertain tax treatment and its effects, if the facts and circumstances on which they were initially based change, or if new information arises that affects the judgment or estimate. '

The effects should be recognized as a change in an accounting estimate based on the provision of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

t) Advertising

Advertising expenses are recognized as incurred. For the years ended December 31, 2021, 2022 and 2023, advertising expenses were Ps. 11,118,723, Ps. 12,676,350 and Ps. 11,781,250 respectively, and are presented in the consolidated statements of comprehensive income in the caption "Commercial, administrative and general expenses".

u) Earnings per share

Basic and diluted earnings per share are determined by dividing net profit of the year by the weighted-average number of shares outstanding during the year. In determining the weighted average number of outstanding shares, shares repurchased by the Company have been excluded.

v) Financial risks

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

i) Liquidity risk

Liquidity risk is the risk that the Company may not meet its financial obligations associated with financial instruments when they are due. The Company's financial obligations and commitments are included in Notes 14 and 17.

ii) Market risk

The Company is exposed to certain market risks derived from changes in interest rates and fluctuations in exchange rates of foreign currencies. The Company's debt is denominated in foreign currencies, mainly in

US dollars and euros, other than its functional currency. In order to reduce the risks related to fluctuations in the exchange rate of foreign currency, the Company uses derivative financial instruments such as cross-currency swaps and forwards to adjust exposures resulting from foreign exchange currency. The Company does not use derivatives to hedge the exchange risk arising from having operations in different countries.

Additionally, the Company occasionally uses interest rate swaps to adjust its exposure to the variability of the interest rates or to reduce their financing costs. The Company's practices vary from time to time depending on judgments about the level of risk, expectations of change in the movements of interest rates and the costs of using derivatives. The Company may terminate or modify a derivative financial instrument at any time. See Note 7 for disclosure of the fair value of derivatives as of December 31, 2022 and 2023.

iii) Credit risk

Credit risk represents the loss that could be recognized in case the counterparties fail to comply with their contractual obligations.

The financial instruments that potentially represent concentrations of credit risk are cash and short-term deposits, trade accounts receivable and financial instruments related to debt and derivatives. The Company's policy is designed in order to limit its exposure to any one financial institution; therefore, the Company's financial instruments are contracted with several different financial institutions located in different geographic regions.

The credit risk in accounts receivable is diversified because the Company has a broad customer base that is geographically dispersed. The Company continuously evaluates the credit conditions of its customers and generally does not require collateral to guarantee collection of its accounts receivable. The Company monitors on a monthly basis its collection cycle to avoid deterioration of its results of operations.

A portion of the Company's cash surplus is invested in short-term deposits with financial institutions with high credit ratings.

iv) Sensitivity analysis for market risks

The Company uses sensitivity analysis to measure the potential losses based on a theoretical increase of 100 basis points in interest rates and a 5% fluctuation in exchange rates:

Interest rate

In the event that the Company's agreed-upon interest rates at December 31, 2023 and 2022 increase/decrease by 100 basis points and a 5.68% and 6.33%, respectively, fluctuation in exchange rates between the Mexican Peso and US Dollar, the net interest expense would increase by Ps.8,046,987 and Ps. 1,828,215, respectively; and (decrease) by Ps. (4,941,344) and Ps. (11,128,215), respectively.

Exchange rate fluctuations

If the Company's debt at December 31, 2023 and 2022 of Ps. 500,677,051 and Ps. 510,589,480, respectively, were to be impacted by a 5% increase/(decrease) in exchange rates, the debt would increase/(decrease) by Ps. 525,710,904 and Ps. 536,118,954, respectively; or Ps. (475,643,199) and Ps. (485,060,006), respectively.

w) Derivative financial instruments

Derivative financial instruments are recognized in the consolidated statements of financial position at fair value. Valuations obtained by the Company are compared against those of the financial institutions with which the agreements are entered into, and it is the Company's policy to compare such fair value to a valuation provided by

an independent pricing provider in case of discrepancies. Changes in the fair value of derivatives that do not qualify as hedging instruments are recognized immediately in the line “Valuation of derivatives, interest cost from labor obligations and other financial items, net”.

The Company is exposed to interest rate and foreign currency risks, which tries to mitigate through a controlled risk management program that includes the use of derivative financial instruments. The Company principally uses to attempt to offset the risk of exchange rate and interest rate fluctuations. Additionally, for the years ended December 31, 2021, 2022 and 2023 certain of the Company’s derivative financial instruments had been designated, and had qualified, as cash flow hedges. The effective portion of gains or losses on the cash flow derivatives is recognized in equity under the heading “Unrealized (loss) gain on equity investment at fair value”, and the ineffective portion is charged to results of operations of the period.

x) Current versus non-current classification

The Company presents assets and liabilities in its consolidated statements of financial position based on current/non-current classification.

An asset is current when it is either:

- (i) Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- (ii) Held primarily for the purpose of trading.
- (iii) Expected to be realized within twelve months after the reporting period.
- (iv) Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

y) Presentation of consolidated statements of comprehensive income

The costs and expenses shown in the consolidated statements of comprehensive income are presented in combined manner (based on both their function and nature), which allows a better understanding of the components of the Company’s operating income. This classification allows a comparison to the telecommunications industry.

The Company presents operating income in its consolidated statements of comprehensive income since it is a key indicator of the Company’s performance. Operating income represents operating revenues less operating costs and expenses.

z) Operating segments

Segment information is presented based on information used by management in its decision-making processes. Segment information is presented based on the geographic areas in which the Company operates.

The management of the Company is responsible for making decisions regarding the resources to be allocated to the Company's different segments, as well as evaluating the performance of each segment. Intersegment revenues and costs, intercompany balances as well as investments in shares in consolidated entities are eliminated upon consolidation and reflected in the "eliminations" column in Note 23.

None of the segment's records revenue from transactions with a single external customer amounting to 10% or more of the revenues.

Aa) Convenience translation

The consolidated financial statements are stated in thousands of Mexican pesos ("Ps."); however, solely for the convenience of the readers, the consolidated statement of financial position as of December 31, 2023 and the consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2023 were converted into U.S. dollars at the exchange rate of Ps. 16.8935 per U.S. dollar, which was the exchange rate at that date. This arithmetic conversion should not be construed as representations that the amounts expressed in Mexican pesos may be converted into U.S. dollars at that or any other exchange rate.

Ab) Significant accounting judgments, estimates and assumptions

In preparing its consolidated financial statements, the Company makes estimates concerning a variety of matters. Some of these matters are highly uncertain, and its estimates involve judgments it makes based on the available information. In the discussion below, the Company has identified several of these matters for which its financial statements would be materially affected if either (1) the Company uses different estimates that it could have reasonably used or (2) in the future América Móvil changes its estimates in response to changes that are reasonably likely to occur.

The following discussion addresses only those estimates that the Company considers most important based on the degree of uncertainty and the likelihood of a material impact had it used a different estimate. There are many other areas in which the Company uses estimates about uncertain matters, but the reasonably likely effect of changed or different estimates is not material to the financial presentation for those other areas.

Estimated useful lives of property, plant and equipment

The Company currently depreciates most of its network infrastructure based on an estimated useful life determined upon the expected particular conditions of operation and maintenance in each of the countries in which it operates. The estimates are based on AMX's historical experience with similar assets, anticipated technological changes and other factors, taking into account the practices of other telecommunications companies. The Company reviews estimated useful lives each year to determine, for each particular class of assets, whether they should be changed. The Company may shorten/extend the estimated useful life of an asset class in response to technological changes, changes in the market or other developments. This results in increased/decreased depreciation expense. See Note 10.

Revaluation of passive infrastructure of telecommunications towers

The Company recognizes the passive infrastructure of the telecommunication towers at fair value, recognizing the changes in OCI. The discounted cash flow model was used. The Company hired a valuation specialist with industry experience to measure fair values as of December 31, 2023.

Impairment of Long-Lived Assets

The Company has large amounts of long-lived assets, including property, plant and equipment, intangible assets, and goodwill on its consolidated statements of financial position. The Company is required to test long-lived

assets for impairment when circumstances indicate a potential impairment or, in some cases, at least on an annual basis. The impairment analysis for long-lived assets requires the Company to estimate the recoverable amount of the asset, which is the higher of its fair value (minus any disposal costs) and its value in use. To estimate the fair value of a long-lived asset, the Company typically takes into account recent market transactions or, if no such transactions can be identified, the Company uses a valuation model that requires making certain assumptions and estimates. Similarly, to estimate the value in use of long-lived assets, the Company typically makes various assumptions about the future prospects for the business to which the asset relates, considers market factors specific to that business and estimates future cash flows to be generated by that business. Based on this impairment analysis, including all assumptions and estimates related thereto, as well as guidance provided by IFRS relating to the impairment of long-lived assets different assumptions and estimates could materially impact the Company's reported financial results. More conservative assumptions of the anticipated future benefits from these businesses could result in impairment charges, which would decrease net income and result in lower asset values on the consolidated statements of financial position. Conversely, less conservative assumptions could result in smaller or no impairment charges, higher net income and higher asset values. The key assumptions used to determine the recoverable amount for the Company's CGUs, are further explained in Notes 23, 10 and 11.

Deferred Income Taxes

The Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves the jurisdiction-by-jurisdiction estimation of actual current tax exposure and the assessment of temporary differences resulting from the differing treatment of certain items, such as provisions and amortization, for tax and financial reporting purposes, as well as net operating loss carry-forwards and other tax credits. These items result in deferred tax assets and liabilities as discussed in Note 2 s). The analysis is based on estimates of taxable income in the jurisdictions in which the Company operates and the period on which the deferred tax assets and liabilities will be recovered or settled. If actual results differ from these estimates, or the Company adjusts these estimates in future periods, its financial position and results of operations may be materially affected.

In assessing the future realization of deferred tax assets, the Company considers future taxable income, ongoing planning strategies and future results in its operations. In the event that the estimates of projected future taxable income are lowered, or changes in current tax regulations are enacted that would impose restrictions on the timing or extent of the ability to utilize the tax benefits of net operating loss carry-forwards in the future, an adjustment to the recorded amount of deferred tax assets would be made, with a related charge to income. See Note 13.

Provisions

Provisions are recorded when, at the end of the period, the Company has a present obligation as a result of past events, whose settlement requires an outflow of resources that is considered probable and can be measured reliably. This obligation may be legal or constructive, arising from, but not limited to, regulation, contracts, common practice or public commitments, which have created a valid expectation for third parties that the Company will assume certain responsibilities. The amount recorded is the best estimation performed by the Company's management in respect of the disbursement that will be required to settle the obligations, considering all the information available at the date of the consolidated financial statements, including the opinion of external experts, such as legal advisors or consultants. Provisions are adjusted to account for changes in circumstances for ongoing matters and the establishment of additional provisions for new matters.

If the Company is unable to reliably measure the obligation, no provision is recorded, and information is then presented in the notes to its consolidated financial statements. Because of the inherent uncertainties in these estimations, actual expenditures may be different from the originally estimated amount recognized. See Note 16.

The Company is subject to various claims and contingencies related to tax, labor and legal proceedings as described in Note 17b).

Labor Obligations

The Company recognizes liabilities on its consolidated statements of financial position and expenses in its statements of comprehensive income to reflect its obligations related to its post-retirement seniority premiums, pension and retirement plans in the countries in which it operates and offer defined contribution and benefit pension plans. The amounts the Company recognizes are determined on an actuarial basis that involves estimations and accounts for post-retirement and termination benefits.

The Company uses estimates in four specific areas that have a significant effect on these amounts: (i) the rate of return the Company assumes its pension plans will earn on its investments, (ii) the salaries increase rate that the Company assumes it will observe in future years, (iii) the discount rates that the Company uses to calculate the present value of its future obligations and (iv) the expected inflation rate. The assumptions applied are further disclosed in Note 18. These estimates are determined based on actuarial studies performed by independent experts using the projected unit-credit method.

Ac) Discontinued operations

a) Joint Venture

On October 6, 2022, LLA and the Company announced that they completed the transaction to combine their operations in Chile (VTR and Claro Chile, respectively) in order to create a 50:50 joint venture known as ClaroVTR.

In accordance with IFRS 11, this transaction was classified as a joint venture, since both LLA and the Company exercise joint control over ClaroVTR, and all relevant decisions require the consent of both parties. Consequently, in accordance with IFRS 5, Claro Chile's operations are classified as discontinued operations for all the years that are presented in the consolidated financial information and from that date they are recognized by applying the equity method. See Note 12b.

The results of discontinued operations are as follows:

	For the years ended as of December 31, 2021	For the period ended as of October 6, 2022
Operating revenue:		
Service revenues	Ps. 17,276,464	Ps. 10,500,087
Sales of equipment	4,508,925	2,626,823
	21,785,389	13,126,910
Total costs and expenses	22,892,415	14,954,526
Operating loss	(1,107,026)	(1,827,616)
Financial costs	(533,899)	(685,129)
Loss before income taxes of discontinued operations	(1,640,925)	(2,512,745)
Income taxes:	(4,578,004)	(1,805,500)
Net profit (loss) of the period from discontinued operations	Ps. 2,937,079	Ps. (707,245)

The effect of the deconsolidation of Claro Chile, S.A. as of October 6, 2022, resulted in the recognition of a loss after tax from discontinued operations of Ps. 707,245, including a recycling income of accumulated foreign currency translation effect for an amount of Ps. 6,943,753. Therefore, Claro Chile is deconsolidated from the aforementioned date and no impairment loss was identified.

b) Claro Panama Disposal

On September 15, 2021, the Company announced that it had entered into an agreement with Cable & Wireless Panama, S.A., an affiliate of Liberty Latin America to sell its 100% interest in its subsidiary Claro Panama. The

transaction excludes the telecommunications towers that are owned indirectly by the Company in Panama and the Claro trademarks. The agreed purchase price was US\$200 million, adjusted for net debt (cash/debt free basis). The closing of the transaction would be subject to customary conditions for this type of transaction, including obtaining regulatory authorizations. On July 1, 2022, the Company announced that it had completed the sale to Liberty Latin America of its 100% interest in Claro Panama.

The Company received an adjusted closing consideration of US\$ 116.7 million in cash, resulting in a net gain of Ps. 3,405,014, including a recycling loss of accumulated foreign currency translation effect for an amount of Ps. 1,750,451. This gain has been recognized in profit after tax for the period from discontinued operations in the consolidated statement of comprehensive income. Therefore, Claro Panama is deconsolidated from the aforementioned date and no impairment loss was identified.

In accordance with IFRS 5 Non-current Assets Held For Sale and Discontinued Operations, Claro Panama was classified as discontinued operation for all the years presented in these consolidated financial statements; consequently, the results are presented in the loss after tax for the period from discontinued operations in the consolidated statements of comprehensive income. Therefore, the comparative figures in the consolidated statements of comprehensive income have been restated in consequence at that time.

The deconsolidated assets and liabilities of Claro Panama as of the date of disposal were the following:

	As of July 1, 2022
Current assets:	
Cash	Ps. 24,202
Account receivable to subscribers, distributors and others Net	666,114
Inventories, net	169,851
Other assets, net	4,457
Total current assets	864,624
Non-current assets:	
Property, plant and equipment	1,102,062
Intangibles, net	1,810,964
Account receivables to subscribers, distributors and others, Net	42,368
Other assets, net	12,291
Right-of-use	975,019
Total assets	Ps.4,807,328
Short term liability related to right-of-use assets	Ps. 198,289
Accounts payable	576,522
Payable taxes	24,981
Related parties	1,159
Deferred income	126,904
Long term liability related to right-of-use assets	Ps. 855,969
Deferred income	129,062
Total liabilities	1,912,886
Net assets directly related to the Group's disposal	Ps.2,894,442

The results of discontinued operations for the year are shown below:

	For the year ended December 31, 2021	July 1st, 2022
Operating revenue:		
Revenue services	Ps. 2,667,497	Ps. 1,210,109
Sales of equipment	394,534	206,595
	3,062,031	1,416,704
Total costs and expenses	3,378,614	1,403,311
Operating (loss) profit	(316,583)	13,393
Financial costs	(89,974)	(39,538)
Gain on sale of discontinued operations	—	3,405,014
(Loss) profit before income taxes from discontinued operations	(406,557)	3,378,869
Income taxes:	5,297	—
Net (loss) profit of the period of discontinued operations	Ps. (411,854)	Ps. 3,378,869

c) TracFone Disposal

On September 14, 2021, the Company, announced that it had entered into an agreement with Verizon Communications Inc. (“Verizon”) to sell its 100% interest in its subsidiary TracFone Wireless, Inc. (“TracFone”), the largest mobile virtual prepaid service operator in the United States, serving 21 million subscribers. On November 23, 2021, the Company announced that it had completed the sale of its 100% interest in TracFone to Verizon.

AMX received a closing consideration of US\$3,625.7 million in cash, which includes US\$500.7 million related to TracFone’s closing cash and working capital, customary adjustment and other adjustments, and 57,596,544 shares of Verizon stock valued at approximately US\$2,968 million. Verizon has asserted post-closing claims under the adjustments and other provisions of this agreement, which may result in payments by the Company. Following the transaction closing, Verizon shall pay to AMX: (i) up to US\$500 million as an earn-out if TracFone continues to achieve certain performance measures during the 24 months following the closing, calculated and paid in four consecutive six-month periods, and (ii) US\$150 million deferred consideration payable within two years following the transaction closing. The earn-out was not recognized as gain by the Company, in accordance with IFRS 9 and 13 and IAS 37, since management does not believe the realization of income and the inflow of economic benefits are virtually certain.

TracFone was deconsolidated from that date resulting in a net gain of Ps. 106,527,287 including the recycling of foreign currency exchange losses accumulated in equity. This gain has been recognized under profit after tax from discontinued operations in the consolidated statements of comprehensive income. Furthermore, no impairment loss was identified. Moreover, TracFone had identifiable operations and cash flows and represented a separate geographical area. Therefore, in accordance with IFRS 5, TracFone was classified as discontinued operations for all years presented in these consolidated financial statements; results are accordingly presented in the profit after tax from discontinued operations in the consolidated statements of comprehensive income. The consolidated statements of comprehensive income comparative figures have therefore been restated accordingly, at that time.

All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Additionally, TracFone represented the U.S.A. segment until November 23, 2021. With TracFone being classified as discontinued operations, the U.S.A. segment is no longer presented in the segment note. The results of TracFone for the year are presented below:

	For the years ended December 31 2021
Operating revenues:	
Service revenues	Ps. 130,091,540
Sales of equipment	22,160,481
	<u>152,252,021</u>
Total costs and expenses	134,495,316
Operating income	<u>17,756,705</u>
Financial cost	(1,733)
Gain on disposal of discontinued operations	132,821,709
Profit before income tax discontinued operations	<u>150,576,681</u>
Tax expense:	
Related to pre-tax profit from the ordinary activities for the period	2,571,541
Related to gain on disposal from discontinued operations	26,294,422
Net profit for the year from discontinued operations	<u>Ps. 121,710,718</u>

The assets and liabilities deconsolidated on the date of the disposal were as follows:

	November 23, 2021
Current assets	
Cash	Ps. 338,439
Subscribers, distributors, recoverable taxes, contract assets and other net	12,368,407
Inventories, net	9,604,658
Other current assets, net	389,052
Total current assets	<u>22,700,556</u>
Non-current assets:	
Property, plant and equipment	1,989,498
Intangibles, net	555,012
Goodwill	2,695,557
Deferred income taxes	1,094,756
Other assets, net	327,546
Rights of use	1,625
Total assets	<u>Ps. 29,364,550</u>
Short term liability related to right of use of assets	Ps. 1,625
Accounts payable	17,446,513
Income tax	3,267,585
Deferred revenue	13,187,667
Total liabilities	<u>33,903,390</u>
Net liability directly associated with disposal group	<u>Ps. (4,538,840)</u>

Note 3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of short-term deposits with different financial institutions. Cash equivalents only include instruments with purchased maturity of less than three months. The amount includes the amount deposited, plus any interest earned.

Note 4. Equity and debt investments at fair value through OCI and other short/long-term investments

As of December 31, 2022 and 2023, equity investments at fair value through OCI and other short-term investments includes an equity investment in Koninklijke KPN N.V (hereinafter, KPN) for Ps. 44,371,166 and Ps. 33,549,372, respectively, other short-term investments for Ps. 3,523,883 in 2023, and an equity investment in Verizon for Ps. 44,056,945 and Ps. 36,682,372, respectively.

The investments in KPN, Verizon and others, are carried at fair value with changes in fair value being recognized through other comprehensive income. As of December 31, 2022 and 2023, the Company has recognized in equity changes in fair value of Ps. (4,707,276) and Ps. (967,609) respectively, net of deferred taxes.

As of December 31, 2022 and 2023, the Company has recognized an income related to the earn-out stipulated in the Verizon's contract, of Ps. 4,271,250 and Ps. 2,206,671, respectively, which are included within "Valuation of derivatives, interest cost from labor obligations, and other financial items, net" in the consolidated statements of comprehensive income.

During the years ended December 31, 2021, 2022 and 2023, the Company recognized dividend income from KPN for an amount of Ps. 2,628,600, Ps. 2,459,637 and Ps. 1,867,184, respectively, also for Verizon for an amount of Ps. 3,696,356 and Ps. 2,684,643 in 2022 and 2023, respectively, which are included within "Valuation of derivatives, interest cost from labor obligations, and other financial items, net" in the consolidated statements of comprehensive income.

As of December 31, 2022 and 2023 long-term debt instruments at fair value through OCI for Ps. 6,981,149 and Ps. 14,914,412, respectively.

Note 5. Accounts receivable from subscribers, distributors, recoverable taxes contractual assets and other, net

a) An analysis of accounts receivable by component at December 31, 2022 and 2023 is as follows:

	At December 31,	
	2022	2023
Subscribers and distributors	Ps.154,659,093	Ps.156,569,986
Telecommunications carriers for network interconnection and other services	3,519,170	2,960,653
Recoverable taxes	46,947,187	57,501,535
Sundry debtors	16,528,588	12,302,877
Contract assets	28,573,717	25,062,219
Allowance of expected credit losses	(42,079,056)	(38,194,997)
Total net	Ps.208,148,699	Ps.216,202,273
Non-current subscribers, distributors and contractual assets	8,724,497	9,400,123
Total current subscribers, distributors and contractual assets	Ps.199,424,202	Ps.206,802,150

b) Changes in the allowance of the expected credit losses is as follows:

	For the years ended December 31,		
	(1) 2021	2022	2023
Balance at beginning of year	Ps.(44,551,735)	Ps.(41,835,826)	Ps.(42,079,056)
Increases recorded in expenses (i)	(10,212,490)	(12,197,447)	(12,021,598)
Write-offs	11,682,343	9,162,382	11,392,722
Incorporation (spin-off) (ii)	—	—	(3,002)
Translation effect	1,246,056	2,791,835	4,515,937
Balance at year end	Ps.(41,835,826)	Ps.(42,079,056)	Ps.(38,194,997)

(1) Discontinued operations

i) Includes discontinued operation of Panama and Chile in joint venture. See note 2Ac.

ii) This figure is related to the spin-off of Telekom Austria AG.

c) The following table shows the aging of accounts receivable at December 31, 2022 and 2023, for subscribers and distributors:

	Past due					
	Total	Unbilled services provided	a-30 days	31-60 days	61-90 days	Greater than 90 days
December 31, 2022	Ps.154,659,093	Ps.66,839,514	Ps.31,726,606	Ps.4,099,261	Ps.2,574,082	Ps.49,419,630
December 31, 2023	Ps.156,569,986	Ps.94,822,572	Ps.15,595,155	Ps.4,533,856	Ps.2,543,476	Ps.39,074,927

d) The following table shows the accounts receivable from subscribers and distributors included in the allowance for expected credit losses of trade receivables, as of December 31, 2022 and 2023:

	Total	1-90 days	Greater than 90 days
December 31, 2022	Ps.42,079,056	Ps.4,207,906	Ps.37,871,150
December 31, 2023	Ps.38,194,997	Ps.2,989,388	Ps.35,205,609

e) An analysis of contract assets and liabilities at December 31, 2022 and 2023 is as follows:

	2022	2023
Contract Assets:		
Balance at the beginning of the year	Ps. 30,901,277	Ps. 28,573,717
Additions	28,262,872	24,666,211
Business combination	404,489	—
Disposals	(5,238,752)	(4,672,331)
Amortization	(22,926,487)	(19,998,178)
Translation effect	(2,829,682)	(3,507,200)
Balance at the end of the year	Ps. 28,573,717	Ps. 25,062,219
Non-current contract assets	Ps. 880,860	Ps. 1,149,202
Current portion contracts assets	Ps. 27,692,857	Ps. 23,913,017

Note 6. Related Parties

a) The following is an analysis of the balances with related parties as of December 31, 2022 and 2023. All of the companies were considered affiliates of América Móvil since the Company's principal shareholders are either direct or indirect shareholders in the related parties.

	2022	2023
Accounts receivable:		
Sears Roebuck de México, S.A. de C.V. and Subsidiaries	Ps. 260,584	Ps. 189,724
Sitios Latinoamérica, S.A.B. de C.V.	1,460,897	216,378
Sanborns Hermanos, S.A.	124,157	164,650
Patrimonial Inbursa, S.A.	166,366	206,127
Grupo Condumex, S.A. de C.V. and Subsidiaries	31,857	17,484
Telesites, S.A.B. de C.V. and Subsidiaries	80,677	63,128
Claroshop.com, S.A.P.I de C.V.	31,559	46,459
Other	131,116	167,570
Total	<u>Ps.2,287,213</u>	<u>Ps.1,071,520</u>
Accounts payable:		
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	Ps.2,836,689	Ps.3,256,535
Grupo Condumex, S.A. de C.V. and Subsidiaries	2,036,371	548,076
Sitios Latinoamérica, S.A.B. de C.V.	960,244	1,031,925
Fianzas Guardiania Inbursa, S.A. de C.V.	437,428	439,437
Claroshop.com, S.A.P.I de C.V.	216,774	122,940
Grupo Financiero Inbursa, S.A.B. de C.V.	102,127	180,718
Seguros Inbursa, S.A. de C.V.	107,389	101,026
Industrial Afiliada, S.A. de C.V..	103,864	469,591
Banco Inbursa, S.A.	20,089	22,438
Promotora Inbursa, S.A. de C.V.	15,174	35,292
Cicsa Perú, S.A.C.	256,344	166,484
Other	131,725	392,364
Total	<u>Ps.7,224,218</u>	<u>Ps.6,766,826</u>

For the years ended December 31, 2021, 2022 and 2023, the Company has not recorded any impairment of receivables in connection with amounts owed by related parties.

b) For the years ended December 31, 2021, 2022 and 2023, the Company conducted the following transactions with related parties:

	2021	2022	2023
Capex and expenses:			
Construction services, purchases of materials, inventories and property, plant and equipment ⁽ⁱ⁾	Ps.13,524,989	Ps.13,107,483	Ps.10,499,209
Insurance premiums, fees paid for administrative and operating services, brokerage services and others ⁽ⁱⁱ⁾	4,336,133	2,654,774	4,911,513
Associated costs for towers sale ⁽ⁱⁱⁱ⁾	—	360,073	1,751,405
Rent of towers	—	475,749	937,763
Other services	1,636,402	1,890,921	1,903,476
	<u>Ps.19,497,524</u>	<u>Ps.18,489,000</u>	<u>Ps.20,003,366</u>
Revenues:			
Service revenues ^(iv)	Ps. 714,148	Ps. 756,347	Ps. 1,153,877
Sales of towers ^(v)	6,943,400	3,323,594	8,546,615
Sales of equipment	685,781	1,153,439	2,225,521
	<u>Ps. 8,343,329</u>	<u>Ps. 5,233,380</u>	<u>Ps.11,926,013</u>

- i) In 2023, this amount includes Ps. 7,720,624 (Ps. 11,018,630 in 2022 and Ps. 11,447,164 in 2021) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso).
- ii) In 2023, this amount includes Ps. 69,248 (Ps. 117,321 in 2022 and Ps. 121,728 in 2021) for network maintenance services performed by Grupo Carso subsidiaries; Ps. 0 in 2023 (Ps. 16,556 in 2022 and Ps. 50,730 in 2021) for software services provided by an associate; Ps. 3,460,518 in 2023 (Ps. 3,281,176 in 2022 and Ps. 3,814,995 in 2021) for insurance premiums with Seguros Inbursa S.A. and Fianzas Guardiania Inbursa, S.A., which, in turn, places most of such insurance with reinsurers.
- iii) In 2023, this amount includes Ps. 885,427 of the cost related to the sales of towers by Compañía Dominicana de Teléfonos, S.A.; Ps. 880,542 of the cost related to the sales of towers by América Móvil Perú, S.A.C.; and Ps. 15,435 of the cost related to the sales of towers by Telmex.
- iv) In 2023, this amount includes Ps. 995,831 of the total revenue, provided by Telmex.
- v) In 2023, this amount includes Ps. 2,695,790 for sales of towers by Compañía Dominicana de Teléfonos, S.A.; Ps. 4,840,325 for sales of towers by América Móvil Perú, S.A.C.; and Ps. 1,010,500 for sales of towers by Telmex.

c) The aggregate compensation paid to the Company's, directors (including compensation paid to members of the Audit and Corporate Practices Committee), and senior management in 2023 was approximately Ps. 6,244 and Ps. 98,280, respectively. None of the Company's directors is a party to any contract with the Company or any of its subsidiaries that provides for benefits upon termination of employment. The Company does not provide pension, retirement or similar benefits to its directors in their capacity as directors. The Company's executive officers are eligible for retirement and severance benefits required by Mexican law on the same terms as all other employees.

d) Österreichische Bundes-und Industriebeteiligungen GmbH (ÖBIB) is considered a related party due to it is a significant non-controlling shareholder in Telekom Austria. Through Telekom Austria, América Móvil is related to the Republic of Austria and its subsidiaries, which are mainly ÖBB Group, ASFINAG Group and Post Group as well as Rundfunk und Telekom Regulierungs-GmbH, all of which these are related parties. In 2021, 2022 and 2023, none of the individual transactions associated with government agencies or government-owned entities of Austria were considered significant to América Móvil.

Note 7. Derivative Financial Instruments

To mitigate the risks of future increases in interest rates and foreign exchange rates for the servicing of its debt, the Company has entered into derivative contracts in over-the-counter transactions carried out with financial institutions. In 2023 the weighted-average interest rate of the total debt including the impact of interest rate derivatives held by the Company is 5.6% (5.0% and 3.1% in 2022 and 2021, respectively). The Company adhered to the fallback provision from ISDA as a part of the transition from IBOR.

An analysis of the derivative financial instruments contracted by the Company at December 31, 2022 and 2023 is as follows:

Instrument	At December 31,					
	2022			2023		
	Notional amount in millions		Fair Value	Notional amount in millions		Fair Value
Assets:						
Swaps US Dollar – Mexican Peso	US\$	140	Ps. 91,469	US\$	150	Ps. 56,426
Swaps US Dollar – Euro	US\$	800	1,845,832	US\$	800	257,278
Swaps Yen – US Dollar	¥	6,500	101,409	¥	6,500	34,720
Swaps Euro – US Dollar		—	—	€	152	104,070
Forwards US Dollar – Mexican Peso	US\$	100	6,636	US\$	228	12,009
Forwards Brazilian Real – US Dollar	R\$	2,899	225,933	R\$	5,201	407,878
Forwards Euro – US Dollar	€	509	331,401	€	1,390	573,653
Total Assets			Ps. 2,602,680			Ps. 1,446,034

Instrument	At December 31,					
	2022			2023		
	Notional amount in millions		Fair Value	Notional amount in millions		Fair Value
Liabilities:						
Swaps US Dollar – Mexican Peso	US\$	1,750	Ps. (731,565)	US\$	3,140	Ps. (5,147,566)
Swaps US Dollar – Euro	US\$	150	(215,240)	US\$	150	(276,227)
Swaps Yen – US Dollar	¥	6,500	(230,843)	¥	6,500	(270,825)
Swaps Pound Sterling – Euro	£	640	(2,070,175)	£	640	(1,586,633)
Swap Pound Sterling – US Dollar	£	1,560	(11,507,501)	£	1,560	(8,069,567)
Swaps Euro – US Dollar	€	1,145	(3,474,154)	€	825	(1,680,315)
Swaps Euro – Mexican Peso	€	750	(2,880,279)		—	—
Forwards US Dollar – Mexican Peso	US\$	1,945	(783,334)	US\$	742	(311,288)
Forwards Brazilian Real – US Dollar	R\$	2,763	(122,201)	R\$	123	(459)
Forwards Euro – US Dollar	€	952	(915,854)	€	435	(160,448)
Forwards Euro – Mexican Peso		—	—	€	50	(16,267)
Put option	€	374	(368,364)		—	—
Call option	€	2,097	(2,031,836)	€	2,020	(376,784)
Total Liabilities		—	Ps.(25,331,346)		—	Ps.(17,896,379)

* Totals may not sum due to rounding.

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2021, 2022 and 2023 amounted to a loss of Ps. (6,755,214), Ps. (28,639,687) and Ps. (10,268,520), respectively. Such amounts are included in the consolidated statements of comprehensive income as part of the caption “Valuation of derivatives interest cost from labor obligations and other financial items, net”.

The maturities of the notional amount of the derivatives are as follows:

Instrument	Notional amount in millions	2024	2025	2026	2027	2028 Thereafter
Assets						
Swaps US Dollar – Mexican Peso	US\$	—	—	—	—	150
Swaps Yen – US Dollar	¥	—	—	—	—	6,500
Swaps US Dollar – Euro	US\$	—	—	—	—	800
Swaps Euro – US Dollar	€	—	—	—	152	—
Forwards US Dollar – Mexican Peso	US\$	228	—	—	—	—
Forwards Brazilian Real – US Dollar	R\$	5,201	—	—	—	—
Forwards Euro – US Dollar	€	1,390	—	—	—	—
Liabilities						
Swaps US Dollar – Mexican Peso	US\$	—	—	—	—	3,140
Swaps US Dollar – Euro	US\$	—	—	—	—	150
Swaps Euro – US Dollar	€	175	—	—	250	400
Swaps Yen – US Dollar	¥	—	—	—	—	6,500
Swaps Sterling Pound – Euro	£	—	—	390	—	250
Swap Sterling Pound – US Dollar	£	—	—	110	—	1,450
Forwards US Dollar – Mexican Peso	US\$	742	—	—	—	—
Forwards Euro – US Dollar	€	435	—	—	—	—
Forwards Brazilian Real – US Dollar	R\$	123	—	—	—	—
Forwards Euro – Mexican Peso	€	50	—	—	—	—
Call Option	€	2,020	—	—	—	—

Note 8. Inventories, net

An analysis of inventories at December 31, 2022 and 2023 is as follows:

	2022	2023
Mobile phones, accessories, computers, TVs, cards and other materials	Ps. 26,311,415	Ps. 21,858,519
Less: Reserve for obsolete and slow-moving inventories	(2,316,282)	(2,586,894)
Total	Ps. 23,995,133	Ps. 19,271,625

For the years ended December 31, 2021, 2022 and 2023, the cost of inventories recognized in cost of sales was Ps. 117,613,669, Ps. 115,022,007 and Ps. 111,863,425 respectively.

Note 9. Other assets, net

An analysis of other assets at December 31, 2022 and 2023 is as follows:

	2022	2023
Current portion:		
Advances to suppliers (different from CAPEX and inventories)	Ps. 8,247,735	Ps. 8,788,638
Prepaid insurance	1,988,713	2,105,556
Other	328,974	328,065
	<u>Ps.10,565,422</u>	<u>Ps.11,222,259</u>
Non-current portion:		
Recoverable taxes	Ps. 9,363,682	Ps. 8,879,374
Prepayments for the use of fiber optics	3,424,850	2,734,008
Judicial deposits ⁽¹⁾	16,309,977	15,456,282
Prepaid expenses	10,483,113	10,574,048
Total	<u>Ps.39,581,622</u>	<u>Ps.37,643,712</u>

For the years ended December 31, 2021, 2022 and 2023, amortization expense for other assets was Ps. 442,098 Ps. 215,529 and Ps. 848,569, respectively.

- (1) Judicial deposits represent cash and cash equivalents pledged in order to fulfill the collateral requirements for tax contingencies in Brazil. Based on its evaluation of the underlying contingencies, the Company believes that such amounts are recoverable. See Note 17 b).

Note 10. Property, Plant and Equipment, net

a) An analysis of activity in property, plant and equipment, net for the years, 2021, 2022 and 2023 is as follows:

	At December 31, 2020	Additions	Retirements ⁽²⁾	Transfers	Effect of translation of foreign subsidiaries and hyperinflation adjustment	Depreciation for the year ⁽³⁾	At December 31, 2021
Cost							
Network in operation and equipment	Ps. 1,057,592,243	Ps. 89,696,150	Ps. (45,044,049)	Ps. 53,531,590	Ps. (44,061,097)	Ps. —	Ps. 1,111,714,837
Land and buildings	48,887,578	784,460	(473,785)	38,250	(1,216,894)	—	48,019,609
Other assets	157,022,845	10,782,903	(11,994,756)	(1,800,756)	(1,870,104)	—	152,140,132
Construction in process and advances plant suppliers ⁽¹⁾	67,501,913	83,366,813	(47,178,796)	(38,944,421)	(1,420,843)	—	63,324,666
Spare parts for operation of the network	24,796,258	46,909,494	(23,108,928)	(13,824,767)	(974,011)	—	33,798,046
Total	<u>1,355,800,837</u>	<u>231,539,820</u>	<u>(127,800,314)</u>	<u>(1,000,104)</u>	<u>(49,542,949)</u>	<u>—</u>	<u>1,408,997,290</u>
Accumulated depreciation							
Network in operation and equipment	531,267,306	—	(24,322,904)	638,066	(29,767,613)	96,857,203	574,672,058
Buildings	9,087,399	—	(219,030)	(221,937)	(667,957)	1,871,028	9,849,503
Other assets	92,444,017	—	(10,522,319)	549,855	(1,879,241)	12,667,367	93,259,679
Spare parts for operation of the network	72,484	—	(92,421)	—	(26,823)	66,131	19,371
Total	<u>Ps. 632,871,206</u>	<u>Ps. —</u>	<u>Ps. (35,156,674)</u>	<u>Ps. 965,984</u>	<u>Ps. (32,341,634)</u>	<u>Ps. 111,461,729</u>	<u>Ps. 677,800,611</u>
Net Cost	<u>Ps. 722,929,631</u>	<u>Ps.231,539,820</u>	<u>Ps. (92,643,640)</u>	<u>Ps. (1,966,088)</u>	<u>Ps. (17,201,315)</u>	<u>Ps.(111,461,729)</u>	<u>Ps. 731,196,679</u>

- (1) Construction in progress includes fixed and mobile network facilities as well as satellite developments and fiber optic which is in the process of being installed.
- (2) Includes disposals related to the sale of TracFone.
- (3) Discontinued operations.

	At December 31 2021	Additions	Retirements ⁽²⁾	Business combinations ⁽³⁾	Revaluation adjustments ⁽⁵⁾	Transfer	Incorporation (merger, spin- off, sale) ⁽⁴⁾	Effect of translation of foreign subsidiaries and hyperinflation adjustment	Depreciation for the year	At December 31, 2022
Cost										
Network in operation and equipment	Ps. 1,111,714,837	Ps. 56,307,013	Ps. (64,315,475)	Ps. 1,415,252	Ps. (55,639,215)	Ps. 63,171,840	Ps. (18,399,253)	Ps. (68,236,057)	Ps. —	Ps. 1,026,018,942
Land and buildings	48,019,609	596,165	(2,021,550)	—	—	737,667	—	(3,577,615)	—	43,754,276
Other assets	152,140,132	12,325,614	(13,642,510)	23,723	—	559,935	(698,522)	(5,468,249)	—	145,240,123
Construction in process and advances plant suppliers ⁽¹⁾	63,324,666	96,511,498	(49,559,746)	36,707	—	(48,393,706)	(72,194)	(2,027,587)	—	59,819,638
Spare parts for operation of the network	33,798,046	61,327,596	(30,957,726)	—	—	(19,923,388)	(6,995)	(1,879,058)	—	42,358,475
Total	1,408,997,290	227,067,886	(160,497,007)	1,475,682	(55,639,215)	(3,847,652)	(19,176,964)	(81,188,566)	—	1,317,191,454
Accumulated depreciation										
Network in operation and equipment	Ps. 574,672,058	Ps. —	Ps. (52,703,338)	Ps. —	Ps. (4,098,583)	Ps. (71,627)	Ps. 4,827,813	Ps. (52,313,781)	Ps. 95,577,534	Ps. 565,890,076
Buildings	9,849,503	—	(622,956)	—	—	47,578	(219,174)	(2,356,617)	1,701,274	8,399,608
Other assets	93,259,679	—	(9,711,246)	—	—	298,060	(8,940,398)	(3,146,276)	13,814,586	85,574,405
Spare parts for the operation of the network	19,371	—	(115,552)	—	—	—	6,717	(84,295)	274,914	101,155
Total	Ps. 677,800,611	Ps. —	Ps. (63,153,092)	Ps. —	Ps. (4,098,583)	Ps. 274,011	Ps. (4,325,042)	Ps. (57,900,969)	Ps. 111,368,308	Ps. 659,965,244
Net Cost	Ps. 731,196,679	Ps. 227,067,886	Ps. (97,343,915)	Ps. 1,475,682	Ps. (51,540,632)	Ps. (4,121,663)	Ps. (14,851,922)	Ps. (23,287,597)	Ps. (111,368,308)	Ps. 657,226,210

- (1) Construction in progress includes fixed and mobile network facilities as well as satellite developments and fiber optic which is in the process of being installed.
- (2) Includes disposals of Chile's separation process as a result of the ClaroVTR joint venture. See Note 12b. Also includes disposals related to the sale of Claro Panama. See Note 2Ac and disposals related to the partial sale Claro Peru's towers to Sitios Latam as of December 31, 2022.
- (3) "Business Combination" includes the acquisition of Assets of Grupo Oi, Jonava and Ustore, in Brazil. See Note 12a.
- (4) "Incorporation (merger, spin-off, sale)" includes disposals associated as spin-off of assets to Sitios Latam described in Note 12d.
- (5) "Revaluation adjustments" include the surplus associated with the 29,090 telecommunications towers, for an amount of Ps. 50,880,804 that was transferred as part of the spin-off of assets to Sitios Latam described in Note 12d.

	At December 31 2022	Additions	Retirements ⁽²⁾⁽³⁾	Revaluation adjustments ⁽⁴⁾	Transfer	Effect of translation of foreign subsidiaries and hyperinflation adjustment ⁽⁵⁾	Depreciation for the year	At December 31, 2023
Cost								
Network in operation and equipment	Ps. 1,026,018,942	Ps. 50,024,889	Ps. (33,329,584)	Ps. (6,302,540)	Ps. 70,929,358	Ps. (147,930,373)	Ps. —	Ps. 959,410,692
Land and buildings	43,754,276	460,406	(623,086)	—	912,321	(4,104,367)	—	40,399,550
Other assets	145,240,123	9,207,577	(4,659,627)	—	91,200	(9,019,160)	—	140,860,113
Construction in process and advances plant suppliers ⁽¹⁾	59,819,638	60,315,693	(3,541,460)	—	(52,383,308)	(3,391,855)	—	60,818,708
Spare parts for operation of the network	42,358,475	24,598,463	(4,512,380)	—	(23,748,569)	(6,821,235)	—	31,874,754
Total	1,317,191,454	144,607,028	(46,666,137)	(6,302,540)	(4,198,998)	(171,266,990)	—	1,233,363,817
Accumulated depreciation								
Network in operation and equipment	Ps. 565,890,076	Ps. —	Ps. (32,420,796)	Ps. (907,756)	Ps. 106,646	Ps. (109,318,572)	Ps. 89,594,858	Ps. 512,944,456
Buildings	8,399,608	—	(503,192)	—	(63,923)	(2,739,797)	1,697,581	6,790,277
Other assets	85,574,405	—	(3,094,804)	—	139,191	(7,960,435)	10,516,865	85,175,222
Spare parts for the operation of the network	101,155	—	(55,866)	—	(12,152)	(400,001)	169,822	(197,042)
Total	Ps. 659,965,244	Ps. —	Ps. (36,074,658)	Ps. (907,756)	Ps. 169,762	Ps. (120,418,805)	Ps. 101,979,126	Ps. 604,712,913
Net Cost	Ps. 657,226,210	Ps. 144,607,028	Ps. (10,591,479)	Ps. (5,394,784)	Ps. (4,368,760)	Ps. (50,848,185)	Ps. (101,979,126)	Ps. 628,650,904

- (1) The construction in progress includes fixed and mobile network installations, as well as satellite and fiber optic developments that are in the process of being installed

- (2) Includes disposals for the sale of 2,980 and 224 telecommunications towers on March 30 and July 31, 2023, respectively, owned by its subsidiary in Peru to Sitios Latam.
- (3) It includes disposals related to the sale of 1,388 telecommunications towers on February 3, 2023, owned by its subsidiary in the Dominican Republic to Sitios Latam.
- (4) Includes the surplus associated with the telecommunications towers that were transferred by the sale to Sitios Latam, described previously, for an amount of Ps. (6,957,275). In addition, includes the surplus associated with the valuation of the telecommunications towers of EuroTeleSites Group, for an amount of Ps. 1,562,491.
- (5) Includes a hyperinflation adjustment associated to Argentinean subsidiaries for an amount of Ps. (5,956,256).

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

b) Revaluation of telecommunications towers

The fair value of the passive infrastructure of telecommunications towers was determined using the “income approach” method through a discounted cash flow model (DCF) where, among others, inputs such as average rents per tower were used, contract term and discount rates considering market information.

As mentioned in Note 12, on October 1, 2023 the complement for revaluation surplus of the passive infrastructure of the telecommunication towers from its subsidiary EuroTeleSites AG was recognized in OCI for an amount of Ps. 497,628 net of deferred taxes.

c) Relevant information related to the computation of the capitalized borrowing costs is as follows:

	Year ended December 31,		
	2021	2022	2023
Amount invested in the acquisition of qualifying assets	Ps. 38,573,605	Ps. 30,161,647	Ps. 25,489,098
Capitalized interest	1,527,259	1,514,654	1,442,077
Capitalization rate	4.0%	5.0%	5.7%

Capitalized interest is being amortized over a period of estimated useful life of the related assets.

Note 11. Intangible assets, net and goodwill

a) An analysis of intangible assets at December 31, 2021, 2022 and 2023 is as follows:

For the year ended December 31, 2021						
	Balance at beginning of year	Acquisitions	Disposals and other ⁽¹⁾	Amortization of the year ⁽²⁾	Effect of translation of foreign subsidiaries and Hyperinflation adjustment	Balance at end of year
Licenses and rights of use	Ps. 253,090,161	Ps. 24,406,905	Ps. (4,427,685)	Ps. —	Ps. (7,011,691)	Ps. 266,057,690
Accumulated amortization	(134,609,064)	—	6,469,128	(14,387,511)	6,737,502	(135,789,945)
Net	118,481,097	24,406,905	2,041,443	(14,387,511)	(274,189)	130,267,745
Trademarks	29,132,365	75,100	(1,129,666)	—	(401,946)	27,675,853
Accumulated amortization	(25,354,947)	—	802,717	(140,205)	308,745	(24,383,690)
Net	3,777,418	75,100	(326,949)	(140,205)	(93,201)	3,292,163
Customer relationships	29,579,266	229,936	(4,133,408)	—	(1,105,668)	24,570,126
Accumulated amortization	(25,425,605)	—	3,830,742	(707,500)	1,093,401	(21,208,962)
Net	4,153,661	229,936	(302,666)	(707,500)	(12,267)	3,361,164
Software licenses	17,301,146	2,660,330	(3,484,755)	—	(1,225,585)	15,251,136
Accumulated amortization	(12,233,448)	(626)	3,482,440	(2,738,978)	1,052,938	(10,437,674)
Net	5,067,698	2,659,704	(2,315)	(2,738,978)	(172,647)	4,813,462
Content rights	12,036,312	818,436	(281,747)	—	429,319	13,002,320
Accumulated amortization	(10,059,219)	—	(147,668)	(899,666)	(404,537)	(11,511,090)
Net	1,977,093	818,436	(429,415)	(899,666)	24,782	1,491,230
Total of intangibles, net	Ps. 133,456,967	Ps. 28,190,081	Ps. 980,098	Ps. (18,873,860)	Ps. (527,522)	Ps. 143,225,764
Goodwill	Ps. 143,052,859	Ps. —	Ps. (3,516,287)	Ps. —	Ps. (2,958,378)	Ps. 136,578,194

(1) Includes disposals related to the sale of TracFone.

(2) Discontinued operations of Panama and the ClaroVTR joint venture. See Note 2. Ac.

	For the year ended December 31, 2022						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other ⁽¹⁾	Amortization of the year ⁽²⁾	Effect of translation of foreign subsidiaries and Hyperinflation adjustment	Balance at end of year
Licenses and rights of use	Ps. 266,057,690	Ps. 2,656,914	Ps. 95,147	Ps. (1,785,196)	Ps. —	Ps. (11,475,085)	Ps. 255,549,470
Accumulated amortization	(135,789,945)	—	—	1,436,078	(13,323,410)	5,252,171	(142,425,106)
Net	130,267,745	2,656,914	95,147	(349,118)	(13,323,410)	(6,222,914)	113,124,364
Trademarks	27,675,853	183,631	40,412	(66,000)	—	(1,366,541)	26,467,355
Accumulated amortization	(24,383,690)	—	—	—	(110,974)	1,041,866	(23,452,798)
Net	3,292,163	183,631	40,412	(66,000)	(110,974)	(324,675)	3,014,557
Customer relationships	24,570,126	22,842	2,863,765	—	—	(3,267,041)	24,189,692
Accumulated amortization	(21,208,962)	—	—	(18)	(954,256)	2,831,217	(19,332,019)
Net	3,361,164	22,842	2,863,765	(18)	(954,256)	(435,824)	4,857,673
Software licenses	15,251,136	5,108,485	14,205	(797,084)	—	(3,358,767)	16,217,975
Accumulated amortization	(10,437,674)	—	—	976,417	(2,645,400)	2,591,274	(9,515,383)
Net	4,813,462	5,108,485	14,205	179,333	(2,645,400)	(767,493)	6,702,592
Content rights	13,002,320	874,961	—	(263,798)	—	(830,079)	12,783,404
Accumulated amortization	(11,511,090)	—	—	3,382	(881,352)	799,892	(11,589,168)
Net	1,491,230	874,961	—	(260,416)	(881,352)	(30,187)	1,194,236
Total of intangibles, net	Ps. 143,225,764	Ps. 8,846,833	Ps. 3,013,529	Ps. (496,219)	Ps. (17,915,392)	Ps. (7,781,093)	Ps. 128,893,422
Goodwill	Ps. 136,578,194	Ps. 14,447,186	Ps. 280,192	Ps. (2,230,610)	Ps. (149,696)	Ps. (7,803,901)	Ps. 141,121,365

(1) Includes the transaction related to Panama and Chile disposal.

(2) Includes the discontinued operations of Panama and the ClaroVTR joint venture. See Note 2, Ac.

For the year ended December 31, 2023							
	Balance at beginning of year	Acquisitions	Disposals and other	Amortization of the year	Incorporation (Merge, Spin off, Sale/other)	Effect of translation of foreign subsidiaries and Hyperinflation adjustment	Balance at end of year
Licenses and rights of use	Ps. 255,549,470	Ps. 18,814,933	Ps. 1,201,681	Ps. —	Ps. —	Ps. (28,239,255)	Ps. 247,326,829
Accumulated amortization	(142,425,106)	—	(63,964)	(11,643,803)	—	11,328,430	(142,804,443)
Net	113,124,364	18,814,933	1,137,717	(11,643,803)	—	(16,910,825)	104,522,386
Trademarks	26,467,355	198,532	(11,554)	—	555	(1,313,470)	25,341,418
Accumulated amortization	(23,452,798)	—	571	(139,038)	—	1,017,013	(22,574,252)
Net	3,014,557	198,532	(10,983)	(139,038)	555	(296,457)	2,767,166
Customer relationships	24,189,692	5,550	—	—	—	(3,505,503)	20,689,739
Accumulated amortization	(19,332,019)	—	—	(987,971)	—	3,091,265	(17,228,725)
Net	4,857,673	5,550	—	(987,971)	—	(414,238)	3,461,014
Software licenses	16,217,975	5,846,212	313,446	—	—	(3,021,588)	19,356,045
Accumulated amortization	(9,515,383)	—	1,102,658	(3,675,747)	—	2,330,312	(9,758,160)
Net	6,702,592	5,846,212	1,416,104	(3,675,747)	—	(691,276)	9,597,885
Content rights	12,783,404	737,465	(50,175)	—	—	(1,854,001)	11,616,693
Accumulated amortization	(11,589,168)	—	—	(672,760)	—	1,795,303	(10,466,625)
Net	1,194,236	737,465	(50,175)	(672,760)	—	(58,698)	1,150,068
Total of intangibles, net	Ps. 128,893,422	Ps. 25,602,692	Ps. 2,492,663	Ps. (17,119,319)	Ps. 555	Ps. (18,371,494)	Ps. 121,498,519
Goodwill	Ps. 141,121,365	Ps. —	Ps. —	Ps. —	Ps. —	Ps. 4,957,532	Ps. 146,078,897

b) The aggregate carrying amount of goodwill is allocated by segment as follows:

	2022	2023
Europe	Ps. 49,465,916	Ps. 55,414,076
Brazil ⁽¹⁾	31,085,202	29,437,800
Puerto Rico	17,463,394	17,463,394
Dominican Republic	14,186,723	14,186,723
Colombia	8,495,090	9,304,613
Mexico	9,233,694	9,186,415
Peru	2,523,467	2,448,614
El Salvador	2,522,768	2,522,768
Ecuador	2,155,384	2,155,384
Guatemala	2,245,161	2,212,615
Other countries	1,744,566	1,746,495
	Ps. 141,121,365	Ps. 146,078,897

(1) Includes a goodwill as a result of the Jonava acquisition. See Note 12a.

c) The following is a description of the major changes in the “Licenses and rights of use” caption during the years ended December 31, 2021, 2022 and 2023:

2021 Acquisitions

i) In December the subsidiary Claro S.A. acquired a 5G license for Ps. 17,789,163 carried out by ANATEL in November 2021, for the sale of radio frequency bands. The total amount of this license was recorded as intangible assets caption on December 31, 2021.

ii) During the year, AMX's subsidiary in Austria acquired licenses for Ps. 1,752,128.

iii) In November, AMX's subsidiary in the Dominican Republic acquired a 5G concession and right of operation until 2041 for an amount of Ps. 2,008,503.

iv) AMX's subsidiary in Colombia renewed spectrum at 5 MHz in the 1900 MHz band for an amount of Ps. 1,599,473 according to resolution 2802 of October 2021, and made acquisitions of terrestrial fiber optics and submarine cable valid for 2 and 3 years.

v) In February 2021, AMX's subsidiary in El Salvador acquired licenses for an amount of Ps. 139,363. The concession is for 10 MHz in the 1,900 MHz mobile network bandwidth coverage in the national territory, exploitable as of February 28, 2021 with validity of 20 years.

vi) In February 2021, AMX's subsidiary in Chile acquired a concession for Ps. 411,375 for the Concession of Band 1900 MHz with a term of 10 years.

Additionally, in 2021, the Company acquired other licenses in Mexico, Guatemala, Brazil, Ecuador, Peru, Argentina and other countries for an amount of Ps. 706,900.

2022 Acquisitions

i) In August 2022, the Company obtained in Mexico, an extension of 9 spectrum frequency band concession titles, segment 1890-1895 MHz for mobile transmission and segment 1970-1975 MHz both for 20 years from April 2025, for an amount of Ps. 721,647.

ii) In March and September 2022, the Company made payments for a 2.5 MHz license in Argentina, which was obtained pursuant to resolution 3687 OC 4500114567 for Ps. 304,386 and resolution 1728/22-OC 4500137839 for an amount of Ps. 411,930 of ENACOM (the communications authority in Argentina), respectively.

iii) In May 2022, the Company's subsidiary in Nicaragua renewed mobile frequency for 20 years (2022 to 2042) for an amount of Ps. 357,478.

iv) In August 2022, the Company added licenses in Austria as of the acquisition of the Bulgarian company, Stemo (an IT company that sells and integrates hardware solutions, produces and implements information systems and software solutions). Additionally, during the year 2022, Telekom Austria Group acquired licenses and rights of use in Macedonia, Belarus and Austria for an amount of Ps. 331,038, mainly Jetstream (a data-storing platform primarily for streaming data such as IoT device or streaming video or streaming data from any source).

v) During 2022, Claro S.A. acquired software development Claro Pay platform for an amount of Ps. 321,569.

Additionally, in 2022, the Company acquired other licenses in the Dominican Republic, Paraguay, Costa Rica and Colombia for an amount of Ps. 208,866.

2023 Acquisitions

i) In November 2023, the Company obtained in Argentina, pursuant to resolution 2023-1473 of ENACOM, a concession of spectrum in the 2.6 GHz 5G band for a 15 year-year period for an amount of Ps. 8,731,237.

ii) In April 2023 the Company obtained in Croatia (via A1 Telekom Austria Group) a concession of secured spectrum in a public auction for a 15 year-period for an amount of Ps. 2,220,558. Additionally, in December 2023, the Company acquired in Bulgaria a spectrum license in the 700 MHz and 800 MHz segments for a 15 year-period for an amount of Ps. 422,502.

iii) In October 2023, the Company obtained a concession of 30 MHz and 2.500 MHz spectrum in Colombia for a 20-year period for an amount of Ps. 1,949,048. Additionally, during 2023, the Company acquires IRU's for an amount of Ps. 214,792.

iv) In June of 2023, the Company obtained a 2.5 MHz spectrum license in Guatemala for an amount of Ps. 1,859,262.

v) In February and December 2023, the Company obtained in Mexico, an extension of spectrum frequency band concession titles for mobile transmission in the 835-845/880-890 MHz, 2514-2530/2634-2650 MHz and 2517-2530/2637-2650 MHz segments, respectively, for 20-year period for an amount of Ps. 1,239,373.

vi) In July 2023, the Company obtained in Uruguay frequency band concession titles for mobile transmission in the 3300-3400 MHz segment for a 25-year period for an amount of Ps. 464,828.

vii) During 2023, the Company acquired IRU's in Puerto Rico for an amount of Ps. 296,247 and in the United States for an amount of Ps. 180,956.

viii) During 2023, the Company renewed in Brazil the 5G license carried out by ANATEL for an amount of Ps. 593,273.

ix) In March 2023, the Company obtained two concessions of spectrum band in Peru, which expires in January 2030 and December 2029, respectively, for an amount of Ps. 149,567. Additionally, during 2023, the Company acquired IRU for an amount of Ps. 132,387.

Additionally, in 2023, the Company acquired other licenses in Peru, Ecuador, El Salvador and Paraguay for an amount of Ps. 360,903.

Amortization of intangibles for the years ended December 31, 2021, 2022 and 2023 amounted to Ps. 18,873,860, Ps. 18,065,088 and Ps. 17,119,319, respectively.

Some of the jurisdictions in which the Company operates can revoke their concessions under certain circumstances such as imminent danger to national security, national economy and natural disasters.

Note 12. Business combinations, acquisitions, non-controlling interest and spin-off

a) The following is a description of the major acquisitions of investments in associates and subsidiaries during the years ended December 31, 2022 and 2023:

Acquisitions 2022

i) On April 20, 2022, after receiving the necessary approvals from local regulators, the Company reported that its Brazilian subsidiary Claro S.A. completed the previously announced acquisition of 32% of Grupo Oi's mobile business in Brazil, through the acquisition of 100% of the shares of Jonava, it in accordance with the purchase agreement entered into between Grupo Oi as seller and Claro S.A. (as one of several buyers).

The final purchase price for the aforementioned acquisition was Ps. 14,232,166, net of cash acquired, of which an amount of Ps. 1,315,180 was withheld for price adjustment purposes and other conditions, in accordance with the purchase agreement. Additionally, Ps. 781,217 have been paid for transition services, which are provided by Grupo Oi to Claro S.A. during the following twelve months after the date of the transaction.

For Purchase Price Allocation, the Company determined the fair value of identifiable assets and liabilities based on fair values. Purchase accounting is substantially complete as of the date of consolidated financial statements and the value of assets acquired and liabilities assumed are as follows:

	2022 Figures at acquisition date
Current assets	Ps. 2,815,999
Other non-current assets	3,323
Intangible assets (excluding goodwill)	2,836,537
Property, plant and equipment	1,356,916
Right-of-use	4,247,397
Total acquired assets	11,260,172
Accounts payable	(10,848,303)
Other liabilities	(369,141)
Total assumed liabilities	(11,217,444)
Fair value of acquired assets and assumed liabilities – net of cash acquired	42,728
Acquisition price	14,232,166
Goodwill	Ps. 14,189,438

On October 4, 2023, the Company reached an agreement on the value of the disputed purchase price, for which the amount of Ps. 658,048 was paid to the seller, corresponding to 50% of the originally retained amount of Ps. 1,315,180 (subject to procedural incidence), plus interest and monetary correction of Ps. 155,681. Due to the aforementioned, all pending issues and disputes between the seller and the Company, together with the other buyers, related to the determination of the acquisition price were concluded.

ii) During 2022, the Company has acquired through its subsidiaries other entities for which it has paid Ps. 670,051, net of cash acquired.

iii) The Company acquired an additional non-controlling interests in its entities for an amount of Ps. 39,596.

Acquisitions 2023

i) On July 24, 2023, the Company acquired, through its subsidiary América Móvil, B.V., shares corresponding to 5.55% of the voting rights in Telekom Austria AG from a private investor. Subsequently, on November 29, 2023, through a series of open market transactions, América Móvil, B.V. acquired an additional 1.85% of the voting rights, for an overall ownership in Telekom Austria AG of 58.4% of its total outstanding shares. The disbursements paid in both transactions amounts to Ps. 6,214,643.

ii) The Company acquired an additional non-controlling interests in its entities for an amount of Ps. 49,302.

b) Joint Venture

A) Constitution–

On October 6, 2022, LLA and the Company announced that they completed the transaction to combine their operations in Chile (VTR and Claro Chile, respectively) in order to create a 50:50 joint venture known as ClaroVTR.

On the date of the joint venture's formation, the Company recognized a loss of Ps. 1,138,859, and recycled a loss of Ps. 8,252,250 from cumulative translation adjustment to net profit. The effect of the transaction was classified as discontinued operations in these consolidated financial statements on October 6, 2022. See Note 2Ac.

As of to December 31, 2023 and 2022, the Company recognized a loss in the application of the equity method in the amount of Ps. 5,374,969 and Ps. 1,924,040, respectively.

In September 2023, the Company identified impairment indicators and assesses that there is objective evidence that its joint venture is impaired, hence, an amount of Ps. 4,677,782 was recorded, as the difference between the recoverable amount of the JV and its carrying value, and it is recognized in the "valuation of derivatives, interest cost from labor obligations and other financial items", in the consolidated statements of comprehensive income.

B) Transaction Agreement between the Company and LLA–

On December 26, 2023, the Company entered into a transaction agreement (the "Agreement") with LLA, ClaroVTR, and certain affiliates of the Company and LLA. Pursuant to the transaction agreement, the Company and LLA agreed to, collectively in proportion to their respective shareholding percentage interest or individually, provide additional capital required by ClaroVTR during the calendar year 2023 and through June 30, 2024 in an aggregate amount not to exceed CLP\$972.4 billion (Ps. 18,728,611). This commitment seeks to support the execution of the business plan of ClaroVTR, and CLP\$289.3 billion of the commitment aims to permit the refinancing of certain bank debt guaranteed by the Company and existing at the formation of ClaroVTR. Furthermore, the Agreement provides the Company and LLA with an exercisable catch-up right on or before August 1, 2024 to cure any failure to fund the Company's or LLA's respective portions of the Commitment in order to maintain ClaroVTR as an 50:50 joint venture.

As of December 31, 2023, the Company has purchased convertible notes from ClaroVTR with an aggregate principal amount of CLP\$742.1 billion (including the amounts used for the refinancing of bank debt) convertible into shares of ClaroVTR. Subject to the terms of the Agreement, upon the conversion of such convertible notes and any additional convertible notes the Company may purchase prior to August 1, 2024, ClaroVTR may cease to be a 50:50 joint venture if LLA does not exercise its catch-up right under the Agreement. As of the date of the consolidated financial statements, LLA has not performed any financing as per Agreement. Additionally, the Company recorded an impairment related to these operations totaling Ps. 12,184,562 on December 31, 2023. This amount is presented in Note 22 to the accompanying consolidated financial statements.

c) Consolidated subsidiaries with non-controlling interests

The Company has control over Telekom Austria, which has a material non-controlling interest. Set out below is summarized information as of December 31, 2022 and 2023 of Telekom Austria's consolidated financial statements.

The amounts disclosed for this subsidiary are before inter-company eliminations and using the same accounting policies of América Móvil.

Selected financial data from the consolidated statements of financial position

	December 31,	
	2022	2023
Assets:		
Current assets	Ps. 28,648,246	Ps. 27,224,829
Non-current assets	126,125,904	132,242,415
Total assets	<u>Ps.154,774,150</u>	<u>Ps.159,467,244</u>
Liabilities and equity:		
Current liabilities	Ps. 50,106,617	Ps. 34,406,225
Non-current liabilities	47,420,775	56,285,251
Total liabilities	97,527,392	90,691,476
Equity attributable to equity holders of the parent	29,173,281	40,127,194
Non-controlling interest	28,073,477	28,648,574
Total equity	<u>Ps. 57,246,758</u>	<u>Ps. 68,775,768</u>
Total liabilities and equity	<u>Ps.154,774,150</u>	<u>Ps.159,467,244</u>

Summarized consolidated statements of comprehensive income

	For the year ended December 31,		
	2021	2022	2023
Operating revenues	Ps.113,838,487	Ps.105,956,057	Ps.100,762,884
Operating costs and expenses	98,346,896	89,800,536	85,320,071
Operating income	Ps. 15,491,591	Ps. 16,155,521	Ps. 15,442,813
Net income	Ps. 9,104,962	Ps. 11,795,662	Ps. 10,929,263
Total comprehensive income	<u>Ps. 7,790,499</u>	<u>Ps. 6,127,362</u>	<u>Ps. 3,621,780</u>
Net income attributable to:			
Equity holders of the parent	Ps. 4,629,816	Ps. 6,000,942	Ps. 6,380,385
Non-controlling interest	4,475,146	5,794,720	4,548,878
	<u>Ps. 9,104,962</u>	<u>Ps. 11,795,662</u>	<u>Ps. 10,929,263</u>
Comprehensive income attributable to:			
Equity holders of the parent	Ps. 3,973,154	Ps. 3,124,955	Ps. 2,114,356
Non-controlling interest	3,817,345	3,002,407	1,507,424
	<u>Ps. 7,790,499</u>	<u>Ps. 6,127,362</u>	<u>Ps. 3,621,780</u>

On September 2023 Telekom Austria was spun-off transferring all site operations to EuroTeleSites AG. The Company has control over EuroTeleSites AG, which has a material non-controlling interest. As of December 31, 2023, EuroTeleSites AG has a consolidated net total assets of Ps. 4,365,235, a consolidated net income for the year of Ps. 126,103, and a net income for non-controlling interest of Ps. 52,485.

d) Spin-off of telecommunication towers to Sitios Latam

On August 8, 2022, the Company announced that it met the conditions and completed the necessary steps to spin-off its telecommunications towers and other related passive infrastructure in Latin America outside of Mexico, other than Colombia and the Company's telecommunications towers existing in Peru prior to the spin-off, and

contribute to Sitios Latam a portion of the Company's capital stock, assets and liabilities, mainly consisting of the shares of the Company's subsidiaries holding telecommunications towers and other associated infrastructure in Latin America outside of Mexico, other than Colombia and the Company's telecommunications towers existing in Peru prior to the spin-off. The CNBV authorized the registration of the shares of Sitios Latam, which allowed it to complete its listing process as a public company on September 29, 2022.

As of the spin-off effective date, the assets and liabilities of Sitios Latam no longer appear in the consolidated statement of financial position of the Company. The Company transferred assets of Ps. 102,609,435 mainly in property, plant and equipment, right of use and other assets and accounts receivable, Ps. 100,026,548 in debt, lease debt and other net liabilities, which resulted in net assets of Ps. 2,582,887.

The Company, through its subsidiaries, is party to lease agreements with Sitios Latam (its related party) for the use of the space on the towers. The typical term of our site agreements is either five or 10 years, which is a mandatory minimum, except when the underlying floor lease expires in less than the five- or 10-year term, as applicable, in which case the site agreement may expire simultaneously with the floor lease. In most cases, the site agreement is renewable at the customer's request.

e) Spin-off of telecommunication towers to EuroTeleSites

On February 6, 2023, the Company entered into a definitive agreement with OBAG, pursuant to which, the Company and OBAG agreed to, among other things, formally execute the spin-off of the mobile towers in most of the countries in which Telekom Austria AG operates, including Austria.

On August 1, 2023, the tower spin-off was approved by the shareholders of Telekom Austria AG in an extraordinary shareholders' meeting. On September 22, 2023, Telekom Austria completed the spin-off of its telecommunications towers and other related passive infrastructure in Austria, Bulgaria, Croatia, North Macedonia, Serbia and Slovenia, and revalued its telecommunication towers through an appraisal, hence, the spun-off tower company, EuroTeleSites AG, recognized a revaluation surplus for that assets as the aforementioned date.

As a consequence of the foregoing, the Company recognized the complement for revaluation surplus figure in the consolidated financial statements as disclosed in Note 10.

In addition, Telekom Austria AG listed the shares of EuroTeleSites AG, on the Vienna Stock Exchange. The Telekom Austria AG shareholders received one EuroTeleSites AG share for every four Telekom Austria AG shares they owned. Both of Telekom Austria and EuroTeleSites AG are indirect subsidiaries of the Company over which the Company retains a controlling interest.

As part of the spin-off, the Telekom Austria AG transferred to EuroTelesites AG assets of Ps. 36,599 million (1,953 million euros) mainly in property, plant and equipment, right of use and other assets and accounts receivable, Ps. 47,675 million (2,543 million euros) in debt, lease debt and other net liabilities, which resulted in net assets' deficit of Ps. 11,076 million (591 million euros).

Note 13. Income Taxes

As explained previously in these consolidated financial statements, the Company is a Mexican corporation which has numerous consolidated subsidiaries operating in different countries. Presented below is a discussion of income tax matters that relates to the Company's consolidated operations, its Mexican operations and significant foreign operations.

i) Consolidated income tax matters

The composition of income tax expense for the years ended December 31, 2021, 2022 and 2023 is as follows:

	2021	2022	2023
Income Tax attributable to a continuing operation			
In Mexico:			
Current year income tax	Ps.24,355,240	Ps.29,865,043	Ps.32,327,958
Deferred income tax	(5,079,397)	3,454,279	(6,706,412)
Foreign:			
Current year income tax	23,397,577	17,634,494	16,026,324
Deferred income tax	(9,955,943)	(4,909,727)	(7,103,867)
Total income tax	<u>Ps.32,717,477</u>	<u>Ps.46,044,089</u>	<u>Ps.34,544,003</u>
Income Tax attributable to a discontinued operation			
Income tax discontinued operations in Mexico	26,294,422	—	—
Income tax discontinued operations abroad ⁽¹⁾	7,144,249	1,805,500	—

(1) Includes effects related to the sale of Panama and the ClaroVTR joint venture. See Note 2Ac.

Deferred tax benefit (expense) related to items recognized in OCI during the year:

	For the years ended December 31,		
	2021	2022	2023
Remeasurement of defined benefit plans	Ps.(4,760,089)	Ps. 2,651,922	Ps. (975,061)
Equity investments at fair value	583,892	8,364,109	2,836,366
Other	—	(30,336)	—
Deferred tax benefit recognized in OCI	<u>Ps.(4,176,197)</u>	<u>Ps10,985,695</u>	<u>Ps.1,861,305</u>

In addition, deferred tax of Ps. 308,551 and Ps. 902,508 was transferred in 2023 and 2022, respectively, from revaluation surplus to retained earnings. This relates to the difference between the actual depreciation and equivalent depreciation based on cost.

A reconciliation of the statutory income tax rate in Mexico to the consolidated effective income tax rate recognized by the Company is as follows:

	Year ended December 31,		
	2021	2022	2023
Statutory income tax rate in Mexico	30.0%	30.0%	30.0%
Impact of non-deductible and non-taxable items:			
Tax inflation effects	7.8%	7.2%	2.1%
Derivatives	(0.9%)	(0.2)%	0.3%
Employee benefits	2.6%	2.0%	1.5%
Other	(2.9%)	2.2%	4.8%
Effective tax rate on Mexican operations	36.6%	41.2%	38.7%
Tax recoveries and NOL's in Brazil	(10.6%)	(2.2)%	(3.5)%
Dividends received from associates equity	(0.7)%	(0.1)%	—
Foreign subsidiaries and other non-deductible items, net	8.7% ⁽¹⁾	(2.6)%	(2.2)%
Tax rates differences	(2.8)%	(2.0)%	(3.1)%
Effective tax rate from continuing operations	31.2%	34.3%	29.9%
Effective tax rate from discontinued operations	(16.4)%	(21.2)%	—

(1) Includes discontinued operations effects of TracFone and Claro Chile

The breakdown of net deferred tax assets is as follows:

	Consolidated statements of financial position		Consolidated statements of net income		
	2022	2023	2021	2022	2023
Provisions	Ps. 18,813,454	Ps. 29,562,781	Ps. 1,812,523	Ps. 1,759,784	Ps.15,065,996
Deferred revenues	8,153,287	8,691,188	2,202,413	(688,767)	1,767
Tax losses carry forward	33,314,653	36,970,123	5,571,115	1,202,546	8,575,209
Property, plant and equipment ⁽¹⁾	(18,840,025)	(8,699,418)	8,016,244	1,696,734	2,157,776
Inventories	405,489	1,054,611	852,888	253,932	669,382
Licenses and rights of use ⁽¹⁾	(2,630,583)	(2,621,672)	480,502	229,244	141,060
Employee benefits	36,662,123	34,663,794	(354,802)	(6,148,504)	(3,224,333)
Other	22,537,353	16,993,113	(3,545,542)	3,150,479	(9,576,577)
Net deferred tax assets	Ps. 98,415,751	Ps.116,614,520			
Deferred tax benefit in net profit for the year			Ps.15,035,341	Ps. 1,455,448	Ps.13,810,280
Deferred tax from discontinued operations			4,731,603	1,808,298	—

(1) As of December 31, 2022 and 2023, the balance included the effects of hyperinflation and revaluation of telecommunications towers.

Reconciliation of deferred tax assets and liabilities, net:

	2022	2023
Opening balance as of January 1,	Ps. 77,822,839	Ps. 98,415,751
Deferred tax benefit	1,455,448	13,810,280
Translation effect	(1,644,500)	3,202,557
Deferred tax benefit recognized in OCI	10,985,695	1,861,305
Deferred taxes acquired in business combinations	(11,571)	(529,191)
Hyperinflationary effect in Argentina	(942,751)	(146,182)
Disposals (Note 2Ac)	(3,856,459)	—
Spin-off	14,607,050	—
Related discontinued operation	—	—
Closing balance as of December 31,	Ps. 98,415,751	Ps. 116,614,520
Presented in the consolidated statements of financial position as follows:		
Deferred income tax assets	Ps. 128,717,811	Ps. 137,883,622
Deferred income tax liabilities	(30,302,060)	(21,269,102)
	Ps. 98,415,751	Ps. 116,614,520

The deferred tax assets are in tax jurisdictions in which the Company considers that based on financial projections of its cash flows, results of operations and synergies between subsidiaries, will generate sufficient taxable income in subsequent periods to utilize or realize such assets.

The Company does not recognize a deferred tax liability related to the undistributed earnings of its subsidiaries, because it currently does not expect these earnings to be taxable or to be repatriated in the near future. The Company's policy has been to distribute the profits when it has paid the corresponding taxes in its home jurisdiction and the tax can be accredited in Mexico. The temporary differences associated with investments in the Group's subsidiaries, associates and joint venture, for which a deferred tax liability has not been recognized in the periods presented, aggregate to Ps. 187,830,823 and Ps. 167,222,681 as of December 31, 2022 and 2023, respectively.

At December 31, 2022 and 2023, the balance of the contributed capital account ("CUCA") is Ps. 654,631,901 and Ps. 680,304,268 respectively. Effectively, on January 1, 2014, the *Cuenta de Utilidad Fiscal Neta* ("CUFIN") is computed on an América Móvil's stand-alone basis. The balance of the América Móvil's stand-alone basis CUFIN amounted to Ps. 533,076,863 and Ps. 568,085,361 as of December 31, 2022 and 2023, respectively.

During 2021, America Móvil sold 100% of its participation in Tracfone Wireless, Inc (Tracfone), virtual operator of the most important mobile prepaid services in USA to Verizon Communications Inc. ("Verizon"), tax profit of this transaction was Ps. 93,968,555.

ii) Significant foreign income tax matters

a) Results of operations

The foreign subsidiaries determine their taxes on profits based on their individual taxable income, in accordance with the specific tax regimes of each country.

The effective income tax rate for the Company's foreign jurisdictions was 19.3% in 2021, 17.4% in 2022 and 13.9% in 2023. The statutory tax rates in these jurisdictions vary, although many approximate 10% to 35%. The primary difference between the statutory rates and the effective rates in 2021, 2022 and 2023 was attributable to

dividends received from KPN, other non-deductible items, non-taxable income and tax recoveries in Brazil and registry of benefits related to tax losses credits in Brazil.

a.1) In 2021, The Brazilian Federal Supreme Court's (STF) ruled in favor of a third party's thesis related to the unconstitutionality of incidence of the IRPJ (Income Tax in Brazil) and CSLL (Social Contribution over Net Profit in Brazil) on the amounts corresponding to the SELIC (Special settlement and custody system) rate received for repetition of the tax that should not be applicable, such thesis being similar to the thesis filed by subsidiaries of the Company in Brazil.

Given the more likely than not position of success of this lawsuit as consequence of the decision, with general repercussion, of the STF, Brazil updated its analysis, support documentation and forecast and recorded Ps. 2,647,919 (R\$703,761) of which Ps. 2,076,594 (R\$551,915) represent an excess on deferred IRPJ and CSLL and Ps. 571,325 (R\$151,846) represent an excess on current IRPJ and CSLL. The subsidiaries are waiting for the necessary procedural steps to continue, to start the compensation of such amounts.

a.2) In 2020, Claro S.A. began to use the tax benefit related to the ICMS Grant on TV based on Complementary Law 160/2017 and art. 30 of Law 12,973, as well as in recent interpretations on the subject, investment grants are not computed in determining actual profit in the amount of Ps. 1,721,453 (R\$411,436). In 2021 the tax benefit was Ps.1,431,164 (R\$380,373). In 2022 the tax benefit was Ps. Ps.1,163,081 (R\$297,880) and 2023 Ps. 399,679 (R\$114,539).

a.3) With the change of government, Argentina initiates a process of tax revenues adjustment trying to achieve tax balance. In the medium term, a stage is expected where the entire tax system is restated to achieve a reduction in taxes that attracts investments and generates employment opportunities.

Among the measures adopted macroeconomically, are the following:

- The Central Bank has made access to the free exchange market for goods and services imports more flexible, eliminating bureaucratic and administrative obstacles which obstructed access to foreign currency. This is the reason for the establishment of differentiated payment terms, according to the nature of the imported goods and services.
- The implementation of a new tax amnesty is under analysis, which will include both business subjects and individuals, and a regularization for the payment of tax, customs, and social security debts accrued as of December 31, 2023, releasing interest and penalties.

iii) Tax losses

a) At December 31, 2023, the available tax loss carryforwards recorded in deferred tax assets are as follows on a country by country basis:

Country	Gross balance of available tax loss carryforwards at December 31, 2023	Tax-effected loss carryforward benefit
Brazil	Ps. 74,392,065	Ps. 25,293,302
Mexico	25,515,213	7,654,564
Argentina	10,750,889	3,762,811
Others	864,821	259,446
Total	Ps. 111,522,988	Ps. 36,970,123

b) The tax loss carryforwards in the different countries in which the Company operates have the following terms and characteristics:

bi) The Company has accumulated Ps. 74,392,065 in net operating loss carryforwards (NOL's) in Brazil as of December 31, 2023. In Brazil, there is no expiration of the NOL's. The NOL's amount used against taxable income in each year may not exceed 30% of the taxable income for such year.

The Company believes that it is more likely than not that the accumulated balances of its net deferred tax assets are recoverable, based on the positive evidence of the Company to generate future taxable income related to the same taxation authority which will result in taxable amounts against which the available tax losses can be utilized before they expire.

bii) The Company has accumulated Ps. 25,515,213 in tax losses in Mexico. The company estimates that there is positive evidence that allows it to use these losses, these losses should be reduced to the extent that it is considered likely that there will not be sufficient taxable profits to allow them to recover in full or in part, the losses will only be compensated when there is a right legally required and are approved by the tax authorities in Mexico.

biii) The Company has accumulated Ps. 10,750,889 in NOL's in Argentina as of December 31, 2023. In Argentina, the NOL's have a 5-year expiration, but their annual use is limited to 100% of the taxable income for the year. The company estimates that there is positive evidence that permits it to utilize these losses, they should be reduced to the extent that it is probable that there will not be sufficient taxable income to allow them to be recovered in whole or in part.

iv) Optional regime

The Mexican Tax Law establishes an optional regime for group companies called: Optional Regime for Groups of Companies. For these purposes, the integrating (controlling) company must own more than 80% of the shares with voting rights of the integrated (controlled) companies. In general terms, the Integration regime allowed deferral, for each of the companies that make up the group, and for up to three years, or sooner if certain assumptions are made, the whole of the income tax that results from considering the determination of the individual income tax to its charge is the effect derived from recognizing, indirectly, the tax losses incurred by the companies in the group for the year in question.

On December 19, 2019, the integrating company submitted to the Mexican tax authorities, the notice to end to belong under the Optional Regime for Groups of Companies, which implied a payment made in January 2020 related to the deferred income tax for the years 2016-2018. From the year 2020, the group is taxable under the General Regime for Legal Persons.

v) Limiting interest deductions

The Mexican Tax Law establishes since 2020 new rules related to the limit on interest deductions, in concordance with the action 4 of BEPS project issued by the OECD, from which Mexico is member.

In general terms, each Mexican companies should calculate an adjusted Tax EBITDA, whose amount times the corporate income tax, will be the interest limit allowed to be deducted in each tax year. It is important to mention that the amount that was not deductible could be carryforward in the following ten years.

vi) Revaluation of telecommunications towers

Deferred taxes related to the revaluation of the passive infrastructure of the telecommunications towers have been calculated at the tax rate of the jurisdiction in which the subsidiaries are located.

Note 14. Debt

a) The Company's short- and long-term debt consists of the following:

As of December 31, 2022				(Thousands of Mexican pesos)	
Currency	Loan	Interest rate	Maturity	Total	
Senior Notes					
U.S. dollars					
	Fixed-rate Senior notes (i)	3.625%	2029	Ps.	19,414,300
	Fixed-rate Senior notes (i)	2.875%	2030		19,414,300
	Fixed-rate Senior notes (i)	4.700%	2032		14,560,725
	Fixed-rate Senior notes (i)	6.375%	2035		19,051,835
	Fixed-rate Senior notes (i)	6.125%	2037		7,168,245
	Fixed-rate Senior notes (i)	6.125%	2040		38,741,430
	Fixed-rate Senior notes (i)	4.375%	2042		22,326,445
	Fixed-rate Senior notes (i)	4.375%	2049		24,267,875
	Subtotal U.S. dollars				Ps. 164,945,155
Mexican pesos					
	Domestic Senior notes (i)	TIIE + 0.050%	2024	Ps.	1,920,231
	Fixed-rate Senior notes (i)	7.125%	2024		11,000,000
	Domestic Senior notes (i)	0.000%	2025		5,683,928
	Domestic Senior notes (i)	TIIE + 0.300%	2025		335,731
	Domestic Senior notes (i)	9.520%	2032		14,679,166
	Fixed-rate Senior notes (i)	8.460%	2036		7,871,700
	Domestic Senior notes (i)	8.360%	2037		4,964,352
	Domestic Senior notes (i)	4.840%	2037		7,099,289
	Subtotal Mexican pesos				Ps. 53,554,397
Euros					
	Commercial Paper (ii)	2.010% - 2.270%	2023	Ps.	2,597,875
	Fixed-rate Senior notes (i)	3.500%	2023		6,234,902
	Fixed-rate Senior notes (i)	3.259%	2023		15,587,256
	Exchangeable Bond (i)	0.000%	2024		43,581,968
	Fixed-rate Senior notes (i)	1.500%	2024		17,665,557
	Fixed-rate Senior notes (i)	1.500%	2026		15,587,256
	Fixed-rate Senior notes (i)	0.750%	2027		15,708,525
	Fixed-rate Senior notes (i)	2.125%	2028		12,395,194
	Subtotal euros				Ps. 129,358,533
Pound Sterling					
	Fixed-rate Senior notes (i)	5.000%	2026	Ps.	11,729,149
	Fixed-rate Senior notes (i)	5.750%	2030		15,247,894
	Fixed-rate Senior notes (i)	4.948%	2033		7,037,490
	Fixed-rate Senior notes (i)	4.375%	2041		17,593,724
	Subtotal Pound Sterling				Ps. 51,608,257
Brazilian reais					
	Debentures (i)	CDI + 1.350%	2023	Ps.	9,302,135
	Promissory Notes (i)	CDI + 1.000%	2023		2,976,683
	Debentures (i)	CDI + 1.400%	2024		15,813,630
	Debentures (i)	CDI + 1.370%	2025		5,581,281
	Subtotal Brazilian reais				Ps. 33,673,729
Other currencies					
Japanese yen					
	Fixed-rate Senior notes (i)	2.950%	2039	Ps.	1,924,847
	Subtotal Japanese yen				Ps. 1,924,847
Chilean pesos					
	Fixed-rate Senior notes (i)	4.000%	2035	Ps.	3,964,099
	Subtotal Chilean pesos				Ps. 3,964,099
	Subtotal other currencies				Ps. 5,888,946

As of December 31, 2022				(Thousands of Mexican pesos)	
Currency	Loan	Interest rate	Maturity	Total	
Lines of Credit and others					
U.S. dollars	Lines of credit (iii)	5.050%	2023	Ps.	491,750
Euros	Lines of credit (iii)	2.083% - 2.650%	2023 - 2024		17,052,458
Mexican pesos	Lines of credit (iii)	THIE + 0.280% - THIE + 0.580%	2023		43,580,000
Peruvian Soles	Lines of credit (iii)	6.00%	2023		4,142,056
Colombian pesos	Lines of credit (iii)	IBR + 2.25%	2023		165,479
Brazilian reais	Lines of credit (iii)	13.32%	2023		6,105,177
Others	Lines of credit (iii)	11.00%	2023		23,543
Subtotal Lines of Credit and others				Ps.	71,560,463
Total debt					Ps.510,589,480
Less: Short-term debt and current portion of long-term debt					Ps.102,024,414
Long-term debt					Ps.408,565,066

As of December 31, 2023				(Thousands of Mexican pesos)	
Currency	Loan	Interest rate	Maturity	Total	
Senior Notes					
U.S. dollars					
	Fixed-rate Senior notes (i)	3.625%	2029	Ps.	16,893,500
	Fixed-rate Senior notes (i)	2.875%	2030		16,893,500
	Fixed-rate Senior notes (i)	4.700%	2032		12,670,125
	Fixed-rate Senior notes (i)	6.375%	2035		16,578,098
	Fixed-rate Senior notes (i)	6.125%	2037		6,237,503
	Fixed-rate Senior notes (i)	6.125%	2040		33,711,148
	Fixed-rate Senior notes (i)	4.375%	2042		19,427,525
	Fixed-rate Senior notes (i)	4.375%	2049		21,116,875
	Subtotal U.S. dollars				Ps. 143,528,274
Mexican pesos					
	Commercial Paper (ii)	11.439%	2024	Ps.	200,000
	Domestic Senior notes (i)	THIE + 0.020%	2024		1,356,693
	Domestic Senior notes (i)	THIE + 0.050%	2024		1,920,231
	Fixed-rate Senior notes (i)	7.125%	2024		11,000,000
	Domestic Senior notes (i)	0.000%	2025		5,930,385
	Domestic Senior notes (i)	THIE + 0.050%	2025		3,000,000
	Domestic Senior notes (i)	THIE + 0.300%	2025		409,419
	Domestic Senior notes (i)	9.350%	2028		11,016,086
	Fixed-rate Senior notes (i)	9.500%	2031		17,000,000
	Domestic Senior notes (i)	9.520%	2032		14,679,166
	Fixed-rate Senior notes (i)	8.460%	2036		7,871,700
	Domestic Senior notes (i)	8.360%	2037		4,964,352
	Domestic Senior notes (i)	4.840%	2037		10,578,733
	Subtotal Mexican pesos				Ps. 89,926,765
Euros					
	Commercial Paper (ii)	4.110% - 4.210%	2024	Ps.	9,510,854
	Exchangeable Bond (i)	0.000%	2024		37,662,984
	Fixed-rate Senior notes (i)	1.500%	2024		15,851,424
	Fixed-rate Senior notes (i)	1.500%	2026		13,986,551
	Fixed-rate Senior notes (i)	0.750%	2027		14,095,366
	Fixed-rate Senior notes (i)	2.125%	2028		11,122,292
	Fixed-rate Senior notes (i)	5.250%	2028		9,324,371
	Subtotal euros				Ps. 111,553,842

As of December 31, 2023				(Thousands of Mexican pesos)
Currency	Loan	Interest rate	Maturity	Total
Pound Sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 10,753,557
	Fixed-rate Senior notes (i)	5.750%	2030	13,979,625
	Fixed-rate Senior notes (i)	4.948%	2033	6,452,134
	Fixed-rate Senior notes (i)	4.375%	2041	16,130,336
	Subtotal Pound Sterling			Ps. 47,315,652
Brazilian reais				
	Debentures (i)	CDI + 1.400%	2024	Ps. 14,830,185
	Debentures (i)	CDI + 1.100%	2024	3,489,455
	Debentures (i)	CDI + 1.370%	2025	5,234,183
	Debentures (i)	CDI + 1.350%	2026	5,234,183
	Subtotal Brazilian reais			Ps. 28,788,006
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 1,557,115
	Subtotal Japanese yen			Ps. 1,557,115
Chilean pesos				
	Fixed-rate Senior notes (i)	4.000%	2035	Ps. 3,541,257
	Subtotal Chilean pesos			Ps. 3,541,257
	Subtotal other currencies			Ps. 5,098,372
Lines of Credit and others				
Euros				
	Lines of credit (iii)	Euribor 1M + 1.3% & 4.320%	2024 - 2028	Ps. 10,443,291
Mexican pesos				
	Lines of credit (iii)	THIE + 0.300% - THIE + 0.790%	2024	52,680,000
Peruvian Soles				
	Lines of credit (iii)	7.830% - 8.010%	2024	11,342,850
	Subtotal Lines of Credit and others			Ps. 74,466,141
	Total debt			Ps. 500,677,052
	Less: Short-term debt and current portion of long-term debt			Ps. 160,963,603
	Long-term debt			Ps. 339,713,449

L = LIBOR (London Interbank Offered Rate)

THIE = Mexican Interbank Rate

CDI = Brazil Interbank Deposit Rate

TAB = Chilean weighted average funding rate

IBR = Colombia Reference Bank Indicator

Interest rates on the Company's debt are subject to fluctuations in international and local rates. The Company's weighted average cost of borrowed funds as of December 31, 2022, and December 31, 2023 was approximately 5.38% and 5.94%, respectively.

Such rates do not include commissions or the reimbursements for Mexican tax withholdings (typically a tax rate of 4.9%) that the Company must pay to international lenders.

An analysis of the Company's short-term debt maturities as of December 31, 2022, and December 31, 2023, is as follows:

	2022	2023
Obligations and Senior Notes	Ps. 36,698,853	Ps. 95,821,829
Lines of credit	65,325,561	65,141,774
Subtotal short term debt	Ps.102,024,414	Ps.160,963,603
Weighted average interest rate	8.50%	7.01%

The Company's long-term debt maturities are as follows:

Years	Amount
2025	Ps. 14,573,986
2026	29,974,291
2027	14,095,366
2028	40,787,112
2029	16,893,500
2030 and thereafter	223,389,194
Total	Ps.339,713,449

(i) Senior Notes

The outstanding Senior Notes as of December 31, 2022, and December 31, 2023, are as follows:

Currency*	2022	2023
U.S. dollars	Ps.164,945,155	Ps.143,528,274
Mexican pesos	53,554,397	89,926,765
Euros	129,358,533	111,553,842
Pound sterling	51,608,257	47,315,652
Brazilian reais	33,673,729	28,788,006
Japanese yens	1,924,847	1,557,115
Chilean pesos	3,964,099	3,541,257

* Thousands of Mexican pesos

* Includes secured and unsecured senior notes.

In July 2023, under a Mexican Global Note program, the Company issued Ps. 17,000 million, sustainable bond with a coupon of 9.50%—approximately one billion U.S. dollars equivalent—maturing in January 2031. Such program was launched due to America Movil's plan to increase Mexican pesos denominated liabilities on its consolidated statement of financial position. Global Notes are registered before SEC in U.S.A. and CNBV in Mexico.

In addition, under the Company Domestic Senior Notes program, AMX issued Ps. 15,446 million notes divided in four tranches. This Notes bear a fixed or floating interest rate established as a percentage of TIIE. In addition, the Company re-opened an inflation linked Domestic Senior Note of Ps.3,150 million.

(ii) Commercial Paper

In August 2020, we established a new Euro-Commercial Paper program for a total amount of €2,000 million. As of December 31, 2023, debt under this program aggregated to Ps. 9,511 million.

In December 2023, we updated our Mexican Domestic Senior Notes program mentioned above to include short-term issuances, and increased the program amount up to Ps. 100,000 million. As of December 31, 2023, short-term debt under this program aggregated to Ps. 200 million.

(iii) Lines of credit

As of December 31, 2022, and December 31, 2023, debt under lines of credit aggregated to Ps. 71,560 million and Ps. 74,466 million, respectively. Telekom Austria closed December 31, 2023 with an aggregated debt of Ps. 10,443 under lines of credit.

The Company has two revolving syndicated credit facilities, one for the Euro equivalent of U.S. \$1,500 million and the other for U.S. \$2,500 million maturing in 2026 and 2024, respectively. As long as the facilities are committed, a commitment fee is paid. As of December 31, 2023, these credit facilities are undrawn. Telekom Austria has an undrawn revolving syndicated credit facility in Euros for €1,000 million that matures in 2026.

Restrictions

A portion of the debt is subject to certain restrictions with respect to maintaining certain financial ratios, as well as restrictions on selling a significant portion of groups of assets, among others. As of December 31, 2023, the Company was in compliance with all these requirements.

A portion of the debt is also subject to early maturity or repurchase at the option of the holders in the event of a change in control of the Company, as defined in each instrument. The definition of change in control varies from instrument to instrument; however, no change in control shall be considered to have occurred as long as its current shareholders continue to hold the majority of the Company's voting shares.

Covenants

In conformity with the credit agreements, the Company is obliged to comply with certain financial and operating commitments. Such covenants limit in certain cases, the ability of the Company or the guarantor to: pledge assets, carry out certain types of mergers, sell all or substantially all of its assets, and sell control of Telcel.

Such covenants do not restrict the ability of AMX's subsidiaries to pay dividends or other payment distributions to AMX. The more restrictive financial covenants require the Company to maintain a consolidated ratio of debt to EBITDA (defined as operating income plus depreciation and amortization) that does not exceed 4 to 1, and a consolidated ratio of EBITDA to interest paid that is not below 2.5 to 1 (in accordance with the clauses included in the credit agreements).

Several of the financing instruments of the Company may be accelerated, at the option of the debt holder in the case that a change in control occurs.

As of December 31, 2023, the Company was in compliance with all the covenants.

Note 15. Right-of-use assets and liability related to right-of-use of assets

The Company has lease contracts for various items of towers & sites, property and other equipment used in its operations. Towers and sites, and property generally have lease terms between 2 and 24 years, while other equipment generally has lease terms between 2 and 20 years.

At December 31, 2021, 2022 and 2023 the right-of-use assets and lease liabilities are as follows:

	Right-of-use assets				Liability related to right-of-use of assets
	Towers & Sites	Property	Other equipment	Total	
As of January 1, 2021	Ps. 85,218,875	Ps.12,205,435	Ps. 4,552,534	Ps.101,976,844	Ps.109,327,241
Additions and release ⁽¹⁾	3,145,941	482,456	1,052,022	4,680,419	3,060,042
Modifications	10,945,985	1,024,573	998,161	12,968,719	12,535,394
Depreciation ⁽¹⁾	(19,849,598)	(3,086,201)	(2,589,506)	(25,525,305)	—
Interest expense	—	—	—	—	7,129,251
Payments	—	—	—	—	(30,544,750)
Translation adjustment	(2,904,175)	(689,558)	(134,551)	(3,728,284)	(2,852,953)
Balance at December 31, 2021	<u>Ps. 76,557,028</u>	<u>Ps. 9,936,705</u>	<u>Ps. 3,878,660</u>	<u>Ps. 90,372,393</u>	<u>Ps. 98,654,225</u>

(1) Discontinued operations

	Right-of-use assets				Liability related to right-of-use of assets
	Towers & Sites	Property	Other equipment	Total	
As of January 1, 2022	Ps. 76,557,028	Ps. 9,936,705	Ps. 3,878,660	Ps. 90,372,393	Ps. 98,654,225
Additions and release ⁽¹⁾	42,958,221	574,801	5,463,706	48,996,728	44,134,101
Business combinations	4,247,042	318	5,413	4,252,773	9,129,255
Modifications	11,859,492	3,584,607	1,790,905	17,235,004	19,038,741
Depreciation	(22,858,868)	(3,369,095)	(2,756,898)	(28,984,861)	—
Interest expense	—	—	—	—	8,903,397
Payments	—	—	—	—	(33,823,287)
Disposals ⁽²⁾	(696,904)	(88,303)	(36,694)	(821,901)	(1,044,480)
Transfers ⁽³⁾	(165,779)	(126,763)	(112,301)	(404,843)	(438,571)
Translation adjustment	(5,680,583)	(1,289,832)	(1,800,782)	(8,771,197)	(10,404,570)
Balance at December 31, 2022	<u>Ps.106,219,649</u>	<u>Ps. 9,222,438</u>	<u>Ps. 6,432,009</u>	<u>Ps.121,874,096</u>	<u>Ps.134,148,811</u>

(1) The increase as compared to the previous year, was due to rights of use and their corresponding liability with Sitios Latam, resulting from the spin-off occurred in August 2022.

(2) Disposals includes the Panama disposal. See Note 2Ac.

(3) Transfers includes the ClaroVTR joint venture. See Note 12b.

	Right-of-use assets				Liability related to right-of-use of assets
	Towers & Sites	Property	Other equipment	Total	
As of January 1, 2023	Ps.106,219,649	Ps.9,222,438	Ps.6,432,009	Ps.121,874,096	Ps.134,148,811
Additions and release	14,744,304	464,791	146,515	15,355,610	12,244,019
Modifications	25,773,865	1,430,795	(3,397,274)	23,807,386	39,109,007
Depreciation	(26,763,563)	(3,122,468)	(1,953,019)	(31,839,050)	—
Interest expense	—	—	—	—	10,648,584
Payments	—	—	—	—	(39,498,197)
Translation adjustment	(13,391,742)	(1,358,124)	(879,856)	(15,629,722)	(31,483,068)
Balance at December 31, 2023	<u>Ps.106,582,513</u>	<u>Ps.6,637,432</u>	<u>Ps.348,375</u>	<u>Ps.113,568,320</u>	<u>Ps.125,169,156</u>

At December 31, 2022 and 2023, the total of the right-of-use assets include an amount of Ps. 64,582,841 and Ps. 59,820,924 corresponding to related parties, respectively and the total of lease liabilities include an amount of Ps. 65,686,036 and Ps. 61,881,679 corresponding to related parties, respectively. As of December 31, 2022 and 2023, net non-cash acquisitions of leases amounted to Ps. 4,862,627 and Ps. 3,111,591.

The lease debt of the Company is integrated according to its maturities as follows:

	2022	2023
Short term	Ps.32,902,237	Ps. 24,375,010
Long term	101,246,574	100,794,146
Total	Ps.134,148,811	Ps. 125,169,156

The Company's right of use liability maturities as of December 31, 2023 are as follows:

Year ended December 31,	
2025	Ps. 7,511,403
2026	12,110,866
2027	20,149,439
2028	14,118,209
2029	14,496,822
2030 and thereafter	32,407,407
Total	Ps.100,794,146

During the years ended December 31, 2021, 2022 and 2023, the Company recognized expenses as follows:

	Others	2021 Related parties	Total
Depreciation expense of right-of-use assets ⁽¹⁾	Ps.19,932,317	Ps.5,592,988	Ps.25,525,305
Interest expense on lease liabilities ⁽¹⁾	6,212,774	916,477	7,129,251
Expense relating to short-term leases	29,833	—	29,833
Expense relating to leases of low-value assets	685	—	685
Variable lease payments	68,236	—	68,236
Total	Ps.26,243,845	Ps.6,509,465	Ps.32,753,310

(1) Discontinued operations

	Others	2022 Related parties	Total
Depreciation expense of right-of-use assets	Ps.18,095,871	Ps.10,888,990	Ps.28,984,861
Interest expense on lease liabilities	6,395,988	2,507,409	8,903,397
Expense relating to short-term leases	24,234	—	24,234
Expense relating to leases of low-value assets	886	—	886
Variable lease payments	65,520	—	65,520
Total	Ps.24,582,499	Ps.13,396,399	Ps.37,978,898

	2023		
	Others	Related parties	Total
Depreciation expense of right-of-use assets	Ps.15,530,686	Ps.16,308,364	Ps.31,839,050
Interest expense on lease liabilities	5,316,141	5,332,443	10,648,584
Expense relating to short-term leases	23,295	—	23,295
Expense relating to leases of low-value assets	1,749	—	1,749
Variable lease payments	67,927	—	67,927
Total	Ps.20,939,798	Ps.21,640,807	Ps.42,580,605

Note 16. Accounts payable, accrued liabilities and asset retirement obligations

a) The components of the accounts payable are as follows:

	At December 31,	
	2022	2023
Suppliers	Ps. 69,238,025	Ps. 63,235,934
Sundry creditors	95,270,108	88,637,103
Interest payable	6,671,247	6,616,584
Guarantee deposits from customers	833,424	1,455,109
Dividends payable	2,459,965	2,152,686
Total	Ps.174,472,769	Ps.162,097,416

b) The balance of accrued liabilities at December 31, 2022 and 2023 are as follows:

	At December 31,	
	2022	2023
Current liabilities		
Direct employee benefits payable	Ps.20,964,474	Ps.20,858,965
Provisions	35,850,857	34,355,359
Total	Ps.56,815,331	Ps.55,214,324

The movements in contingencies for the years ended December 31, 2022 and 2023 are as follows:

	Balance at December 31, 2021	Effect of translation	Increase of the year	Applications		Balance at December 31, 2022
				Payments	Reversals	
Contingencies	Ps. 34,338,518	Ps. 1,430,535	Ps. 5,236,368	Ps.(3,864,013)	Ps.(1,290,551)	Ps. 35,850,857

	Balance at December 31, 2022	Effect of translation	Increase of the year	Applications		Balance at December 31, 2023
				Payments	Reversals	
Contingencies	Ps. 35,850,857	Ps. (1,738,359)	Ps. 7,361,456	Ps.(5,642,088)	Ps.(1,476,507)	Ps. 34,355,359

Provisions and contingencies include tax, labor, regulatory and other legal type contingencies. See Note 17 b) for detail of contingencies.

c) The movements in the asset retirement obligations for the years ended December 31, 2022 and 2023 are as follows:

	Balance at December 31, 2021	Business combination	Spin-off effect (2)	Effect of translation	Increase of the year	Applications		Balance at December 31, 2022
						Payments	Reversals (1)	
Asset retirement obligations	Ps. 16,752,223	Ps. 156,578	Ps.(4,257,531)	Ps.(1,138,217)	Ps.350,802	Ps.(201,523)	Ps.(862,335)	Ps.10,799,997

(1) Reversals includes the sale of Claro Panama and Claro Chile disposal. See Note 12b.

(2) See Note 12d.

	Balance at December 31, 2022	Effect of translation	Increase of the year	Applications		Balance at December 31, 2023
				Payments	Reversals	
Asset retirement obligations	Ps.10,799,997	Ps.(1,722,035)	Ps.1,425,391	Ps.(175,163)	Ps.(210,262)	Ps.10,117,928

The discount rates used for the asset retirement obligation are based on market rates that are expected to be undertaken by the dismantling or restoration of cell sites and may include labor costs.

Note 17. Commitments and Contingencies

a) Commitments

The Company and its subsidiaries have commitments that mature on different dates, related to committed capital expenditures.

As of December 31, 2023, the total amounts equivalent to the contract period are detailed below:

<u>Year ended December 31,</u>	
2024	Ps.1,144,381
2025	10,139,691
2026	4,174,446
2027	5,379,609
2028 and 2029	16,306,828
2030 and thereafter	27,706,549
Total	Ps.64,851,504

b) Provisions and Contingencies

Contingencies

In each of the countries in which we operate, we are party to legal proceedings in the ordinary course of business. These proceedings include tax, labor, antitrust, contractual matters and administrative and judicial proceedings concerning regulatory matters regarding interconnection and tariffs. The following is a description of our material legal proceedings.

(1) Telcel Mobile Termination Rates

The mobile termination rates between Telcel and other network operators have been the subject of various legal proceedings. With respect to interconnection fees for the years 2018—2024, Telcel has challenged the applicable resolutions and final resolutions are pending.

Given that the “zero rate” that prevented Telcel from charging termination rates in its mobile network was held unconstitutional by the Supreme Court (Suprema Corte de Justicia de la Nación or “SCJN”), the IFT has determined asymmetric interconnection rates for the termination of traffic in Telcel’s and other operators’ networks for 2018, 2019, 2020, 2021, 2022, 2023 and 2024. The resolutions setting such rates have been challenged by Telcel, and final resolutions are pending.

The Company expects that mobile termination rates, as well as other rates applicable to mobile interconnection (such as transit), will continue to be the subject of litigation and administrative proceedings. The Company cannot predict when or how these disputes will be resolved or the financial effects of any such resolutions.

(2) Telcel Class Action Lawsuit

A class action lawsuit was filed against Telcel by customers allegedly affected by Telcel’s quality of service and wireless and broadband rates continues in process. At this stage, the Company cannot assess whether this class action lawsuit could have an adverse effect on the Company’s business and results of operations in the event that it is resolved against Telcel, due to uncertainty about the factual and legal claims underlying this proceeding. Consequently, the Company has not established a provision in the accompanying consolidated financial statements for an eventual loss arising from this proceeding.

(3) IFT Proceedings Against Telmex

In 2018, the IFT imposed a fine of Ps. 2,543,937 on Telmex relating to a sanction procedure triggered by the alleged breach in 2013 and 2014 of certain minimum quality goals for dedicated link services. Telmex obtained a favorable resolution in the first instance and the appeal filed by the IFT is pending resolution.

(4) Brazilian Tax Matters

As of December 31, 2023, certain Company’s Brazilian subsidiaries had aggregate tax contingencies of Ps.123,637,128 (R\$35,431,641) for which the Company has established provisions of Ps. 20,725,637 (R\$ 5,939,505) in the accompanying consolidated financial statements for eventual losses arising from contingencies that the Company considers probable. The most significant matters for which provisions have been established are:

- Ps. 39,637,229 (R\$11,359,145) aggregate contingencies and Ps. 5,314,821 (R\$1,523,109) provisions related to value-added tax (Imposto sobre a Circulação de Mercadorias e Prestação de Serviços or “ICMS”) assessments;
- Ps. 5,962,223 (R\$1,708,640) aggregate contingencies and Ps. 3,502,153 (R\$1,003,639) provisions related to social contribution on net income (Contribuição Social sobre o Lucro Líquido or “CSLL”) and corporate income tax (Imposto de Renda sobre Pessoa Jurídica or “IRPJ”) assessments;
- Ps. 17,376,221 (R\$4,979,637) aggregate contingencies and Ps. 5,749,593 (R\$1,647,705) provisions related to the social integration program (Programa de Integração Social or “PIS”) and the contribution for social security financing (Contribuição para o Financiamento da Seguridade Social or “COFINS”) assessments;
- Ps. 5,965,336 (R\$1,709,532) aggregate contingencies and Ps.135,398 (R\$38,802) provisions related to offset’s rejections of tax credits related to Income Tax (Imposto de Renda Pessoa Jurídica o “IRPJ”) and Social Contributions over Profits (Contribuição Social sobre o Lucro Líquido o “CSLL”), arising from non-appealable judicial resolutions, mainly;
- Ps. 13,754,400 (R\$3,941,704) aggregate contingencies and Ps.1,443,933 (R\$413,799) provisions mainly related to an allegedly improper exclusion of interconnection revenues and costs from the basis used to calculate Fund for Universal Telecommunication Services (Fundo de Universalização dos Serviços de Telecomunicações or “FUST”) obligations, which are being contested;

- Ps. 6,230,607 (R\$1,785,553) aggregate contingencies and Ps. 450 (R\$129) provisions related to an alleged underpayment of obligations to the Telecommunications Technology Development Fund (Fundo para o Desenvolvimento Tecnológico das Telecomunicações or “FUNTTEL”), which are being challenged and for which a final resolution is pending;
- Ps. 2,139,175 (R\$613,040) aggregate contingencies and Ps. 45,304 (R\$12,983) provisions related to the alleged nonpayment of Services Tax (Imposto Sobre Serviços or “ISS”) over several communication services, including Pay TV services, considered taxable for ISS by the Municipal Revenue Services, which are being challenged and for which a final resolution is pending;
- Ps. 4,757,143 (R\$1,363,291) aggregate contingencies and Ps. 134,229 (R\$38,467) provisions arising from, among other, things the alleged underpayment of IRRF and CIDE taxes and on remittances made to foreign operators as remuneration for completing international calls abroad (outgoing traffic); and
- Ps. 4,431,497 (R\$1,269,968) aggregate contingencies and Ps. 4,106,726 (R\$1,176,896) provisions related to the requirement to contribute to the Promotion of Public Radio Broadcasting (“EBC”).

In addition, the Company’s Brazilian subsidiaries are subject to a number of contingencies for which it has not established provisions in the accompanying consolidated financial statements because the Company does not consider the potential losses related to these contingencies to be probable. These include Ps. 21,754,988 (R\$6,234,494) related to an unpaid installation inspection rate (Taxa de Fiscalização de Instalação or “TFI”) allegedly due to the renovation of radio base stations, which is being challenged on the basis that there was no new equipment installation that could have led to this charge, along with any unpaid functioning inspection rate (Taxa de Fiscalização de Funcionamento or “TFF”).

(5) Anatel Challenge to Inflation Adjustments

Anatel has challenged the calculation of inflation-related adjustments due under the concession agreements with Tess S.A. (“Tess”), and Algar Telecom Leste S.A. (“ATL”), two of the Company’s subsidiaries that were previously merged into Claro S.A. Anatel rejected Tess and ATL’s calculation of the inflation-related adjustments applicable to 60% of the concessions price (which was due in three equal annual installments, subject to inflation-related adjustments and interest), claiming that the companies’ calculation of the inflation related adjustments resulted in a shortfall of the installment payments. The companies filed declaratory and consignment actions seeking the resolution of the disputes and have obtained injunctions from the Federal Court of Appeal suspending any payment until the pending appeals are resolved. After certain unfavorable resolutions issued by the Federal Court of Appeals to the appeals filed by such companies, new appeals have been filed before the Superior Court of Appeals for which definitive resolutions are pending.

The amount of the alleged shortfall as well as the method used to calculate monetary corrections are in dispute. If other methods or assumptions are applied, the amount may increase. In 2022, Anatel calculated the monetary correction in a total amount of Ps. 14,579,000 (R\$4,178,000). As of December 31, 2023, the Company has established a provision of Ps. 5,203,092 (R\$1,491,090) in the accompanying consolidated financial statements for the losses arising from these contingencies, which the Company considers probable.

Note 18. Employee Benefits

An analysis of the net liability and net period cost for employee benefits is as follows:

	At December 31,	
	2022	2023
Mexico	Ps. 112,031,055	Ps. 119,265,063
Puerto Rico	8,859,265	7,227,422
Brazil	6,303,584	7,401,235
Europe	9,971,256	8,919,884
Ecuador	519,239	479,762
El Salvador	135,299	113,508
Nicaragua	62,327	53,974
Honduras	41,292	55,295
Total	Ps. 137,923,317	Ps. 143,516,143

	For the year ended December 31,		
	2021	2022	2023
Mexico	Ps. 15,507,652	Ps. 13,673,155	Ps. 14,601,940
Puerto Rico	548,550	538,681	170,389
Brazil	724,587	587,552	369,624
Europe	1,753,872	1,176,028	1,750,101
Ecuador	111,353	(29,743)	40,498
El Salvador	19,081	14,384	15,190
Nicaragua	18,561	11,502	10,937
Honduras	4,718	7,593	13,257
Total	Ps. 18,688,374	Ps. 15,979,152	Ps. 16,971,936

a) Defined Benefit Plans

The defined benefit obligation (DBO) and plan assets for the pension and other benefit obligation plans, by country, are as follows:

	At December 31							
	2022				2023			
	DBO	Plan Assets	Effect of asset ceiling	Net employee benefit liability	DBO	Plan Assets	Effect of asset ceiling	Net employee benefit liability
Mexico	Ps. 285,775,547	(174,814,669)	Ps. —	Ps. 110,960,878	Ps. 293,551,400	(175,265,188)	Ps. —	Ps. 118,286,212
Puerto Rico	26,747,454	(17,888,189)	—	8,859,265	22,244,771	(15,017,349)	—	7,227,422
Brazil	14,599,954	(15,823,761)	6,064,069	4,840,262	15,045,247	(13,810,050)	4,055,040	5,290,237
Europe	3,464,777	—	—	3,464,777	3,384,633	—	—	3,384,633
Total	Ps. 330,587,732	(208,526,619)	Ps. 6,064,069	Ps. 128,125,182	Ps. 334,226,051	(204,092,587)	Ps. 4,055,040	Ps. 134,188,504

Below is a summary of the actuarial results generated for the pension and retirement plans as well as the medical services in Puerto Rico and Brazil; the pension plans and seniority premiums related to Telmex; the pension plan, the service awards plan and severance in Austria corresponding to the years ended December 31, 2021, 2022 and 2023:

	At December 31, 2021			
	DBO	Plan Assets	Effect of asset ceiling	Net employee benefit liability
Balance at the beginning of the year	Ps.343,003,240	Ps.(191,549,583)	Ps.3,393,640	Ps.154,847,297
Current service cost	2,090,896			2,090,896
Interest cost on projected benefit obligation	28,913,257			28,913,257
Expected return on plan assets		(15,112,669)		(15,112,669)
Changes in the asset ceiling during the period and others			215,544	215,544
Past service costs and other		139,910		139,910
Actuarial gain for changes in experience	(23,024)			(23,024)
Actuarial gain from changes in demographic assumptions	(48)			(48)
Actuarial gain from changes in financial assumptions	(6,907)			(6,907)
Net period cost	Ps. 30,974,174	Ps. (14,972,759)	Ps. 215,544	Ps. 16,216,959
Actuarial loss for changes in experience	10,728,950			10,728,950
Actuarial gain from changes in demographic assumptions	(104,568)			(104,568)
Actuarial gain from changes in financial assumptions	(4,099,321)			(4,099,321)
Changes in the asset ceiling during the period and others			969,433	969,433
Return on plan assets greater than discount rate (shortfall)	(22,198,615)			(22,198,615)
Recognized in other comprehensive income	Ps. 6,525,061	Ps. (22,198,615)	Ps. 969,433	Ps. (14,704,121)
Contributions made by plan participants	99,201	(99,201)		—
Contributions to the pension plan made by the Company		311,108		311,108
Benefits paid	(10,574,420)	10,348,544		(225,876)
Payments to employees	(25,042,314)			(25,042,314)
Effect of translation	330,770	(166,676)	(156,158)	7,936
Others	Ps. (35,186,763)	Ps. 10,393,775	Ps. (156,158)	Ps. (24,949,146)
Balance at the end of the year	345,315,712	(218,327,182)	4,422,459	131,410,989
Less short-term portion	(236,304)			(236,304)
Non-current obligation	<u>Ps.345,079,408</u>	<u>Ps.(218,327,182)</u>	<u>Ps.4,422,459</u>	<u>Ps.131,174,685</u>

	At December 31, 2022			
	DBO	Plan Assets	Effect of asset ceiling	Net employee benefit liability
Balance at the beginning of the year	Ps.345,315,712	Ps.(218,327,182)	Ps.4,422,459	Ps.131,410,989
Current service cost	1,534,180	—	—	1,534,180
Interest cost on projected benefit obligation	30,565,134	—	—	30,565,134
Expected return on plan assets	—	(18,819,322)	—	(18,819,322)
Changes in the asset ceiling during the period and others	—	—	398,399	398,399
Past service costs and other	—	142,911	—	142,911
Actuarial gain for changes in experience	(43,603)	—	—	(43,603)
Actuarial gain from changes in demographic assumptions	(64)	—	—	(64)
Actuarial gain from changes in financial assumptions	(88,990)	—	—	(88,990)
Net period cost	Ps. 31,966,657	Ps. (18,676,411)	Ps. 398,399	Ps. 13,688,645
Actuarial loss for changes in experience	2,747,706	—	—	2,747,706
Actuarial loss from changes in demographic assumptions	55,037	—	—	55,037
Actuarial gain from changes in financial assumptions	(9,838,708)	—	—	(9,838,708)
Changes in the asset ceiling during the period and others	—	—	1,283,501	1,283,501
Return on plan assets greater than discount rate (shortfall)	—	13,719,181	—	13,719,181
Recognized in other comprehensive income	Ps. (7,035,965)	Ps. 13,719,181	Ps.1,283,501	Ps. 7,966,717
Contributions made by plan participants	78,642	(78,642)	—	—
Contributions to the pension plan made by the Company	—	516,280	—	516,280
Benefits paid	(13,502,781)	13,221,202	—	(281,579)
Payments to employees	(23,753,735)	—	—	(23,753,735)
Plan changes	12,461	—	—	12,461
Effect of translation	(2,218,050)	1,098,953	(40,290)	(1,159,387)
Others	Ps. (39,383,463)	Ps. 14,757,793	Ps. (40,290)	Ps. (24,665,960)
Balance at the end of the year	330,862,941	(208,526,619)	6,064,069	128,400,391
Less short-term portion	(275,209)	—	—	(275,209)
Non-current obligation	<u>Ps.330,587,732</u>	<u>Ps.(208,526,619)</u>	<u>Ps.6,064,069</u>	<u>Ps.128,125,182</u>

	At December 31, 2023			
	DBO	Plan Assets	Effect of asset ceiling	Net employee benefit liability
Balance at the beginning of the year	Ps.330,862,941	Ps.(208,526,619)	Ps. 6,064,069	Ps.128,400,391
Current service cost	2,044,102	—	—	2,044,102
Interest cost on projected benefit obligation	33,203,706	—	—	33,203,706
Expected return on plan assets	—	(20,251,931)	—	(20,251,931)
Changes in the asset ceiling during the period and others	—	—	585,667	585,667
Past service costs and other	(322,700)	145,646	—	(177,054)
Actuarial gain for changes in experience	(20,645)	—	—	(20,645)
Actuarial loss from changes in demographic assumptions	134	—	—	134
Actuarial loss from changes in financial assumptions	30,958	—	—	30,958
Net period cost	Ps. 34,935,555	Ps. (20,106,285)	Ps. 585,667	Ps. 15,414,937
Actuarial loss for changes in experience	10,632,144	—	—	10,632,144
Actuarial gain from changes in demographic assumptions	(430,315)	—	—	(430,315)
Actuarial loss from changes in financial assumptions	1,900,436	—	—	1,900,436
Changes in the asset ceiling during the period and others	—	—	(2,247,990)	(2,247,990)
Return on plan assets greater than discount rate (shortfall)	—	(6,210,593)	—	(6,210,593)
Recognized in other comprehensive income	Ps. 12,102,265	Ps. (6,210,593)	Ps.(2,247,990)	Ps. 3,643,682
Contributions made by plan participants	45,404	(45,404)	—	—
Contributions to the pension plan made by the Company	—	(10,853)	—	(10,853)
Benefits paid	(27,844,968)	27,547,809	—	(297,159)
Payments to employees	(10,868,600)	—	—	(10,868,600)
Plan changes	(29,383)	—	—	(29,383)
Effect of translation	(4,745,061)	3,259,358	(346,706)	(1,832,409)
Others	Ps. (43,442,608)	Ps. 30,750,910	Ps. (346,706)	Ps. (13,038,404)
Balance at the end of the year	334,458,153	(204,092,587)	4,055,040	134,420,606
Less short-term portion	(232,102)	—	—	(232,102)
Non-current obligation	<u>Ps.334,226,051</u>	<u>Ps.(204,092,587)</u>	<u>Ps. 4,055,040</u>	<u>Ps.134,188,504</u>

In the case of other subsidiaries in Mexico, the net period cost of other employee benefits for the years ended December 31, 2021, 2022 and 2023 was Ps. 267,728, Ps. 126,735 and Ps.120,843, respectively. The balance of other employee benefits at December 31, 2022 and 2023 was Ps. 1,070,177 and Ps. 978,851 respectively.

In the case of Brazil, the net period cost of other benefits for the years ended December 31, 2021, 2022 and 2023 was Ps. 225,984, Ps. 166,503 and Ps. 82,870, respectively. The balance of employee benefits at December 31, 2022 and 2023 was Ps. 1,428,547 and Ps. 1,790,094, respectively.

In the case of Ecuador, the net period cost of other benefits for the years ended December 31, 2021, 2022 and 2023 was Ps. 111,353, Ps. (29,743) and Ps. 40,498, respectively. The balance of employee benefits at December 31, 2022 and 2023 was Ps. 519,239 and Ps. 479,762, respectively.

In the case of Central America, the net period cost of other benefits for the years ended December 31, 2022 and 2023 was Ps. 33,479 and Ps. 39,384, respectively. The balance of employee benefits at December 31, 2022 and 2023 was Ps. 238,918 and Ps. 222,777, respectively.

Plan assets are invested in:

At December 31

	2022			2023		
	Puerto Rico	Brazil	Mexico	Puerto Rico	Brazil	Mexico
Equity instruments	40%	—	74%	42%	—	76%
Debt instruments	24%	92%	26%	23%	91%	24%
Others	36%	8%	—	35%	9%	—
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Included in the Telmex's net pension plan liability are plan assets of Ps. 174,814,669 and Ps. 175,265,188 as of December 31, 2022 and 2023, respectively, of which 44.2% and 49.3% during 2022 and 2023, respectively, were invested in equity and debt instruments of both América Movil and also of related parties, primarily entities that are under common control of the Company's principal shareholder. The Telmex pension plan recorded a re-measurement of its defined pension plan of Ps. 11,590,623 and Ps. 3,396,589 during 2022 and 2023, respectively, attributable to a change in actuarial assumptions, and also an increase and a decrease in the fair value of plan investments from December 31, 2022 to December 31, 2023. The increase and decrease in fair value of the aforementioned related party pension plan investments approximated Ps. 9,806,143 and Ps. (6,965,748) during the years ended December 31, 2022 and 2023, respectively.

The assumptions used in determining the net period cost were as follows:

	2021				2022				2023			
	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe
				0.25%,								
		8.51% &		0.75% &		10.11% &				9.050% &		
Discount rate and long- term rate return	2.75%	8.67%	10.4%	1.00%	5.42%	10.05%	11.5%	3.75%	5.13%	9.20%	11.65%	3.25%
				3.00%, 3.40% &				4.5%,				6.0%
Rate of future salary increases	2.75%	3.25%	2.80%	4.00%	2.75%	3.50%	2.8%	5.3% & 3.4%, 4.6%	2.00%	3.50%	2.8%	3.6% & 5.4%
Percentage of increase in health care costs for the coming year	2.72%	9.44%			5.44%	9.71%			5.13%	9.71%		
Year to which this level will be maintained	N/A	2030		NA		2031			NA	2032		
Rate of increase of pensions				1.60%				1.90%				2.50%
Employee turnover rate*				0.00% 1.12%				0.00% 1.03%				0.00% 0.91%

* Depending on years of service

Biometric

Puerto Rico:

Mortality:

RPI 2012, MSS 2022 Tables.

Brazil:

Mortality:

2000 Basic AT Table for gender

Disability for assets:

UP 84 modified table for gender

Disability retirement:

80 CSO Code Table

Rotation:

Probability of leaving the Company other than death, Disability and retirement is zero

Europe

Life expectancy in Austria is base on “AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler”.

Telmex

Mortality:

Mexican 2000 (CNSF) adjusted

Disability:

Mexican Social Security adjusted by Telmex experience

Turnover:

Telmex experience

Retirement:

Telmex experience

For the year ended December 31, 2023, the Company conducted a sensitivity analysis on the most significant variables that affect the DBO liability, simulating independently, reasonable changes to roughly 100 basis points in each of these variables. The increase (decrease) in the DBO pension and other benefits liability at December 31, 2023 are as follows:

	-100 points	+100 points
Discount rate	Ps.24,649,189	Ps.(21,708,327)
Health care cost trend rat	Ps. (432,588)	Ps. 495,862

Telmex Plans

Part of the Telmex’s employees are covered under defined benefit pension plans and seniority premiums. Pension benefits and seniority premiums are determined on the basis in their final year of employment, their seniority, and their age at the time of retirement. Telmex has set up an irrevocable trust fund to finance these employee benefits and has adopted the policy of making contributions to such fund when it is considered necessary.

Europe

Defined benefit pension plans

A1 Telekom Austria Group provides defined benefits for certain former employees in Austria. All eligible employees are retired and were employed prior to January 1, 1975. This unfunded plan provides benefits based on a percentage of salary and years employed, not exceeding 80% of the salary before retirement, and taking into consideration the pension provided by the social security system. A1 Telekom Austria Group is exposed primarily to the risk of development of life expectancy and inflation because the benefits from pension plans are lifetime benefits. Furthermore, the obligation for pensions relate to the employees of the company Akenes in Lausanne are included.

Service awards

Civil servants and certain employees (in the following “employees”) are eligible to receive service awards. In accordance with the legal regulations, eligible employees receive a cash bonus of two months’ salary after 25 years of service and four months’ salary after 40 years of service. Employees with at least 35 years of service when retiring (at the age of 65) or who are retiring based on specific legal regulations are also eligible to receive the service award of four monthly salaries. The obligation is accrued over the period of service, taking into account the employee turnover rate for employees who leave employment prematurely. The main risk that A1 Telekom Austria Group is exposed to is the risk of development of salary increases and changes of interest rates.

Severance

Defined contribution plans

Employees who started work for A1 Telekom Austria Group in Austria on or after January 1, 2003 are covered by a defined contribution plan. In 2023, A1 Telekom Austria Group paid Ps. 74,994 (2022: Ps. 66,700), 1.53% of the salary or wage, into this defined contribution plan (BAWAG Allianz Mitarbeitervorsorgekasse AG).

Defined benefit plans

Severance benefit obligations for employees, whose employment commenced before January 1, 2003, excluding civil servants, are covered by defined benefit plans. Upon termination of employment by A1 Telekom Austria Group or upon retirement, eligible employees receive severance payments. Depending on their time in service, their severance amounts to a multiple of their monthly basic compensation plus variable components such as overtime or bonuses, up to a maximum of twelve monthly salaries. In case of death, the heirs of eligible employees receive 50% of the severance benefits. The primary risks to A1 Telekom Austria Group are salary increases and changes of interest rates.

b) Defined Contribution Plans

Brazil

Claro makes contributions to the DCP through Embratel Social Security Fund – Telos. Contributions are computed based on the salaries of the employees, who decide on the percentage of their contributions to the plan (participants enrolled before October 31st, 2014 is from 1% to 8% and, for those subscribed after that date, the contribution is from 1% to 7% of their salaries). Claro contributes the same percentage as the employee, capped at 8% of the participant’s balance for the employees that are eligible to participate in this plan.

At December 31, 2022 and 2023, the balance of the DCP liability was Ps. 34,775 and Ps. 320,904 respectively. For the years ended December 31, 2021, 2022 and 2023 the cost of labor were Ps. 61,649, Ps. 5,021 and Ps. 3,846, respectively.

Europe

In Austria, pension benefits are generally provided by the social security system for employees, and by the government for civil servants. The contributions of 12.55% of gross salaries that A1 Telekom Austria Group made in 2023 to the social security system and the government in Austria amount to Ps. 1,105,037, (2022: Ps. 1,272,331). In 2023, contributions of the foreign subsidiaries into the respective systems range between 7% and 28% of gross salaries and amount to Ps. 560,777, (2022: Ps. 597,710).

Additionally, A1 Telekom Austria Group offers a defined contribution plan for employees of some of its Austrian subsidiaries. A1 Telekom Austria Group’s contributions to this plan are based on a percentage of the compensation not exceeding 5%. In 2023, the annual expenses for this plan amounted to Ps. 199,345, (2022: Ps. 252,980).

As of December 31, 2022 and 2023, the liability related to this defined contribution plan amounted to Ps. 55,937 and Ps. 56,692, respectively.

Other countries

For the rest of the countries where the Company operates and that do not have defined benefit plans or defined contribution plans, the Company makes contributions to the respective governmental social security agencies which are recognized in results of operations as they are incurred.

c) Long-term direct employee benefits

	Balance at December 31, 2021	Effect of translation	Increase of the year	Payments	Balance at December 31, 2022
Long-term direct employee benefits	Ps.7,925,846	Ps.(879,484)	Ps.1,376,566	Ps.(2,019,176)	Ps.6,403,752
	Balance at December 31, 2022	Effect of translation	Increase of the year	Payments	Balance at December 31, 2023
Long-term direct employee benefits	Ps.6,403,752	Ps.(647,033)	Ps.1,608,275	Ps.(1,975,199)	Ps.5,389,795

In 2008, a comprehensive restructuring program was initiated in the segment Austria. The provision for restructuring includes future compensation of employees who will no longer provide services for A1 Telekom Austria Group but who cannot be laid off due to their status as civil servants. These employment contracts are onerous contracts under IAS 37, as the unavoidable cost related to the contractual obligation exceeds the future economic benefit. The restructuring program also includes social plans for employees whose employment will be terminated in a socially responsible way. In 2009 and every year from 2011 to 2020, new social plans were initiated that provide for early retirement, special severance packages and golden handshake options. Due to their nature as termination benefits, these social plans are accounted for according to IAS 19.

Note 19. Financial Assets and Liabilities

Set out below is the categorization of the financial instruments, excluding cash and cash equivalents, held by the Company as of December 31, 2022 and 2023:

	December 31, 2022		
	Loans and Receivables	Fair value through profit or loss	Fair value through OCI
Financial Assets:			
Equity investments at fair value through OCI and other short-term investments (Note 4)	Ps. —	Ps. —	Ps. 88,428,111
Accounts receivable from subscribers, distributors, contractual assets and other (Note 5)	161,201,512	—	—
Related parties (Note 6)	2,287,213	—	—
Derivative financial instruments (Note 7)	—	2,602,680	—
Total current assets	163,488,725	2,602,680	88,428,111
Non-current assets			
Debt instruments at fair value through OCI	—	—	6,981,149
Total	Ps. 163,488,725	Ps. 2,602,680	Ps. 95,409,260
Financial Liabilities:			
Debt (Note 14)	Ps. 510,589,480	Ps. —	Ps. —
Liability related to right-of-use of assets (Note 15)	134,148,811	—	—
Accounts payable (Note 16)	174,472,769	—	—
Related parties (Note 6)	7,224,218	—	—
Derivative financial instruments (Note 7)	—	25,331,346	—
Total	Ps. 826,435,278	Ps. 25,331,346	Ps. —
	December 31, 2023		
	Loans and Receivables	Fair value through profit or loss	Fair value through OCI
Financial Assets:			
Equity investments at fair value through OCI and other short-term investments (Note 4)	Ps. 3,523,883	Ps. —	Ps. 70,231,744
Accounts receivable from subscribers, distributors, contractual assets and other (Note 5)	158,700,738	—	—
Related parties (Note 6)	1,071,520	—	—
Derivative financial instruments (Note 7)	—	1,446,034	—
Total current assets	163,296,141	1,446,034	70,231,744
Non-current assets			
Debt instruments at fair value through OCI	—	—	14,914,412
Total	Ps. 163,296,141	Ps. 1,446,034	Ps. 85,146,156
Financial Liabilities:			
Debt (Note 14)	Ps. 500,677,052	Ps. —	Ps. —
Liability related to right-of-use of assets (Note 15)	125,169,156	—	—
Accounts payable (Note 16)	162,097,416	—	—
Related parties (Note 6)	6,766,826	—	—
Derivative financial instruments (Note 7)	—	17,896,379	—
Total	Ps. 794,710,450	Ps. 17,896,379	Ps. —

Fair value hierarchy

The Company's valuation techniques used to determine and disclose the fair value of its financial instruments are based on the following hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value for the financial assets (excluding cash and cash equivalents) and financial liabilities shown in the consolidated statements of financial position at December 31, 2022 and 2023 is as follows:

	Measurement of fair value at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity investments at fair value through OCI and other short-term investments (Note 4)	Ps. 88,428,111	Ps. —	Ps. —	Ps. 88,428,111
Derivative financial instruments (Note 7)	—	2,602,680	—	2,602,680
Total current assets	88,428,111	2,602,680	—	91,030,791
Revalued of assets (Note 10)	—	—	38,353,719	38,353,719
Pension plan assets (Note 18)	192,829,688	15,657,661	39,270	208,526,619
Debt instruments at fair value through OCI	—	6,981,149	—	6,981,149
Total non current assets	192,829,688	22,638,810	38,392,989	253,861,487
Total	Ps.281,257,799	Ps. 25,241,490	Ps.38,392,989	Ps.344,892,278
Liabilities:				
Debt	Ps.371,709,395	Ps.116,848,635	Ps. —	Ps.488,558,030
Liability related to right-of-use of assets	134,148,811	—	—	134,148,811
Derivative financial instruments	—	25,331,346	—	25,331,346
Total	Ps.505,858,206	Ps.142,179,981	Ps. —	Ps.648,038,187

	Measurement of fair value at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity investments at fair value through OCI and other short-term investments (Note 4)	Ps. 70,231,744	Ps. —	Ps. 3,523,883	Ps. 73,755,627
Derivative financial instruments (Note 7)	—	1,446,034	—	1,446,034
Total current assets	70,231,744	1,446,034	3,523,883	75,201,661
Revalued of assets (Note 10)	—	—	9,239,279	9,239,279
Pension plan assets (Note 18)	191,442,079	12,616,945	33,563	204,092,587
Debt instruments at fair value through OCI	4,538,631	10,375,781	—	14,914,412
Total non current assets	195,980,710	22,992,726	9,272,842	228,246,278
Total	Ps.266,212,454	Ps. 24,438,760	Ps.12,796,725	Ps.303,447,939
Liabilities:				
Debt	Ps.382,310,932	Ps.107,730,819	Ps. —	Ps.490,041,751
Liability related to right-of-use of assets	125,169,156	—	—	125,169,156
Derivative financial instruments	—	17,896,379	—	17,896,379
Total	Ps.507,480,088	Ps.125,627,198	Ps. —	Ps.633,107,286

Fair value of derivative financial instruments is valued using valuation techniques with market observable inputs. To determine its Level 2 fair value, the Company applies different valuation techniques including forward pricing and swaps models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. Fair value of debt Level 2 has been determined using a model based on present value calculation incorporating credit quality of AMX. The fair value of VTR bonds in AMX B.V. as debt instruments at fair value through OCI, were classified as Level 1 in order they are guaranteed with shares listed on the regulated market. The Company's investment in equity investments at fair value, specifically the investment in KPN N.V. and Verizon, is valued using the quoted prices (unadjusted) in active markets for identical assets. The net realized loss related to derivative financial instruments for the years ended December 31, 2022 and 2023 was Ps. (2,353,920) and Ps. (9,420,419) respectively.

The fair value of the asset revaluation was calculated using valuation techniques, using observable market data and internal information on transactions carried out with independent third parties. To determine fair value we use level 2 and 3 information, the Company used inputs such as average rents, contract term and discount rates for discounted flow modeling techniques; in the case of discount rates, we use level 2 data where the information is public and is found in recognized databases, such as country risks, inflation, etc. In the case of average rents and contract terms, we use level 3 data, where the information is mainly internal based on lease contracts entered into with independent third parties.

During the end of the period ended December 31, 2022 and 2023, there were no transfers between the Level 1, Level 2 and Level 3 fair value measurement hierarchies.

Changes in liabilities arising from financing activities

	At December 31, 2021	Cash flow	Foreign currency exchange and other	At December 31, 2022
Debt	Ps.564,030,102	Ps.43,073,992	Ps.(96,514,614)	Ps.510,589,480
Liability related to right-of-use of assets	98,654,225	(33,823,287)	69,317,873	134,148,811
Total liabilities from financing activities	Ps.662,684,327	Ps.9,250,705	Ps.(27,196,741)	Ps.644,738,291

	At December 31, 2022	Cash flow	Foreign currency exchange and other	At December 31, 2023
Debt	Ps.510,589,480	Ps.34,644,826	Ps.(44,557,254)	Ps.500,677,052
Liability related to right-of-use of assets	134,148,811	(39,498,197)	30,518,542	125,169,156
Total liabilities from financing activities	Ps.644,738,291	Ps.(4,853,371)	Ps.(14,038,712)	Ps.625,846,208

Note 20. Shareholders' Equity

a) Pursuant to the Company's bylaws, the capital stock of the Company consists of a minimum fixed portion of Ps. 238,749 (nominal amount), represented as of December 31, 2023 by a total of 63,220,260,000 shares (including treasury shares available for placement in accordance with the provisions of the *Ley del Mercado de Valores*), all of them "B" shares.

b) As of December 31, 2023 and 2022, respectively, the Company's capital stock was represented by 62,450,000,000 outstanding "B" shares and 63,325,000,000 outstanding shares (comprised of 20,554,697,460 "AA" shares, 488,283,894 "A" shares and 42,282,018,646 "L" shares), respectively.

c) As of December 31, 2023 and 2022, respectively, the Company's treasury held for placement in accordance with the provisions of the *Ley del Mercado de Valores* and the *Disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes en el Mercado de valores* issued by the Comisión Nacional Bancaria y de Valores, a total amount of 770,260,000 series "B" shares and 56,000,000 series "L" shares, acquired pursuant to the Company's share repurchase program.

d) Company's "B" shares are registered common and no-par value shares with full voting rights.

Dividends

On April 27, 2023, the Company's shareholders approved, among other resolutions, the payment of a dividend of Ps.\$0.46 (forty-six peso cents) per share to each of the shares of its capital stock. It was approved, that such dividend would be paid in two installments of Ps.\$0.23 (twenty-three peso cents) each, on July 17 and November 13, 2023, respectively.

On April 20, 2022, the Company's shareholders approved among other resolutions, the payment of a dividend of Ps.0.44 (forty-four peso cents) per share to each of the shares series of its capital stock "AA", "A" and "L". It was approved, that such dividend would be paid in one installment of Ps. 0.44 (forty-four peso cents), on August 29, 2022.

Spin-off

On August 8, 2022, the Company's capital stock reflects a reduction of \$1,572 (nominal amount), derived from the Company's spin-off and its contribution to Sitios Latam, without having modified the number of shares of the Company due to the spin-off.

Legal Reserve

According to the General Corporations Law (*Ley General de Sociedades Mercantiles*), companies must allocate from the net profit of each year, at least 5% to increase the legal reserve until it reaches 20% of its capital stock. This reserve may not be distributed to shareholders during the existence of the Company, except as a stock dividend. As of December 31, 2023 and December 31, 2022, the legal reserve amounted to Ps. 358,440.

Restrictions on Certain Transactions

Pursuant to the Company's bylaws any transfer of more than 10% of the full voting shares, effected in one or more transactions by any person or group of persons acting in concert, requires prior approval by our Board of Directors. However, if the Board of Directors denies such approval, the Company's bylaws require it to designate an alternate transferee, who must pay market price for the shares as quoted on the Bolsa Mexicana de Valores, S.A.B. de C.V.

Payment of Dividends

Dividends paid in cash, with respect to the "B" shares or "B" share ADSs will generally be subject to a 10% Mexican withholding tax (provided that no Mexican withholding tax will apply to distributions of net taxable profits generated before 2014). Non-resident 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.

Repurchase of shares

On April 14, 2023, the Company's annual shareholders meeting authorized an amount of Ps. 20 billion to repurchase the Company's own shares. During the fiscal year ended on December 31, 2023, the Company repurchase 875,000,000 series "B" shares. At the end of 2023 and after considering the cancelation of shares approved by the shareholders meeting on April 14, 2023, the Company had in treasury 770,260,000 series "B" shares.

Earnings per Share

The following table shows the computation of the basic and diluted earnings per share:

	For the years ended December 31,		
	(1) 2021	(1) 2022	2023
Net profit for the period attributable to equity holders of the parent from continuing operations	Ps. 68,187,225	Ps.82,878,406	Ps.76,110,617
Net profit for the period attributable to equity holders of the parent from discontinued operations	124,235,942	(6,719,015)	—
Net profit for the period attributable to equity holders of the parent	192,423,167	76,159,391	76,110,617
Weighted average shares (in millions)	65,967	63,936	63,049
Earnings per share attributable to equity holders of the parent continuing operations	Ps. 1.03	Ps. 1.30	Ps. 1.21
Earnings per share attributable to equity holders of the parent discontinued operations	Ps. 1.88	Ps. (0.11)	Ps. —

(1) Discontinued operations

Note 21. Components of other comprehensive income (loss)

The movement on the components of the other comprehensive income (loss) for the years ended December 31, 2021, 2022 and 2023 is as follows:

	For the years ended December 31,		
	2021	2022	2023
Controlling interest:			
Unrealized gain (loss) on equity investments at fair value, net of deferred taxes	Ps. 4,560,869	Ps. (4,707,276)	Ps. (967,609)
Translation effect of foreign entities	(4,837,206)	(31,086,965)	(37,399,680)
Translation effect by discontinued operations	(829,163)	5,193,281	—
Remeasurement of defined benefit plan, net of deferred taxes	11,100,835	(4,599,407)	(3,662,102)
Asset's revaluation surplus net of deferred taxes	—	—	497,628
Non-controlling interest of the items above	(2,135,886)	(3,734,066)	(3,885,410)
Other comprehensive income (loss)	<u>Ps. 7,859,449</u>	<u>Ps.(38,934,433)</u>	<u>Ps.(45,417,173)</u>

Note 22. Valuation of derivatives, interest cost from labor obligations and other financial items, net

For the years ended December 31, 2021, 2022 and 2023, valuation of derivatives and other financial items are as follows:

	For the years ended December 31,		
	2021	2022	2023
Loss in valuation of derivatives, net (Note 7)	Ps. (6,755,214)	Ps.(28,639,687)	Ps.(10,268,520)
Capitalized interest expense (Note 10 b)	1,527,259	1,514,654	1,442,077
Commissions	(1,067,381)	(1,061,278)	(1,190,435)
Interest cost of labor obligations (Note 18)	(14,375,520)	(12,376,939)	(13,573,881)
Contractual earn-out from business combination (Note 4)	—	4,271,250	2,206,671
Interest expense on taxes	(243,075)	(190,822)	(220,983)
Recognized dividend income (3) (Note 4)	2,628,600	6,155,993	4,551,827
Contractual compensation from business combination	—	—	(647,013)
Impairment to notes receivable from joint venture	—	—	(12,184,562)
Impairment of joint venture	—	—	(4,677,782)
Allowance of doubtful accounts ⁽¹⁾	—	—	(1,051,288)
Gain on net monetary positions	4,876,842	11,538,061	9,321,480
Other financial cost ⁽²⁾	(835,028)	(327,451)	(522,259)
Total	<u>Ps.(14,243,517)</u>	<u>Ps.(19,116,219)</u>	<u>Ps.(26,814,668)</u>

(1) This figure is related to certain uncollectible balances.

(2) Excludes discontinued operations of TracFone, Chile and Panama for the years ended 2021 and 2022. (See note 2ac)

(3) Dividend received during 2021, 2022 and 2023 by Ps. 2,628,600, Ps. 5,426,370 and Ps. 4,590,313, respectively.

Note 23. Segments

América Móvil operates in different countries. As mentioned in Note 1, the Company has operations in Mexico, Guatemala, Nicaragua, Ecuador, El Salvador, Costa Rica, Brazil, Argentina, Colombia, Honduras, Peru, Paraguay, Uruguay, the Dominican Republic, Puerto Rico, Austria, Croatia, Bulgaria, Belarus, Macedonian, Serbia and Slovenia. The accounting policies for the segments are the same as those described in Note 2.

The Chief Executive Officer, who is the Chief Operating Decision Maker (“CODM”), analyzes the financial and operating information by operating segment. All operating segments that (i) represent more than 10% of consolidated revenues, (ii) more than the absolute amount of its reported 10% of profits before income tax or (iii) more than 10% of consolidated assets, are presented separately.

The Company presents the following reportable segments for the purposes of its consolidated financial statements: Mexico (includes Telcel and Corporate operations and assets), Telmex (Mexico), Brazil, Southern Cone (includes Argentina separated from Paraguay and Uruguay), Colombia, Andean (includes Ecuador and Peru), Central America (includes Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica), Caribbean (includes the Dominican Republic and Puerto Rico), and Europe (includes Austria, Bulgaria, Croatia, Belarus, Slovenia, Macedonia and Serbia).

The segment Southern Cone comprises mobile communication services, in Argentina as well as Paraguay and Uruguay. Beginning in 2018, hyperinflation accounting in accordance with IAS 29 was initially applied to Argentina, which results in the restatement of non-monetary assets, liabilities and all items of the statement of comprehensive income for the change in a general price index and the translation of these items applying the period-end exchange rate.

The Company considers that the quantitative and qualitative aspects of any aggregated operating segments (that is, Central America and Caribbean reportable segments) are similar in nature for all periods presented. In evaluating the appropriateness of aggregating operating segments, the key indicators considered included but were not limited to: (i) the similarity of key financial statements measures and trends, (ii) all entities provide telecommunications services, (iii) similarities of customer base and services, (iv) the methods to distribute services are the same, based on telephone plant in both cases, wireless and fixed lines, (v) similarities of governments and regulatory entities that oversee the activities and services of telecom companies, (vi) inflation trends, and (vii) currency trends.

	Mexico	Telmex	Brazil	(2) Southern Cone Uruguay and Paraguay		Colombia	Andean	(1) Central America	Caribbean	Europe	Eliminations	Consolidated total
As of and for the year ended December 31, 2021 (in Ps.):												
External revenues	225,219,719	87,189,642	148,729,232	35,419,511	4,825,315	79,312,071	52,888,323	45,406,174	37,858,979	113,838,486	—	830,687,452
Intersegment revenues	18,041,465	15,237,420	4,044,386	224,300	(73,993)	360,638	73,828	62,764	2,069,648	—	(40,040,456)	—
Total revenues	243,261,184	102,427,062	152,773,618	35,643,811	4,751,322	79,672,709	52,962,151	45,468,938	39,928,627	113,838,486	(40,040,456)	830,687,452
Depreciation and amortization	25,797,791	12,740,332	40,342,871	7,581,101	2,010,624	15,067,211	11,211,523	10,830,440	6,987,129	27,469,463	(3,735,493)	156,302,992
Operating income	77,783,972	21,100,316	21,867,457	3,520,432	(549,329)	15,165,356	7,457,802	8,700,382	8,661,475	13,421,147	(9,572,760)	167,556,250
Interest income	14,864,242	758,126	2,104,574	820,505	2,165	431,314	833,540	269,379	701,785	116,031	(17,067,511)	3,834,150
Interest expense	24,586,641	1,385,103	15,875,138	2,518,149	275,047	2,240,707	1,213,421	1,061,526	1,066,733	2,414,415	(16,898,575)	35,738,305
Income tax	25,002,390	2,496,010	(9,603,701)	1,951,409	(1,168,564)	3,112,946	2,375,281	2,940,404	2,171,594	3,438,161	1,547	32,717,477
Equity interest in net result of associated companies	85,648	44,525	4,575	(19,073)	—	—	—	—	—	(1,757)	—	113,918
Net profit (loss) attributable to equity holders of the parent continues operations	34,195,093	4,594,450	14,185,905	(2,999,123)	152,766	5,959,563	4,180,473	4,746,847	5,151,166	8,313,018	(10,292,933)	68,187,225
Net profit (loss) attributable to equity holders of the parent discontinued operations	—	—	—	—	—	—	—	—	—	—	—	124,235,942
Net profit (loss) attributable to equity holders of the parent	34,195,093	4,594,450	14,185,905	(2,999,123)	152,766	5,959,563	4,180,473	4,746,847	5,151,166	8,313,018	(10,292,933)	192,423,167
Assets by segment	999,502,407	195,869,232	407,458,440	77,951,595	58,312,728	133,232,525	95,719,937	101,725,955	102,949,901	210,944,575	(694,017,446)	1,689,649,849
Plant, property and equipment, net	50,420,866	118,056,718	153,607,199	38,039,995	26,824,991	48,888,907	34,395,339	42,407,727	41,601,009	79,764,422	(983,169)	633,024,004
Revalued of assets	—	—	33,004,669	2,192,978	3,966,099	10,266,464	8,389,460	9,113,632	2,564,149	28,675,224	—	98,172,675
Goodwill	26,965,618	215,381	15,335,322	198,010	4,993,831	11,685,585	4,688,154	6,002,380	14,186,723	52,307,190	—	136,578,194
Trademarks, net	90,673	149,865	—	—	—	—	—	—	229,000	2,822,625	—	3,292,163
Licenses and rights, net	11,081,972	129,233	39,620,009	11,824,500	1,966,503	11,384,533	5,502,139	5,220,437	10,847,685	25,709,849	—	123,286,860
Investment in associated companies	4,725,279	522,403	65,699	(34,401)	—	351	—	26,348	—	—	(2,253,198)	3,052,481
Liabilities by segments	679,954,783	176,177,522	273,655,967	45,203,170	27,977,789	65,631,866	44,676,727	42,823,861	53,885,848	134,357,142	(308,736,552)	1,235,608,123

(1) Discontinued operations (Panama disposal)

(2) Discontinued operations (ClaroVTR joint venture)

	Mexico	Telmex	Brazil	(2) Southern Cone		Colombia	Andean	(1) Central America		Caribbean	Europe	Eliminations	Consolidated total
				Argentina	Uruguay and Paraguay								
As of and for the year ended December 31, 2022 (in Ps.):													
External revenues	236,608,249	83,046,967	165,804,342	34,363,532	4,456,541	70,925,374	55,426,258	47,054,127	40,859,951	105,956,056	—	—	844,501,397
Intersegment revenues	9,290,955	16,937,889	5,075,716	153,155	64,779	374,225	72,142	160,459	1,854,029	—	(33,983,349)	—	—
Total revenues	245,899,204	99,984,856	170,880,058	34,516,687	4,521,320	71,299,599	55,498,400	47,214,586	42,713,980	105,956,056	(33,983,349)	—	844,501,397
Depreciation and amortization	26,383,113	13,171,616	43,422,821	9,002,551	1,808,414	13,085,226	10,698,869	11,178,361	7,133,908	22,761,938	(13,031)	—	158,633,786
Operating income	76,708,954	16,172,472	26,665,816	2,570,848	(778,032)	14,170,936	8,262,395	7,540,132	10,284,834	16,155,520	(6,883,123)	—	170,870,752
Interest income	18,336,415	925,158	2,679,103	718,676	3,463	624,304	906,176	431,741	701,794	229,958	(20,733,209)	—	4,823,579
Interest expense	24,909,724	3,342,459	23,411,387	2,258,095	316,945	2,699,010	860,572	1,033,792	1,152,370	1,281,857	(20,007,408)	—	41,258,803
Income tax	30,642,242	2,767,673	454,205	(286,202)	126,003	2,286,809	2,870,743	1,708,728	2,432,392	3,151,281	(109,785)	—	46,044,089
Equity interest in net result of associated companies	(1,821,608)	31,000	20,864	(2,198)	—	—	—	—	—	(39,490)	—	—	(1,811,432)
Net profit (loss) attributable to equity holders of the parent continues operations	63,711,537	(373,036)	10,254,969	(700,478)	(231,151)	6,486,771	6,122,291	5,059,038	6,649,004	11,795,662	(25,896,201)	—	82,878,406
Net profit (loss) attributable to equity holders of the parent discontinued operations	—	—	—	—	—	—	—	—	—	—	—	—	(6,719,015)
Net profit (loss) attributable to equity holders of the parent	63,711,537	(373,036)	10,254,969	(700,478)	(231,151)	6,486,771	6,122,291	5,059,038	6,649,004	11,795,662	(25,896,201)	—	76,159,391
Assets by segment	1,042,849,460	215,543,807	407,802,373	79,283,120	10,258,999	104,769,670	85,782,831	96,321,649	101,143,182	154,774,150	(680,429,897)	—	1,618,099,344
Plant, property and equipment, net	49,677,868	134,928,482	159,382,793	38,525,335	4,149,285	44,999,710	33,480,299	41,312,113	40,606,623	72,272,633	(462,650)	—	618,872,491
Revalued of assets	—	—	—	—	—	7,700,459	5,938,449	—	1,434,188	23,280,623	—	—	38,353,719
Goodwill	26,481,707	215,381	31,085,202	199,984	—	8,495,090	4,678,851	6,312,511	14,186,723	49,465,916	—	—	141,121,365
Trademarks, net	110,397	118,634	—	—	—	—	—	—	220,350	2,565,176	—	—	3,014,557
Licenses and rights, net	10,559,914	106,659	37,638,695	12,137,641	827,380	8,068,013	4,271,910	3,599,560	10,124,134	20,461,281	—	—	107,795,187
Investment in associated companies	24,656,295	550,493	22,708	(19,866)	—	—	—	23,896	—	2,058	(1,260,122)	—	23,975,462
Liabilities by segments	621,482,350	204,294,033	297,234,805	47,430,485	7,120,057	57,393,854	36,223,727	42,725,447	48,434,551	97,527,392	(279,596,630)	—	1,180,270,071

(1) Discontinued operations (Panama disposal)

(2) Discontinued operations (ClaroVTR joint venture)

				Southern Cone									Consolidated
	Mexico	Telmex	Brazil	Argentina	Uruguay and Paraguay	Colombia	Andean	Central America	Caribbean	Europe	Eliminations		total
As of and for the year ended December 31, 2023 (in Ps.):													
External revenues	248,890,778	84,821,370	162,224,734	18,884,623	3,995,812	62,342,147	52,903,716	43,964,411	37,148,876	100,836,377	—		816,012,844
Intersegment revenues	9,896,948	17,010,698	4,485,048	38,080	9,876	376,010	87,974	99,850	1,119,554	—	(33,124,038)		—
Total revenues	258,787,726	101,832,068	166,709,782	18,922,703	4,005,688	62,718,157	52,991,690	44,064,261	38,268,430	100,836,377	(33,124,038)		816,012,844
Depreciation and amortization	26,640,899	14,333,486	44,302,136	5,677,627	1,319,462	13,360,622	10,084,882	10,028,603	7,189,119	21,008,775	(2,159,547)		151,786,064
Operating income	84,816,739	12,063,692	25,618,154	515,233	(444,485)	9,958,999	10,638,985	6,956,209	7,723,115	15,751,978	(5,815,104)		167,783,515
Interest income	27,202,474	1,465,927	4,252,205	543,248	4,231	867,151	2,338,242	621,068	1,616,687	392,951	(29,675,844)		9,628,340
Interest expense	28,164,647	7,176,879	25,691,398	968,299	113,909	3,342,195	2,333,600	1,325,213	1,735,648	1,971,189	(28,277,736)		44,545,241
Income tax	30,378,228	(625,561)	(1,730,068)	(4,760,360)	(1,721)	1,427,740	4,141,240	1,728,005	1,674,363	2,785,214	(473,077)		34,544,003
Equity interest in net result of associated companies	(5,458,577)	41,642	32,776	(1,814)	—	—	—	(1,143)	—	15,292	—		(5,371,824)
Net profit (loss) attributable to equity holders of the parent	43,053,030	(5,278,857)	9,866,950	(8,101,032)	(294,922)	4,180,800	7,769,059	4,733,871	5,604,618	11,145,743	3,431,357		76,110,617
Assets by segment	1,029,618,098	238,216,814	383,653,519	53,570,541	9,187,465	115,103,155	98,293,206	91,976,207	101,862,049	167,594,129	(724,889,223)		1,564,185,960
Plant, property and equipment, net	46,695,107	150,219,598	150,226,089	21,087,810	4,089,689	53,038,210	30,416,383	42,790,489	35,214,165	86,706,171	(1,072,086)		619,411,625
Revalued of assets	—	—	—	—	—	8,040,753	—	—	—	1,198,526	—		9,239,279
Goodwill	26,434,428	215,381	29,437,800	—	201,912	9,304,613	4,603,998	6,279,966	14,186,723	55,414,076	—		146,078,897
Trademarks, net	110,950	87,404	—	—	—	—	555	—	185,566	2,382,690	—		2,767,165
Licenses and rights, net	10,555,645	92,065	32,446,402	10,603,388	1,017,772	10,227,439	3,180,343	4,660,729	8,593,842	18,520,001	—		99,897,626
Investment in associated companies	19,797,046	586,515	57,133	993	—	—	—	19,747	—	17,175	(6,098,146)		14,380,463
Liabilities by segments	628,519,912	236,678,379	313,072,959	36,668,486	4,512,644	59,510,611	46,189,708	37,051,349	47,864,665	93,944,278	(361,529,413)		1,142,483,578

Note 24. Recently Issued Accounting Standards

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's consolidated financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of consolidated financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's consolidated financial statements.

The Enhancement and Standardization of Climate-Related Disclosures for Investors

On March 6, 2024, the Securities and Exchange Commission (SEC) issued the final rule on The Enhancement and Standardization of Climate-Related Disclosures for Investors. This rule mandates the disclosure of information regarding a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. On April 4, 2024, the SEC issued an order staying the rule's enforcement. The Company is assessing the impact of this rule and the stay for disclosure to investors.

Note 25. Subsequent Events

a) On February 1, 2024, the Company issued a 10-year sustainable bond in an amount of Ps.20.0 billion and with a 10.30% coupon under its global peso notes program.

b) In February 2024, the Company reduced substantially all of its stake in KPN. The reduction is a consequence of investors' decision to exercise their right to exchange our exchangeable bond into KPN shares. This exchangeable bond matured on March 2, 2024. Prior to maturity, the Company received notification from all bondholders exercising their right to call the KPN shares at a strike price of €3.1185.

c) On February 13, 2024, the Company renewed its U.S.\$2.5 billion revolving credit facility with a maturity in February 2029.

d) On February 20, 2024, Claro Brasil issued a R\$3.0 billion CDI + 1.20% debenture maturing in 2027. At the same time, Claro Brasil prepaid R\$4.3 billion CDI + 1.40% debenture with a maturity in March 2024.

e) On March 15, 2024, Claro Brasil issued a R\$ 2.5 billion IPCA + 5.7687% debenture maturing in 2029.

f) On March 22, 2024, The Company launched an issuance of (Global Peso Notes), registered with both the SEC in the United States of America and the CNBV in México, placing a bond of Ps. 17.5 billion, for five years, at a rate of 10.125%. This is equivalent to approximately U.S.\$ 1 billion, maturing in March 2029.

g) On April 29, 2024, the Company's shareholders approved the payment of a Ps. 0.48 (forty eight peso cents) ordinary dividend, per share, in two equal installments, to each of the shares of its capital stock series B.

h) On April 29, 2024, the Company's shareholders approved a repurchase fund for an amount of Ps. 15 billion to be used during the period from April 2024 to April 2025, adding to such amount the buyback program fund's balance, if any, as of such date.

CEO CERTIFICATION

I, Daniel Hajj Aboumrad, certify that:

I have reviewed this annual report on Form 20-F/A of América Móvil, S.A.B. de C.V.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: April 9, 2025

/s/ Daniel Hajj Aboumrad

Daniel Hajj Aboumrad

Chief Executive Officer

CFO CERTIFICATION

I, Carlos José García Moreno Elizondo, certify that:

I have reviewed this annual report on Form 20-F/A of América Móvil, S.A.B. de C.V.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: April 9, 2025

/s/Carlos José García Moreno Elizondo

Carlos José García Moreno Elizondo
Chief Financial Officer

OFFICER CERTIFICATIONS

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of América Móvil, S.A.B. de C.V., a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico (the “Company”), does hereby certify to such officer’s knowledge that:

The annual report on Form 20-F/A for the fiscal year ended December 31, 2023 (the “Form 20-F”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 9, 2025

/s/ Daniel Hajj Aboumrad

Daniel Hajj Aboumrad
Chief Executive Officer

Dated: April 9, 2025

/s/ Carlos José García Moreno Elizondo

Carlos José García Moreno Elizondo
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.