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			
	Note	2022 (1)	2023	2024	2024 Millions of U.S. dollars, except for earnings per share
Operating revenues:					
Service revenues		Ps. 712,985,548	Ps. 689,154,325	**Ps. 741,858,822**	**US$ 36,602**
Sales of equipment		131,515,849	126,858,519	**127,361,762**	**6,284**
		Ps. 844,501,397	Ps. 816,012,844	**Ps. 869,220,584**	**US$ 42,886**
Operating costs and expenses:					
Cost of sales and services		330,532,450	316,476,140	**331,177,822**	**16,340**
Commercial, administrative and general expenses		179,454,030	173,001,297	**186,515,841**	**9,202**
Other expenses		5,010,379	6,965,828	**7,298,470**	**360**
Depreciation and amortization	9,10,11 and 15	158,633,786	151,786,064	**164,128,361**	**8,098**
		Ps. 673,630,645	Ps. 648,229,329	**Ps. 689,120,494**	**US$ 34,000**
Operating income		Ps. 170,870,752	Ps. 167,783,515	**Ps. 180,100,090**	**US$ 8,886**
Interest income		4,823,579	9,628,340	**9,008,220**	**444**
Interest expense		(41,258,803)	(44,545,241)	**(56,019,754)**	**(2,764)**
Foreign currency exchange gain (loss), net		20,761,622	14,653,523	**(70,698,375)**	**(3,487)**
Valuation of derivatives, interest cost from labor obligations and other financial items, net	22	(19,116,219)	(26,814,668)	**5,618,840**	**277**
Equity interest in net result of associated companies		(1,811,432)	(5,371,824)	**(5,179,112)**	**(256)**
Profit before income tax		134,269,499	115,333,645	**62,829,909**	**3,100**
Income tax	13	46,044,089	34,544,003	**35,238,443**	**1,738**
Net profit for the year from continuing operations		Ps. 88,225,410	Ps. 80,789,642	**Ps. 27,591,466**	**US$ 1,362**
(Loss) after tax for the year from discontinued operations	2, Ac	(6,719,015)	—	**—**	**—**
Net profit for the year		Ps. 81,506,395	Ps. 80,789,642	**Ps. 27,591,466**	**US$ 1,362**
Net profit for the year attributable to:					
Equity holders of the parent from continuing operations	20	Ps. 82,878,406	Ps. 76,110,617	**Ps. 22,902,025**	**US$ 1,131**
Equity holders of the parent from discontinued operations	2, Ac	(6,719,015)	—	**—**	**—**
Non-controlling interests		5,347,004	4,679,025	**4,689,441**	**231**
		Ps. 81,506,395	Ps. 80,789,642	**Ps. 27,591,466**	**US$ 1,362**
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations	20	Ps. 1.30	Ps. 1.21	**Ps. 0.37**	**US$ 0.02**
Basic and diluted earnings per share attributable to equity holders of the parent from discontinued operations	20	Ps. (0.11)	Ps. —	**Ps. —**	**US$ —**
Other comprehensive income:					
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent years (net of tax):					
Effect of translation of foreign entities from continuing operations		Ps. (35,114,722)	Ps. (41,548,455)	**Ps. 62,171,364**	**US$ 3,066**
Effect of translation of foreign entities from discontinued operations		5,193,281	—	**—**	**-**
Items that will not be reclassified to (loss) or profit in subsequent years (net of tax):					
Re-measurement of defined benefit plan, net of deferred taxes		(4,305,716)	(3,769,565)	**(27,872,099)**	**(1,375)**
Unrealized (loss) gain on equity investments at fair value, net of deferred taxes	4	(4,707,276)	(967,609)	**3,485,814**	**172**
Revaluation surplus, net of deferred taxes		—	868,456	**1,659,337**	**82**
Total other comprehensive (loss) income items for the year, net of deferred taxes	21	(38,934,433)	(45,417,173)	**39,444,416**	**1,945**
Total comprehensive income for the year		Ps. 42,571,962	Ps. 35,372,469	**Ps. 67,035,882**	**US$ 3,307**
Comprehensive income for the year attributable to:					
Equity holders of the parent from continuing operations		Ps. 40,959,024	Ps. 34,578,854	**Ps. 54,502,177**	**US$ 2,689**
Non-controlling interests		1,612,938	793,615	**12,533,705**	**618**
		Ps. 42,571,962	Ps. 35,372,469	**Ps. 67,035,882**	**US$ 3,307**
Comprehensive income for the period:					
Net comprehensive income from continuing operations		Ps. 49,290,977	Ps. 35,372,469	**Ps. 67,035,882**	**US$ 3,307**
Net comprehensive (loss) from discontinued operations	2, Ac	(6,719,015)	—	**—**	**—**
		Ps. 42,571,962	Ps. 35,372,469	**Ps. 67,035,882**	**US$ 3,307**

(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, 2022, 2023 and 2024
(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, 2022	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**
Net profit for the year	**-**	**-**	**22,902,025**	**—**	**—**	**—**	**—**	**22,902,025**	**4,689,441**	**27,591,466**
Unrealized loss on equity and debt investments at fair value, net of deferred taxes (Note 21)	**—**	**—**	**—**	**3,485,814**	**—**	**—**	**—**	**3,485,814**	**—**	**3,485,814**
Remeasurement of defined benefit plan, net of deferred taxes (Note 21)	**—**	**—**	**—**	**—**	**(27,929,881)**	**—**	**—**	**(27,929,881)**	**57,782**	**(27,872,099)**
Effect of translation of foreign entities (Note 21)	**—**	**—**	**—**	**—**	**—**	**52,680,323**	**2,418,074**	**55,098,397**	**7,072,967**	**62,171,364**
Revaluation of assets, net of deferred taxes	**—**	**—**	**—**	**—**	**—**	**—**	**945,822**	**945,822**	**713,515**	**1,659,337**
Transfer of assets' revaluation surplus (Note 21)	**-**	**-**	**816,810**	**—**	**—**	**—**	**(816,810)**	**—**	**—**	**—**
Comprehensive income for the year	**—**	**—**	**23,718,835**	**3,485,814**	**(27,929,881)**	**52,680,323**	**2,547,086**	**54,502,177**	**12,533,705**	**67,035,882**
Dividends declared	**—**	**—**	**(29,482,507)**	**—**	**—**	**—**	**—**	**(29,482,507)**	**(2,021,059)**	**(31,503,566)**
Repurchase of shares	**(5,476)**	**—**	**(22,734,817)**	**—**	**—**	**—**	**—**	**(22,740,293)**	**—**	**(22,740,293)**
Other acquisitions of non-controlling interests	**—**	**—**	**93,428**	**—**	**—**	**—**	**—**	**93,428**	**(2,403,512)**	**(2,310,084)**
Balance at December 31, 2024	**Ps.95,356,548**	**Ps.358,440**	**Ps.516,890,227**	**Ps. (8,510,191)**	**Ps.(138,698,497)**	**Ps.(112,295,055)**	**Ps.15,983,878**	**Ps.369,085,350**	**Ps.63,098,971**	**Ps.432,184,321**

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			
		2022 (1)	2023	2024	2024 Millions of U.S. dollars
Operating activities					
Profit before income tax from continuing operations		Ps. 134,269,499	Ps. 115,333,645	**Ps. 62,829,909**	**US$ 3,100**
Loss before income tax from discontinued operations	2, Ac	(8,524,516)	—	—	—
Profit before income tax		125,744,983	115,333,645	**62,829,909**	**3,100**
Items not requiring the use of cash:					
Depreciation property, plant and equipment and right-of-use assets	10 and 15	140,353,169	133,818,176	**143,697,887**	**7,090**
Amortization of intangible and other assets	9 and 11	18,280,617	17,967,888	**20,430,474**	**1,008**
Equity interest in net result of associated companies		1,811,432	5,371,824	**5,179,112**	**256**
Loss (gain) on sale of property, plant and equipment		935,644	(5,055,264)	**264,769**	**13**
Net period cost of labor obligations	18	15,979,152	16,971,936	**18,232,542**	**900**
Foreign currency exchange loss (income), net		(20,008,610)	(16,175,776)	**69,721,961**	**3,439**
Interest income		(4,823,579)	(9,628,340)	**(9,008,220)**	**(444)**
Interest expense		41,258,803	44,545,241	**56,019,754**	**2,764**
Employee profit sharing		3,637,813	3,938,274	**3,721,782**	**184**
Valuation of derivative financial instruments, capitalized interest expense and other, net		17,072,520	4,623,029	**(3,672,093)**	**(181)**
Gain on net monetary positions	22	(11,538,061)	(9,321,480)	**(27,387,169)**	**(1,351)**
Gain on sale of subsidiary	2, Ac	(3,405,014)	—	—	—
Loss on deconsolidation of subsidiary	12 b	9,390,641	—	—	—
Impairment to notes receivable from joint venture	22	—	12,184,562	**4,594,792**	**227**
Impairment of joint venture	22	—	4,677,782	—	—
Working capital changes:					
Subscribers, distributors, recoverable taxes, contract assets and other, net		(6,803,202)	(19,201,698)	**(4,160,268)**	**(206)**
Prepaid expenses		(2,527,168)	(6,154,082)	**2,252,754**	**111**
Related parties		1,884,945	758,301	**(3,388,829)**	**(167)**
Inventories		(1,183,883)	2,832,978	**(3,055,411)**	**(151)**
Other assets		(1,321,813)	(1,564,370)	**(8,825,833)**	**(435)**
Employee benefits		(25,723,517)	(13,090,945)	**(27,271,158)**	**(1,346)**
Accounts payable and accrued liabilities		(10,291,588)	10,098,156	**(15,450,565)**	**(762)**
Financial instruments and other		(2,353,920)	—	—	—
Deferred revenues		2,430,434	3,062,445	**2,738,688**	**135**
Employee profit sharing paid		(2,935,880)	(3,316,540)	**(3,524,357)**	**(174)**
Interest received		2,652,195	4,882,509	**3,489,600**	**172**
Income taxes paid		(62,015,057)	(49,466,056)	**(48,089,000)**	**(2,374)**
Cash flows from discontinued operating		(1,214,025)	—	—	—
Net cash flows provided by continuing operating activities		Ps. 225,287,031	Ps. 248,092,195	**Ps. 239,341,121**	**US$ 11,808**
Investing activities					
Purchase of property, plant and equipment		(146,192,426)	(131,101,509)	**(113,083,319)**	**(5,579)**
Acquisition of intangibles		(11,661,530)	(25,237,297)	**(17,751,708)**	**(876)**
Dividends received	22	5,426,370	4,590,313	**2,779,138**	**137**
Proceeds from sale of property, plant and equipment		3,795,740	7,042,757	**395,232**	**20**
Acquisition of business, net of cash acquired	12	(18,525,639)	—	**493,714**	**24**
Contractual earn-out from business combination	2, Ac	2,298,532	3,468,655	**893,754**	**44**
Financial instruments, net		—	(9,420,419)	**(2,111,926)**	**(104)**
Partial sale of shares of associated company		6,329	—	—	—
Investments in associate companies		(1,043,954)	(459,750)	**(72,513)**	**(4)**
Proceeds from the sale of businesses		5,791,488	—	—	—
Acquisition of short-term investments		—	(10,061,353)	**(10,983,052)**	**(542)**
Sale of short-term investments		9,690,285	10,482,150	**15,702,126**	**775**
Acquisition of notes from joint venture		—	(14,292,963)	**(5,497,250)**	**(271)**
Cash flows from discontinued investing		(1,944,235)	—	—	—
Net cash flows used in investing activities		Ps. (152,359,040)	Ps. (164,989,416)	**Ps. (129,235,804)**	**US$ (6,376)**
Financing activities					
Loans obtained		188,414,369	249,380,436	**262,041,021**	**12,929**
Repayment of loans		(145,340,377)	(214,735,610)	**(232,731,277)**	**(11,483)**
Payment of liability related to right-of-use of assets	15	(33,823,287)	(39,498,197)	**(45,285,610)**	**(2,234)**
Interest paid		(26,882,181)	(29,031,855)	**(31,082,117)**	**(1,534)**
Repurchase of shares		(26,143,162)	(14,331,361)	**(22,746,633)**	**(1,122)**
Dividends paid		(29,534,053)	(30,466,636)	**(31,007,121)**	**(1,530)**
Acquisition of non-controlling interests	12	(39,596)	(6,263,945)	**(2,310,084)**	**(114)**
Net cash flows used in financing activities		Ps. (73,348,287)	Ps. (84,947,168)	**Ps. (103,121,821)**	**US$ (5,088)**
Net increase (decrease) in cash and cash equivalents		Ps. (420,296)	Ps. (1,844,389)	**Ps. 6,983,496**	**US$ 344**
Adjustment to cash flows due to exchange rate fluctuations, net		(4,558,646)	(5,258,787)	**3,070,829**	**152**
Cash and cash equivalents at beginning of the year		38,679,891	33,700,949	**26,597,773**	**1,312**
Cash and cash equivalents at end of the year		Ps. 33,700,949	Ps. 26,597,773	**Ps. 36,652,098**	**US$ 1,808**

(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, 2022, 2023 and 2024

(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 23 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 23 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 May 14, 2025 and subsequent events have been considered through that date.

II. Relevant events in 2024

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) On February 13, 2024, the Company renewed its U.S.$ 2.5 billion (Ps. 42.7 billion) revolving credit facility with a maturity in February 2029.

c) On March 2, 2024, the Company's € 2.1 billion (Ps. 37.9 billion) bond exchangeable into Koninklijke KPN N.V. (hereinafter, KPN) shares matured. Prior to maturity, the Company received notification from all bondholders exercising their right to call the KPN shares at the strike price of € 3.1185. The Company delivered its KPN shares to the shareholders and has ceased to have an equity investment in KPN. In connection with this transaction, the Company recognized a loss in the consolidated statements of comprehensive income of Ps. 2.6 billion, see Note 4.

d) On March 15,2024, Claro Brasil issued a R$ 2.5 billion (Ps. 8.4 billion) IPCA (Extended National Consumer Price Index) + 5.7687% debenture maturing in 2029.

e) On March 22, 2024, the Company launched an issuance of (Global Peso Notes), registered with both the Securities and Exchange Commission in the United States of America ("SEC") and the National Banking and Securities Commission ("CNBV" for its acronym in Spanish) 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. The notes issued under this program since June 2023 total Ps. 54.5 billion.

f) On April 29, 2024, the shareholders approved i) the payment of an ordinary dividend of Ps. 0.48 (forty-eight peso cents) per share, in two equal installments, on each share of its capital stock, series "B, and ii) the allocation of Ps. 15,000,000 to the share-buyback fund for the April 2024 - April 2025 period, adding to such amount the outstanding balance of the buyback program for the period April 2023 – April 2024. Pursuant to this resolution, the buyback program fund for April 2024 – April 2025 period equals Ps. 15,276,000.

g) On September 11, 2024, the Company announced that its subsidiary Radiomóvil Dipsa, S.A. de C.V. ("Telcel"), was notified of a resolution issued by the Federal Telecommunications Institute (Instituto Federal de Telecomunicaciones, or "IFT") regarding an investigation initiated by a competitor in 2021, for the alleged commission of relative monopolistic practices in the market for the commercialization of telecommunications services and mobile terminals in Colima, Jalisco and Michoacán. Through this resolution a fine is imposed to Telcel for an amount of Ps. 90.6 million. Telcel denies having committed the practice referred to in the resolution, which is supported by baseless statements of the competitor, and questions the way in which the investigation was carried out over the years by the Investigation Authority (Autoridad Investigadora) of the IFT. Telcel has challenged the applicable resolution by the Supreme Court and a final resolution is pending.

h) On October 3, 2024, the Company received approval from the National Economic Prosecutor's Office of the Republic of Chile (Fiscalía Nacional Económica) to take control of Claro Chile, SpA, which until October 31, 2024 was a 50:50 joint venture with Liberty Latin America. Accordingly, the Company started consolidating Claro Chile, SpA into its operations effective on October 31, 2024. Through the conversion into equity of all outstanding loans from AMX to Claro Chile, SpA, AMX had a 91.62% controlling interest in Claro Chile, SpA and LLA had the remaining 8.38% non-controlling interest. The shareholders' agreement entered into between AMX and LLA reflects a governance structure and terms consistent with such equity interests in Claro Chile, SpA, see Note 12 b. On December 20, 2024, the Company increased its subsidiary's capital by CLP$ 252.9 billion (Ps. 5,313,282), raising its ownership from 91.62% to 94.88%.

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 (IFRS) accounting standards, as issued by the International Accounting Standards Board ("IASB").

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, and debt and equity instruments that have been measured at fair 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 accounting standards in the consolidated financial statements.

The preparation of these consolidated financial statements under IFRS accounting standards 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, 2024 are consistent with those used in the preparation of the Company´s consolidated annual financial statements for the years ended December 31, 2023 and 2022, 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, 2024:

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

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 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 upon consolidation.

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	2023	**2024**
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%**
AMX International Mobile S.A. de C.V. a)	Mexico	100.0%	**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%	**95.9%**
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%	**100.0%**
Claro Chile, SpA d)	Chile	50.0%	**94.9%**
Telekom Austria AG b)	Austria	58.4%	**60.6%**
EuroTeleSites AG and subsidiaries c)	Austria	57.0%	**57.0%**

a) Holding companies.
b) Operating companies of mobile and fixed services.
c) Company spun-off from Telekom Austria AG on September 22, 2023.
d) Joint venture until October 31, 2024 (see note 12b).

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

The operating revenues of foreign subsidiaries represent approximately 63%, 60% and 61% of consolidated operating revenues for the years ended December 31, 2022, 2023 and 2024, respectively, and their total assets represent approximately 65% and 65% of consolidated total assets at December 31, 2023 and 2024, 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, 2023 and 2024, the cumulative translation adjustment was Ps. (164,975,378) and Ps. (113,191,350), 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, 2024 is 7,708.6829, while on an annual inflation for 2024 is 117.8%.

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, 2023 and 2024 were 0.0209 and 0.0196, 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 tablets is recognized at the time the client or 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 license related costs and is accounted for 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 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, 2022, 2023 and 2024, 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, 2022, 2023 and 2024, borrowing costs that were capitalized amounted to Ps. 1,514,654, Ps. 1,442,077 and Ps. 1,622,958, 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 are 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 is 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, 2022, 2023 and 2024, 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 5 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, 2022, 2023 and 2024, 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, 2024. 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 CGU. 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 2023 and 2024 impairment evaluations are shown below:

	Average margin on EBIDTA	Average margin on CAPEX	Average pre-tax discount rate (WACC)
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%
2024:			
Europe (7 countries)	35.05% - 43.18%	2.83% - 18.57%	4.88% - 27.16%
Brazil (fixed line, wireless and TV)	44.75%	16.97%	8.11%
Puerto Rico	24.41%	8.67%	4.38%
Dominican Republic	53.64%	14.13%	9.51%
Mexico (fixed line and wireless)	37.31%	9.35%	8.36%
Ecuador	49.66%	13.95%	15.72%
Peru	39.33%	10.41%	8.28%
El Salvador	46.37%	13.42%	13.35%
Colombia	42.25%	17.31%	7.24%
Other countries	28.02% - 52.47%	11.48% - 22.35%	7.22% - 24.06%

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, results without impairment.

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. 332,225.

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:

		Average exchange rate			Closing exchange rate at December 31,	
Country or Zone	**Currency**	2022	2023	**2024**	2023	**2024**
Argentina (1)	Argentine Peso (AR$)	0.1586	0.0680	**0.0200**	0.0209	**0.0196**
Brazil	Real (R$)	3.9045	3.5545	**3.3963**	3.4895	**3.2731**
Colombia	Colombian Peso (COP$)	0.0048	0.0041	**0.0045**	0.0044	**0.0046**
Guatemala	Quetzal	2.5981	2.2675	**2.3597**	2.1584	**2.6301**
U.S.A. (2)	US Dollar	20.1283	17.7617	**18.3045**	16.8935	**20.2683**
Uruguay	Uruguay Peso	0.4893	0.4574	**0.4548**	0.4329	**0.4600**
Nicaragua	Cordoba	0.5611	0.4875	**0.4998**	0.4613	**0.5534**
Honduras	Lempira	0.8171	0.7184	**0.7341**	0.6819	**0.7948**
Chile	Chilean Peso (CLP$)	0.0232	0.0212	**0.0194**	0.0193	**0.0203**
Paraguay	Guaraní	0.0029	0.0024	**0.0024**	0.0023	**0.0026**
Peru	Sol (PEN$)	5.2454	4.7394	**4.8721**	4.5498	**5.3762**
Dominican Republic	Dominican Peso	0.3647	0.3163	**0.3069**	0.2893	**0.3301**
Costa Rica	Colon	0.0310	0.0324	**0.0353**	0.0321	**0.0395**
European Union	Euro	21.2285	19.2047	**19.8011**	18.6487	**20.9939**
Bulgaria	Lev	10.8523	9.8189	**10.1235**	9.5336	**10.7262**
Belarus	New Belarusian Ruble	7.3993	6.4630	**6.6606**	6.1471	**0**
Croatia	Croatian Kuna	2.8173	2.5487	**2.6279**	2.4751	**2.7864**
Macedonia	Macedonian Denar	0.3445	0.3119	**0.3215**	0.3038	**0.3423**
Serbia	Serbian Denar	0.1807	0.1638	**0.1691**	0.1593	**0.1794**

(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-á-vis the U.S. dollar in December alone.

In addition, as of December 31, 2023 and 2024, the Argentinean peso suffered a devaluation of its currency of 80.9% and an appreciation of its currency of 6.2% year-to-date against the Mexican peso, respectively, 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 May 14, 2025, the exchange rate between the U.S. dollar and the Mexican peso was Ps**.** 19.6162. The appreciation of the Mexican peso against the US dollar represent 3.22% 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, 2024.

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, 2023 and 2024, 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; or,

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, 2022, 2023 and 2024, advertising expenses were Ps. 12,676,350, Ps. 11,781,250 and Ps. 12,670,214 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, 2023 and 2024.

(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 2024 increase/decrease by 100 basis points and a 5.7% and 6.9%, 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.3,115,447, respectively; and (decrease) by Ps. (4,941,344) and Ps. (11,720,132), respectively.

Exchange rate fluctuations

If the Company's debt at December 31, 2023 and 2024 of Ps. 500,677,051 and Ps. 567,585,631, 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. 595,964,966, respectively; or Ps. (475,643,199) and Ps. (539,206,398), 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. 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:

(i) It is expected to be settled in the normal operating cycle.

(ii) It is held primarily for the purpose of trading.

(iii) It is due to be settled within twelve months after the reporting period.

(iv) 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, 2024 and the consolidated statement of comprehensive income and consolidated statement of cash flows for the year ended December 31, 2024 were converted into U.S. dollars at the exchange rate of Ps. 20.2683 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 the Company 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 the Company'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, 2024.

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 in 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 Note 2 1).

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 Claro Chile, SpA.

In accordance with IFRS 11, this transaction was classified as a joint venture, since both LLA and the Company exercise joint control over Claro Chile, SpA, and all relevant decisions require the consent of both parties. Consequently, in accordance with IFRS 5, Claro Chile's operations were 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 period ended as of October 6, 2022
Operating revenue:	
Service revenues	Ps. 10,500,087
Sales of equipment	2,626,823
	13,126,910
Total costs and expenses	14,954,526
Operating loss	(1,827,616)
Financial costs	(685,129)
Loss before income taxes of discontinued operations	(2,512,745)
Income taxes:	(1,805,500)
Net loss of the period from discontinued operations	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, see Note 12.

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:

		July 1st 2022
Operating revenue:		
Revenue services	Ps.	1,210,109
Sales of equipment		206,595
		1,416,704
Total costs and expenses		1,403,311
Operating income		13,393
Financial costs		(39,538)
Gain on sale of discontinued operations		3,405,014
Profit before income taxes from discontinued operations		3,378,869
Income taxes:		—
Net profit of the period of discontinued operations	Ps.	3,378,869

Ad) Climate-related matters

The Company considers climate-related matters where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. The Company has not identified an environmental nor transitional risk associated to climate change with the potential to have a significant effect in the Company's financial performance and results of operations to date.

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, 2023 and 2024, equity investments at fair value through OCI and other short-term investments includes an equity investment in Verizon for Ps. 36,682,372 and Ps. 46,683,687, respectively. As of December 31, 2023, includes an equity investment in KPN for Ps. 33,549,372 and other short-term investments for Ps. 3,523,883.

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, 2023 and 2024, the Company has recognized in equity changes in fair value of Ps. (967,609) and Ps. 3,485,814 respectively, net of deferred taxes.

During the years ended December 31, 2022, 2023 and 2024, the Company has recognized an income related to the earn-out stipulated in the Verizon's contract, of Ps. 4,271,250, Ps. 2,206,671 and Ps. 14,856, 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, 2022, 2023 and 2024, the Company recognized dividend income from KPN for an amount of Ps. 2,459,637, Ps. 1,867,184 and Ps. (116,677), respectively, also for Verizon for an amount of Ps. 3,696,356, Ps. 2,684,643 and Ps. 2,895,815, 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, 2023 and 2024 long-term debt instruments at fair value through OCI for Ps. 14,914,412 and Ps. 13,908,873, 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, 2023 and 2024 is as follows:

	At December 31,	
	2023	**2024**
Subscribers and distributors	Ps. 156,569,986	**Ps. 170,242,307**
Telecommunications carriers for network interconnection and other services	2,960,653	**3,837,362**
Recoverable taxes	57,501,535	**50,900,914**
Sundry debtors	12,302,877	**11,838,770**
Contract assets	25,062,219	**31,230,793**
Allowance of expected credit losses	(38,194,997)	**(37,533,735)**
Total net	Ps. 216,202,273	**Ps. 230,516,411**
Non-current subscribers, distributors and contractual assets	9,400,123	**9,394,158**
Total current subscribers, distributors and contractual assets	Ps. 206,802,150	**Ps. 221,122,253**

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

	For the years ended December 31,		
	2022(i)	2023	2024
Balance at beginning of year	Ps. (41,835,826)	Ps. (42,079,056)	Ps. (38,194,997)
Increases recorded in expenses(i)	(12,197,447)	(12,021,598)	(11,927,258)
Write-offs	9,162,382	11,392,722	16,239,505
Business Combination	—	—	(148,359)
Spin-off (ii)	—	(3,002)	—
Translation effect	2,791,835	4,515,937	(3,502,626)
Balance at year end	Ps. (42,079,056)	Ps. (38,194,997)	Ps. (37,533,735)

(i) Includes discontinued operation of Claro Chile, SpA joint venture until October 6, 2022. 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, 2023 and 2024, 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, 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
December 31, 2024	**Ps. 170,242,307**	**Ps. 105,263,369**	**Ps. 15,396,655**	**Ps. 4,182,294**	**Ps. 2,854,922**	**Ps. 42,545,067**

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, 2023 and 2024:

	Total	1-90 days	Greater than 90 days
December 31, 2023	Ps. 38,194,997	Ps. 2,989,388	Ps. 35,205,609
December 31, 2024	**Ps. 37,533,735**	**Ps. 4,050,387**	**Ps. 33,483,348**

e) An analysis of contract assets and liabilities at December 31, 2023 and 2024 is as follows:

	2023	2024
Contract Assets:		
Balance at the beginning of the year	Ps. 28,573,717	**Ps. 25,062,219**
Additions	24,666,211	**24,862,129**
Business combination	—	**2,347,803**
Disposals	(4,672,331)	**(4,195,512)**
Amortization	(19,998,178)	**(20,622,228)**
Translation effect	(3,507,200)	**3,776,382**
Balance at the end of the year	Ps. 25,062,219	**Ps. 31,230,793**
Non-current contract assets	Ps. 1,149,202	**Ps. 1,558,104**
Current portion contracts assets	Ps. 23,913,017	**Ps. 29,672,689**

Note 6. Related Parties

a) The following is an analysis of the balances with related parties as of December 31, 2023 and 2024. 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.

	2023	2024
Accounts receivable:		
Sears Roebuck de México, S.A. de C.V. and Subsidiaries	Ps. 189,724	**Ps. 374,745**
Sitios Latinoamérica, S.A.B. de C.V.	216,378	**191,515**
Sanborns Hermanos, S.A.	164,650	**253,211**
Patrimonial Inbursa, S.A.	206,127	**184,549**
Grupo Condumex, S.A. de C.V. and Subsidiaries	17,484	**40,773**
Telesites, S.A.B. de C.V. and Subsidiaries	63,128	**117,204**
Claroshop.com, S.A.P.I de C.V.	46,459	**57,092**
Carso Infraestructura y Construcción, S.A. de C.V.	2,402	**9,763**
Other	165,168	**166,631**
Total	Ps. 1,071,520	**Ps. 1,395,483**
Accounts payable:		
Carso Infraestructura y Construcción, S.A. de C.V. and Subsidiaries	Ps. 3,256,535	**Ps. 1,361,945**
Grupo Condumex, S.A. de C.V. and Subsidiaries	548,076	**148,996**
Sitios Latinoamérica, S.A.B. de C.V.	1,031,925	**601,438**
Fianzas Guardiana Inbursa, S.A. de C.V.	439,437	**444,085**
Claroshop.com, S.A.P.I de C.V.	122,940	**82,617**
Grupo Financiero Inbursa, S.A.B. de C.V.	180,718	**151,564**
Seguros Inbursa, S.A. de C.V.	101,026	**114,998**
Industrial Afiliada, S.A. de C.V.	469,591	**310,140**
Banco Inbursa, S.A.	22,438	**23,300**
Promotora Inbursa, S.A. de C.V.	35,292	**51,758**
Cicsa Perú, S.A.C.	166,484	**123,364**
Other	392,364	**287,755**
Total	Ps. 6,766,826	**Ps. 3,701,960**

For the years ended December 31, 2022, 2023 and 2024, the Company has not recorded any impairment of receivables in connection with amounts owed by related parties.

b) For the years ended December 31, 2022, 2023 and 2024, the Company conducted the following transactions with related parties:

	2022	2023	2024
Capital expenditures and expenses:			
Construction services, purchases of materials, inventories and property, plant and equipment (i)	Ps. 13,107,483	Ps. 10,499,209	**Ps. 13,621,729**
Insurance premiums, fees paid for administrative and operating services, brokerage services and others (ii)	3,490,596	4,911,513	**5,012,046**
Associated costs for towers sale (iii)	360,073	1,751,405	**-**
Rent of towers	475,749	937,763	**864,912**
Other services	1,055,099	1,903,476	**1,586,583**
	Ps. 18,489,000	Ps. 20,003,366	**Ps. 21,085,270**
Revenues:			
Service revenues(iv)	Ps. 756,347	Ps. 1,153,877	**Ps. 1,270,286**
Sales of towers(v)	3,323,594	8,546,615	**523,547**
Sales of equipment	1,153,439	2,225,521	**1,514,397**
	Ps. 5,233,380	Ps. 11,926,013	**Ps. 3,308,230**

i) In 2024, this amount includes Ps. 11,057,693 (Ps. 7,720,624 in 2023 and Ps. 11,018,630 in 2022) for network construction services and construction materials purchased from subsidiaries of Grupo Carso, S.A.B. de C.V. (Grupo Carso).

ii) In 2024, this amount includes Ps. 4,170,478 (Ps. 3,460,518 in 2023 and Ps. 3,281,176 in 2022) for insurance premiums with Seguros Inbursa S.A. and Fianzas Guardiana Inbursa, S.A., which, in turn, places most of such insurance with reinsurers; Ps. 117,939 in 2024 (Ps. 69,248 in 2023 and Ps. 117,321 in 2022) for network maintenance services performed by Grupo Carso subsidiaries; Ps. 0 in 2024 (Ps. 0 in 2023 and Ps. 16,556 in 2022) for software services provided by an associate.

iii) In 2023, this amount includes Ps. 855,427 (Ps. 0 in 2022) of the cost related to the sales of towers by Compañía Dominicana de Teléfonos, S.A.; Ps. 880,542 (Ps. 340,712 in 2022) of the cost related to the sales of towers by América Móvil Perú, S.A.C.; and Ps. 15,435 (Ps. 19,361 in 2022) of the cost related to the sales of towers by Telmex.

iv) In 2024, this amount includes Ps. 1,171,375 (Ps. 995,831 in 2023 and Ps. 756,347 in 2022) of the total revenue, provided by Telmex.

v) In 2024, this amount includes Ps.523,547 (Ps. 1,010,500 in 2023 and Ps. 2,585,160 in 2022) for sales of towers by Telmex, Ps. 0 in 2024 (Ps. 2,695,790 in 2023 and Ps. 0 in 2022) for sales of towers by Compañía Dominicana de Teléfonos, S.A.; and Ps. 0 (Ps. 4,840,325 in 2023 and Ps. 738,434 in 2022) for sales of towers by América Móvil Perú, S.A.C.

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 2024 was approximately Ps. 6,495 and Ps. 103,912, 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 Reguliegungs-GmbH, all of which these are related parties. In 2022, 2023 and 2024, 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

In an attempt 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 2024 the weighted-average interest rate of the total debt including the impact of interest rate derivatives held by the Company is 5.8% (5.6% and 5.0% in 2023 and 2022, respectively).

An analysis of the derivative financial instruments contracted by the Company at December 31, 2023 and 2024 is as follows:

	At December 31,					
	2023			2024		
Instrument	Notional amount in millions		Fair Value	**Notional amount in millions**		**Fair Value**
Assets:						
XCS US Dollar – Mexican Peso	US$	150	Ps. 56,426	**US$**	**2,700**	**Ps. 8,538,837**
XCS US Dollar – Euro	US$	800	257,278	**US$**	**800**	**582,620**
XCS Yen – US Dollar	¥	6,500	34,720		—	—
XCS Euro – US Dollar	€	152	104,070		—	—
XCS US Dollar – Chilean Peso		—	—	**US$**	**400**	**1,529,257**
Interest Rate Swaps US Dollar – Chilean Peso				**US$**	**392**	**5,373**
Interest Rate Swaps Chilean Peso – US Dollar				**CLP$**	**306,554**	**12,372**
Forwards US Dollar – Mexican Peso	US$	228	12,009		—	—
Forwards Brazilian Real – US Dollar	R$	5,201	407,878		—	—
Forwards Euro – US Dollar	€	1,390	573,653		—	—
Total Assets			Ps. 1,446,034			**Ps. 10,668,460**

	At December 31,					
	2023			2024		
Instrument	Notional amount in millions		Fair Value	**Notional amount in millions**		**Fair Value**
Liabilities:						
XCS US Dollar – Mexican Peso	US$	3,140	Ps. (5,147,566)	**US$**	**2,190**	**Ps. (4,076,647)**
XCS Mexican Peso – US Dollar		—	—	**MXN$**	**8,094**	**(254,549)**
XCS US Dollar – Euro	US$	150	(276,227)	**US$**	**150**	**(158,661)**
XCS Yen – US Dollar	¥	6,500	(270,825)	**¥**	**13,000**	**(493,179)**
XCS Pound Sterling – Euro	£	640	(1,586,633)	**£**	**640**	**(1,259,750)**
XCS Pound Sterling – US Dollar	£	1,560	(8,069,567)	**£**	**1,560**	**(11,184,561)**
XCS Euro – US Dollar	€	825	(1,680,315)	**€**	**802**	**(2,793,689)**
Interest Rate Swaps US Dollar – Chilean Peso				**US$**	**385**	**(19,872)**
Interest Rate Swaps Chilean Peso – US Dollar				**CLP$**	**384,948**	**(12,613)**
Forwards US Dollar – Mexican Peso	US$	742	(311,288)		—	—
Forwards Brazilian Real – US Dollar	R$	123	(459)	**R$**	**6,155**	**(1,401,460)**
Forwards Euro – US Dollar	€	435	(160,448)	**€**	**1,036**	**(530,728)**
Forwards Euro – Mexican Peso	€	50	(16,267)		—	—
Call option	€	2,020	(376,784)		—	—
Total Liabilities		—	Ps. **(17,896,379)**		—	**Ps. (22,185,709)**

**Totals may not sum due to rounding*
***XCS stands for Cross Currency Swaps*

The changes in the fair value of these derivative financial instruments for the years ended December 31, 2022, 2023 and 2024 were equivalent to a loss of Ps. (28,639,687), Ps. (10,268,520) and Ps. (2,141,802), 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	2025	2026	2027	2028	2029 Thereafter
Assets						
XCS US Dollar – Mexican Peso	**US$**	—	—	—	—	**2,700**
XCS US Dollar - Euro	**US$**	—	—	—	—	**800**
XCS US Dollar – Chilean Peso	**US$**	—	**223**	**177**	—	—
Interest Rate Swaps US Dollar – Chilean Peso	**US$**	—	—	**392**	—	—
Interest Rate Swaps Chilean Peso – US Dollar	**CLP$**	—	**306,554**	—	—	—
Liabilities						
XCS US Dollar – Mexican Peso	**US$**	—	—	—	—	**2,190**
XCS Mexican Peso – US Dollar	**MXN$**	—	—	—	—	**8,094**
XCS US Dollar - Euro	**US$**	—	—	—	—	**150**
XCS Euro – US Dollar	**€**	—	—	**402**	**400**	—
XCS Yen – US Dollar	**¥**	—	—	—	—	**13,000**
XCS Sterling Pound – Euro	**£**	—	**390**	—	—	**250**
XCS Sterling Pound – US Dollar	**£**	—	**110**	—	—	**1,450**
Interest Rate Swaps US Dollar – Chilean Peso	**US$**	—	**385**	—	—	—
Interest Rate Swaps Chilean Peso – US Dollar	**CLP$**	—	**384,948**	—	—	—
Forwards Euro – US Dollar	**€**	**1,036**	—	—	—	—
Forwards Brazilian Real – US Dollar	**R$**	**6,155**	—	—	—	—

Note 8. Inventories, net

An analysis of inventories at December 31, 2023 and 2024 is as follows:

		2023		2024
Mobile phones, accessories, computers, TVs, cards and other materials	Ps.	21,858,519	**Ps.**	**26,361,417**
Less: Reserve for obsolete and slow-moving inventories		(2,586,894)		**(2,609,960)**
Total	Ps.	19,271,625	**Ps.**	**23,751,457**

For the years ended December 31, 2022, 2023 and 2024, the cost of inventories recognized in cost of sales was Ps. 115,022,007, Ps. 111,863,425 and Ps. 111,659,973 respectively.

Note 9. Other assets, net

An analysis of other assets at December 31, 2023 and 2024 is as follows:

		2023		**2024**
Current portion:				
Advances to suppliers (different from CAPEX and inventories)	Ps.	8,788,638	**Ps.**	**10,909,652**
Prepaid insurance		2,105,556		**2,140,859**
Other		328,065		**373,884**
	Ps.	11,222,259	**Ps.**	**13,424,395**
Non-current portion:				
Recoverable taxes	Ps.	8,879,374	**Ps.**	**19,489,256**
Prepayments for the use of fiber optics		2,734,008		**2,920,851**
Judicial deposits [(1)]		15,456,282		**15,021,270**
Prepaid expenses		10,574,048		**10,775,412**
Total	Ps.	37,643,712	**Ps.**	**48,206,789**

For the years ended December 31, 2022, 2023 and 2024, amortization expense for other assets was Ps. 215,529, Ps. 848,569 and Ps. 566,236, 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, 2022, 2023 and 2024 is as follows:

Cost	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
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 Claro Chile, SpA 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 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.

Cost	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
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 AG and subsidiaries, 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).

Cost	At December 31 2023	Additions	Retirements	Business combinations (4)	Revaluation adjustments (2)	Transfer	Effect of translation of foreign subsidiaries and hyperinflation adjustment(3)	Depreciation for the year	At December 31,2024
Network in operation and equipment	Ps. 959,410,692	Ps. 42,823,075	Ps. (29,154,250)	Ps. 22,800,844	Ps. 1,290,655	Ps. 64,489,657	Ps. 120,602,682	Ps. —	Ps. 1,182,263,355
Land and buildings	40,399,550	161,317	(147,047)	396,315	—	3,074,956	3,771,664	—	47,656,755
Other assets	140,860,113	9,230,523	(9,270,502)	1,669,061	—	1,302,049	5,534,769	—	149,326,013
Construction in process and advances plant suppliers(1)	60,818,708	53,618,806	(4,040,469)	6,099,339	—	(51,567,114)	3,449,438	—	68,378,708
Spare parts for operation of the network	31,874,754	22,053,172	(5,990,202)	2,798,554	—	(21,635,003)	2,037,343	—	31,138,618
Total	Ps. 1,233,363,817	Ps. 127,886,893	Ps. (48,602,470)	Ps. 33,764,113	Ps. 1,290,655	Ps. (4,335,455)	Ps. 135,395,896	Ps. —	Ps. 1,478,763,449
Accumulated depreciation									
Network in operation and equipment	Ps. (512,944,456)	Ps. —	Ps. 24,555,371	Ps. —	Ps. 869,822	Ps. 1,115,687	Ps. (78,164,080)	Ps. (99,606,465)	Ps. (664,174,121)
Buildings	(6,790,277)	—	104,005	—	—	(1,564,790)	(2,695,078)	(1,907,221)	(12,853,361)
Other assets	(85,175,222)	—	8,868,467	—	—	542,377	(2,176,603)	(9,835,660)	(87,776,641)
Spare parts for the operation of the network	197,042	—	87,481	—	—	(316,998)	(195,647)	53,225	(174,897)
Total	Ps. (604,712,913)	Ps. —	Ps. 33,615,324	Ps. —	Ps. 869,822	Ps. (223,724)	Ps. (83,231,408)	Ps. (111,296,121)	Ps. (764,979,020)
Net Cost	Ps. 628,650,904	Ps. 127,886,893	Ps. (14,987,146)	Ps. 33,764,113	Ps. 2,160,477	Ps. (4,559,179)	Ps. 52,164,488	Ps. (111,296,121)	Ps. 713,784,429

(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 the surplus associated with the valuation of the telecommunications towers of EuroTeleSites AG and subsidiaries, for an amount of Ps. 2,160,477.
(3) Includes a hyperinflation adjustment associated to Argentinean subsidiaries for an amount of Ps. 25,160,101.
(4) “Business combination” includes the acquisition of NTT Austria GmbH (now A1 ICT Austria), in Austria and Claro Chile, SpA, in Chile. See Note 12a.

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.

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

	Year ended December 31,		
	2022	2023	**2024**
Amount invested in the acquisition of qualifying assets	Ps. 30,161,647	Ps. 25,489,098	**Ps. 26,552,290**
Capitalized interest	1,514,654	1,442,077	**1,622,958**
Capitalization rate	5.0%	5.7%	**6.1%**

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

d) Non-cash consideration.

For the year ended December 31, 2022, 2023 and 2024, non-cash transactions related to acquisitions of property, plant and equipment in accounts payable amounted to Ps. 1,476,834, Ps. 6,928,514 and Ps. 11,701,417.

Additionally, for the year ended December 31, 2023, the non-cash transaction related to revaluation surplus amounted Ps. 1,157,941.

Note 11. Intangible assets, net and goodwill

a) An analysis of intangible assets at December 31, 2022, 2023 and 2024 is as follows:

	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 Claro Chile, SpA 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

	For the year ended December 31, 2024						
	Balance at beginning of year	Acquisitions	Acquisitions in business combinations	Disposals and other	Amortization of the year	Effect of translation of foreign subsidiaries and Hyperinflation adjustment	Balance at end of year
Licenses and rights of use	Ps. 247,326,829	Ps. 12,645,575	Ps. 763,101	Ps. (872,238)	Ps. —	Ps. 18,349,117	Ps. 278,212,384
Accumulated amortization	(142,804,443)	—	—	1,749,617	(13,140,279)	(1,872,988)	(156,068,093)
Net	104,522,386	12,645,575	763,101	877,379	(13,140,279)	16,476,129	122,144,291
Trademarks	25,341,418	—	—	(64,374)	—	1,209,149	26,486,193
Accumulated amortization	(22,574,252)	—	—	—	(143,406)	(888,574)	(23,606,232)
Net	2,767,166	—	—	(64,374)	(143,406)	320,575	2,879,961
Customer relationships	20,689,739	4,475	111,066	—	—	2,599,501	23,404,781
Accumulated amortization	(17,228,725)	—	—	—	(951,706)	(2,498,298)	(20,678,729)
Net	3,461,014	4,475	111,066	—	(951,706)	101,203	2,726,052
Software licenses	19,356,045	4,805,054	—	1,874,257	—	3,992,205	30,027,561
Accumulated amortization	(9,758,160)	—	—	595,636	(4,905,764)	(2,839,014)	(16,907,302)
Net	9,597,885	4,805,054	—	2,469,893	(4,905,764)	1,153,191	13,120,259
Content rights	11,616,693	866,001	—	(821,107)	—	2,630,934	14,292,521
Accumulated amortization	(10,466,625)	—	—	309,988	(723,083)	(2,546,783)	(13,426,503)
Net	1,150,068	866,001	—	(511,119)	(723,083)	84,151	866,018
Total of intangibles, net	Ps. 121,498,519	Ps. 18,321,105	Ps. 874,167	Ps. 2,771,779	Ps. (19,864,238)	Ps. 18,135,249	Ps. 141,736,581
Goodwill	Ps. 146,078,897	Ps. —	Ps. 4,735,752	Ps. —	Ps. —	Ps. 6,021,720	Ps. 156,836,369

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

	2023	2024
Europe	Ps. 55,414,076	Ps. **62,374,446**
Brazil	29,437,800	**27,897,869**
Puerto Rico	17,463,394	**17,463,394**
Dominican Republic	14,186,723	**14,186,723**
Colombia	9,304,613	**9,677,519**
Mexico	9,186,415	**9,249,711**
Chile	—	**4,735,752**
Peru	2,448,614	**2,564,786**
El Salvador	2,522,768	**2,522,768**
Ecuador	2,155,384	**2,155,384**
Guatemala	2,212,615	**2,261,495**
Other countries	1,746,495	**1,746,522**
	Ps. 146,078,897	**Ps. 156,836,369**

c) The following is a description of the major changes in the "Licenses and rights of use" caption during the years ended December 31, 2022, 2023 and 2024:

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.

2024 Acquisitions

(i) In February 2024, the Company obtained in Colombia, through resolution 495 10 MHz in the 2,500 MHz band and 496 80 MHz in the 3,500 MHz band, respectively. This concession was granted with some obligations to make, mainly infrastructure construction, like educational institutions and maintain the fiber optic infrastructure available to other providers of telecommunications networks in exchange for the concession for a period of 20 years. Additionally, the Company acquired IRUs in the months of January, May and September, of 880 MBPS, 3150 MBPS and 500 MBPS, respectively, for a period of 10 years and a total consideration of Ps. 10,593,689.

(ii) During 2024, the Austrian subsidiary obtained several spectrum frequencies in different regions to provide 5G services as well as for industrial applications, obtaining frequencies up to 180 MHz with a validity of up to December 2039 and December 2046, additionally acquires in Bulgaria spectrum band of 900MHz and 1800 MHz for a period of 10 years for an amount of Ps. 847,724.

(iii) The Ecuadorian subsidiary nowadays it is in negotiations for the renewal of the concession with the local government, during this process of accreditation the Company made monthly payments during the 2024 fiscal year for rights for the spectrum band, as of December 31, 2024 the amount paid amounts to Ps. 739,285.

(iv) In June 2024, the subsidiary in Uruguay renewal 1900 MHz spectrum with a validity of 20 years for an amount of Ps. 325,259.

Additionally, in 2024, the Company acquired other licenses in Paraguay, El Salvador, Brazil, Nicaragua, Argentina, Guatemala and Perú for an amount of Ps. 139,618.

Amortization of intangibles for the years ended December 31, 2022, 2023 and 2024 amounted to Ps. 18,065,088, Ps. 17,119,319 and Ps. 19,864,238, 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, 2023 and 2024:

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 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.

Acquisitions 2024

(i) On October 3, 2024, the Company received approval from the National Economic Prosecutor's Office of the Republic of Chile (Fiscalía Nacional Económica) to take control of Claro Chile, SpA, which until that date was a 50:50 joint venture with Liberty Latin America (LLA). The Company converted all of Claro Chile, SpA's outstanding convertible notes into equity, obtaining a controlling interest of 91.62%, thereby consolidating Claro Chile, SpA in its operations as from October 31, 2024.

Consequently, LLA maintained an 8.38% equity interest as of that date. The shareholders' agreement entered into between AMX and LLA reflects a governance structure and terms consistent with such equity interests in Claro Chile, SpA, as well as a Call/Put option for AMX to acquire LLA's remaining equity interest for an aggregate consideration of US$16 million.

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 the consolidated financial statements. However, in accordance with IFRS 3, the company remains within the 12-month measurement period to identify relevant facts and circumstances as of the acquisition date. The net assets acquired are as follows:

	Fair value at acquisition date
Cash and cash equivalents	Ps. 673,137
Other current assets	11,390,425
Other non-current assets	6,103,423
Intangible assets (excluding goodwill)	763,101
Property, plant and equipment, net	33,746,148
Right-of-use assets	5,493,785
Total acquired assets	58,170,019
Debt	(16,307,610)
Liability related to right of use assets	(5,266,872)
Accounts payable	(11,606,265)
Other liabilities	(3,203,117)
Total assumed liabilities	(36,383,864)
Total identifiable net assets at fair value	21,786,155
Goodwill arising on acquisition	4,735,752
Total fair value at the acquisition date	Ps. 26,521,907
Consideration transferred	
Fair value of the joint venture prior to the acquisition	6,721,525
Fair value of convertible notes	5,594,492
Pre-existing relationship	13,928,078
Anticipated acquisition non-controlling interest	277,812
Fair value of the consideration transferred	Ps. 26,521,907

In accordance with IFRS 3, the acquisition of Claro Chile, SpA was classified as an acquisition in stages. The Company recognized a net loss of Ps. 781,355 in the results of the year, as well as a gain of Ps. 4,674,598 derived from the recycling of the fair value valuation of the previously existing relationship.

(ii) During 2024, the Company has acquired through its subsidiaries other entities for which it has paid Ps. 179,423, net of cash acquired.

(iii) During 2024, through a series of open market transactions, América Móvil, B.V. acquired an additional 2.22% of the voting rights, for an overall ownership in Telekom Austria AG of 60.6% of its total outstanding shares. The disbursements paid in both transactions amounts to Ps. 2,306,271.

(iv) The Company acquired an additional non-controlling interests in its entities for an amount of Ps. 3,813.

b) Joint venture

(i) 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 Claro Chile, SpA.

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 the 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 was 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.

(ii) Transaction Agreement between the Company and LLA

On December 26, 2023, the Company entered into a transaction agreement (the "Agreement") with LLA, Claro Chile, SpA, 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 Claro Chile, SpA 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 Claro Chile, SpA, 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 Claro Chile, SpA. 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 Claro Chile, SpA as a 50:50 joint venture.

As of December 31, 2023, the Company has purchased convertible notes from Claro Chile, SpA with an aggregate principal amount of CLP$742.1 billion (including the amounts used for the refinancing of bank debt) convertible into shares of Claro Chile, SpA. 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, Claro Chile, SpA 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 and Ps. 4,594,792 on December 31, 2023 and 2024, respectively. 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, 2023 and 2024 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,	
	2023	**2024**
Assets:		
Current assets	Ps. 27,224,829	**Ps. 37,066,173**
Non-current assets	132,242,415	**146,445,867**
Total assets	Ps. 159,467,244	**Ps. 183,512,040**
Liabilities and equity:		
Current liabilities	Ps. 34,406,225	**Ps. 39,655,029**
Non-current liabilities	56,285,251	**59,851,427**
Total liabilities	90,691,476	**99,506,456**
Equity attributable to equity holders of the parent	40,127,194	**42,713,480**
Non-controlling interest	28,648,574	**41,292,104**
Total equity	Ps. 68,775,768	**Ps. 84,005,584**
Total liabilities and equity	Ps. 159,467,244	**Ps. 183,512,040**

Summarized consolidated statements of comprehensive income

	For the year ended December 31,		
	2022	2023	**2024**
Operating revenues	Ps. 105,956,057	Ps. 100,762,884	**Ps. 107,519,342**
Operating costs and expenses	89,800,536	85,320,071	**92,510,372**
Operating income	Ps. 16,155,521	Ps. 15,442,813	**Ps. 15,008,970**
Net income	Ps. 11,795,662	Ps. 10,929,263	**Ps. 11,027,066**
Total comprehensive income	Ps. 6,127,362	Ps. 3,621,780	**Ps. 12,426,457**
Net income attributable to:			
Equity holders of the parent	Ps. 6,000,942	Ps. 6,380,385	**Ps. 6,682,402**
Non-controlling interest	5,794,720	4,548,878	**4,344,664**
	Ps. 11,795,662	Ps. 10,929,263	**Ps. 11,027,066**
Comprehensive income attributable to:			
Equity holders of the parent	Ps. 3,124,955	Ps. 2,114,356	**Ps. 7,530,433**
Non-controlling interest	3,002,407	1,507,424	**4,896,024**
	Ps. 6,127,362	Ps. 3,621,780	**Ps. 12,426,457**

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 and 2024, EuroTeleSites AG has a consolidated net total assets of Ps. 4,365,235 and Ps. 7,198,455, respectively, a consolidated net income for the year of Ps. 126,103 and Ps. 589,135, respectively, and a net income for non-controlling interest of Ps. 52,485 and Ps. 253,328, respectively.

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.

Non-cash transactions related to the spin-off amounted to Ps. 1,376,353 for the year ended December 31, 2022.

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, 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, 2022, 2023 and 2024 is as follows:

	2022	2023	**2024**
Income Tax attributable to a continuing operation			
In Mexico:			
Current year income tax	Ps. 29,865,043	Ps. 32,327,958	**Ps. 29,105,637**
Deferred income tax	3,454,279	(6,706,412)	**(12,286,894)**
Foreign:			
Current year income tax	17,634,494	16,026,324	**19,053,257**
Deferred income tax	(4,909,727)	(7,103,867)	**(633,557)**
Total income tax	Ps. 46,044,089	Ps. 34,544,003	**Ps. 35,238,443**
Income Tax attributable to a discontinued operation			
Income tax discontinued operations abroad (1)	1,805,500	—	—

(1) Includes effects related to the sale of Panama and the Claro Chile, SpA joint venture. See Note 2Ac.

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

	For the years ended December 31,		
	2022	2023	**2024**
Remeasurement of defined benefit plans	Ps. 2,651,922	Ps. (975,061)	**Ps. 6,328,961**
Equity investments at fair value	8,364,109	2,836,366	**(7,491,232)**
Revaluation of Assets	—	—	**(495,646)**
Other	(30,336)	—	**—**
Deferred tax income recognized in OCI	Ps 10,985,695	Ps. 1,861,305	**Ps. (1,657,917)**

In addition, deferred tax expense of Ps. 289,460 and Ps. 308,551 was transferred in 2024 and 2023, 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,		
	2022	2023	**2024**
Statutory income tax rate in Mexico	30.0%	30.0%	**30.0%**
Impact of non-deductible and non-taxable items:			
Tax inflation effects	7.2%	2.1%	**4.9%**
Derivatives	(0.2)%	0.3%	**1.3%**
Employee benefits	2.0%	1.5%	**5.7%**
Other non-deductible items	—	—	**8.6%**
Other	2.2%	4.8%	1.4%
Effective tax rate on Mexican operations	41.2%	38.7%	**51.9%**
Tax recoveries and NOL's in Brazil	(2.2)%	(3.5)%	**(1.5)%**
Dividends received from associates equity	(0.1)%	—	**0.0%**
Foreign subsidiaries and other non-deductible items, net	(2.6)%(1)	(2.2)%	**8.8%**
Tax rates differences	(2.0)%	(3.1)%	**(3.1)%**
Effective tax rate from continuing operations	34.3%	29.9%	**56.1%**
Effective tax rate from discontinued operations	(21.2)%	—	**—**

(1) Includes discontinued operations effects of Claro Chile.

The breakdown of net deferred tax assets is as follows:

	Consolidated statements of financial position		Consolidated statements of net income		
	2023	**2024**	2022	2023	**2024**
Provisions	Ps. 29,562,781	**Ps. 39,976,016**	Ps. 1,759,784	Ps. 15,065,996	**Ps. (2,577,054)**
Deferred revenues	8,691,188	**13,475,756**	(688,767)	1,767	**560,731**
Tax losses carry forward	36,970,123	**38,397,674**	1,202,546	8,575,209	**508,256**
Property, plant and equipment (1)	(8,699,418)	**(3,830,404)**	1,696,734	2,157,776	**(239,696)**
Inventories	1,054,611	**965,844**	253,932	669,382	**12,715**
Licenses and rights of use (1)	(2,621,672)	**(13,293,040)**	229,244	141,060	**372,803**
Employee benefits	34,663,794	**35,455,273**	(6,148,504)	(3,224,333)	**(3,431,627)**
Other	16,993,113	**14,338,351**	3,150,479	(9,576,577)	**17,714,323**
Net deferred tax assets	Ps. 116,614,520	**Ps. 125,485,470**			
Deferred tax benefit in net profit for the year			Ps. 1,455,448	Ps. 13,810,280	**Ps. 12,920,451**
Deferred tax from discontinued operations			1,808,298	—	**—**

(1) As of December 31, 2023 and 2024, the balance included the effects of hyperinflation and revaluation of telecommunications towers.

Reconciliation of deferred tax assets and liabilities, net:

		2023		**2024**
Opening balance as of January 1,	Ps.	98,415,751	**Ps.**	**116,614,520**
Deferred tax benefit		13,810,280		**12,920,451**
Translation effect		3,202,557		**(4,202,772)**
Deferred tax income recognized in OCI		1,861,305		**(1,657,918)**
Deferred taxes acquired in business combinations		(529,191)		**1,811,189**
Hyperinflationary effect in Argentina		(146,182)		—
Closing balance as of December 31,	Ps.	116,614,520	**Ps.**	**125,485,470**
Presented in the consolidated statements of financial position as follows:				
Deferred income tax assets	Ps.	137,883,622	**Ps.**	**153,217,164**
Deferred income tax liabilities		(21,269,102)		**(27,731,694)**
	Ps.	116,614,520	**Ps.**	**125,485,470**

The deferred taxes 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 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 has not been recognized in the periods presented, aggregate to Ps 3,909,327 and Ps. 596,631,908 as of December 31, 2023 and 2024, respectively.

At December 31, 2023 and 2024, the balance of the contributed capital account ("CUCA") is Ps. 1,128,833,955 and Ps. 1,225,260,518 respectively. The balance of the Cuenta de Utilidad Fiscal Neta ("CUFIN") amounted to Ps. 841,510,931 and Ps. 925,309,212 as of December 31, 2023 and 2024, respectively.

(ii) Significant foreign income tax matters

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 17.4% in 2022, 13.9% in 2023 and 36.0% in 2024. 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 2022, 2023 and 2024, was attributable to inflationary effects in Argentina, non-deductible items, and registry of benefits related to tax losses in Brazil and Chile.

With the change of government (December 10, 2023), 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 macro-economically, 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.

(iii) Tax losses

a) At December 31, 2024, 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, 2024	Tax-effected loss carryforward benefit
Brazil	Ps. 76,764,579	Ps. 26,099,957
Mexico	24,024,986	7,207,496
Chile	14,978,693	4,044,247
Others	4,366,931	1,045,974
Total	Ps. 120,135,189	Ps. 38,397,674

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. 76,764,579 in net operating loss carryforwards (NOL's) in Brazil as of December 31, 2024. 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. 24,024,986 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. 14,978,693 in NOL's in Chile as of December 31, 2024. In Chile, tax losses do not expire.

(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) Pillar Two rules

The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements.

The Pillar Two model rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

• The Qualified Domestic Minimum Top-up Tax (QDMTT)

• The Income Inclusion Rule (IIR)

• The Under Taxed Payments/Profits Rule (UTPR)

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax. The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a QDMTT. The Group has adopted these amendments, which introduce:

• A mandatory temporary exception to the accounting for 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.

The Pillar Two model rules were adopted in the Company at the end of 2023 and are applicable starting from 1 January 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in certain other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2024.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes. The Pillar Two effective tax rates in most of the jurisdictions in which the Group operates is above 15%. However, the Group has recognized a Pillar Two current tax expense of Ps 235 million (€11.2 million), this amount is integrated as follow:

• Bulgarian – Ps 210 million M (€10 million)

• Macedonia – Ps. 25 million (€1.2 million)

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning. Pillar II is applicable in Brazil as from January 1, 2025.

(vii) 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:

Currency	Loan	Interest rate	Maturity		Total
		As of December 31, 2023 (Thousands of Mexican pesos)			
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)	TIIE + 0.020%	2024		1,356,693
	Domestic Senior notes (i)	TIIE + 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)	TIIE + 0.050%	2025		3,000,000
	Domestic Senior notes (i)	TIIE + 0.300%	2025		335,731
	Domestic Senior notes (i)	TIIE + 0.300%	2025		73,688
	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**
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)	TIIE + 0.300% - TIIE + 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**

As of December 31, 2024 (Thousands of Mexican pesos)

Currency	Loan	Interest rate	Maturity	Total
Senior Notes				
U.S. dollars				
	Fixed-rate Senior notes (i)	5.125%	2028	Ps. 4,143,002
	Fixed-rate Senior notes (i)	6.375%	2028	4,676,086
	Fixed-rate Senior notes (i)	4.375%	2029	2,402,000
	Fixed-rate Senior notes (i)	3.625%	2029	20,268,300
	Fixed-rate Senior notes (i)	2.875%	2030	20,268,300
	Fixed-rate Senior notes (i)	4.700%	2032	15,201,225
	Fixed-rate Senior notes (i)	6.375%	2035	19,889,891
	Fixed-rate Senior notes (i)	6.125%	2037	7,483,563
	Fixed-rate Senior notes (i)	6.125%	2040	40,445,595
	Fixed-rate Senior notes (i)	4.375%	2042	23,308,545
	Fixed-rate Senior notes (i)	4.375%	2049	25,335,375
	Subtotal U.S. dollars			**Ps. 183,421,882**
Mexican pesos				
	Commercial Paper (ii)	10.420% - 11.530%	2025	Ps. 6,500,597
	Domestic Senior notes (i)	0.000%	2025	6,201,365
	Domestic Senior notes (i)	TIIE + 0.050 %	2025	3,000,000
	Domestic Senior notes (i)	TIIE + 0.300 %	2025	409,418
	Domestic Senior notes (i)	9.350%	2028	11,016,086
	Fixed-rate Senior notes (i)	10.125%	2029	17,500,000
	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)	10.300%	2034	20,000,000
	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	11,062,112
	Subtotal Mexican pesos			**Ps. 120,204,796**
Euros				
	Commercial Paper (ii)	2.87% - 3.84%	2025	26,158,406
	Fixed-rate Senior notes (i)	1.500%	2026	15,745,429
	Fixed-rate Senior notes (i)	0.750%	2027	15,867,928
	Fixed-rate Senior notes (i)	2.125%	2028	12,520,975
	Fixed-rate Senior notes (i)	5.250%	2028	10,496,953
	Floating-rate Senior notes (i)	Euribor 3M + 1.050 %	2028	3,778,901
	Subtotal euros			**Ps. 84,568,592**
Pound Sterling				
	Fixed-rate Senior notes (i)	5.000%	2026	Ps. 12,687,956
	Fixed-rate Senior notes (i)	5.750%	2030	16,494,343
	Fixed-rate Senior notes (i)	4.948%	2033	7,612,773
	Fixed-rate Senior notes (i)	4.375%	2041	19,031,934
	Subtotal Pound Sterling			**Ps. 55,827,006**
Brazilian reais				
	Debentures (i)	CDI + 1.37 %	2025	Ps. 4,909,719
	Debentures (i)	CDI + 1.35 %	2026	4,909,719
	Debentures (i)	CDI + 1.20 %	2027	9,819,437
	Debentures (i)	CDI + 0.55 %	2028	4,909,719
	Debentures (i)	IPCA + 5.7687 %	2029	8,182,864
	Subtotal Brazilian reais			**Ps. 32,731,458**
Other currencies				
Japanese yen				
	Fixed-rate Senior notes (i)	2.950%	2039	Ps. 1,674,427
Chilean pesos				
	Fixed-rate Senior notes (i)	4.000%	2035	Ps. 3,907,036
	Subtotal other currencies			**Ps. 5,581,463**
Lines of Credit and others				
Euros				
	Lines of credit (iii)	Euribor 3M + 1.300 %	2028	Ps. 6,088,232
Mexican pesos				
	Lines of credit (iii)	TIIE + 0.400% - 0.790 %	2025	10,380,000
U.S. dollars				
	Lines of credit (iii)	SOFR 1M + 0.400% - 0.550% & 6.750 %	2025 - 2029	23,511,228
Peruvian Soles				
	Lines of credit (iii)	5.080% - 6.150%	2025	21,298,150
Colombian pesos				
	Lines of credit (iii)	IBR 1M + 0.560% - 2.550% & IBR 3M + 0.560 %	2025 - 2026	17,008,428
Chilean pesos				

	Lines of credit (iii)	TAB 30 + 3.35% & TAB 180 + 0.600% - 0.750 %	2025 - 2026	6,526,415
	Financial leases	8.270% - 8.970%	2027	22,052
Dominican pesos				
	Lines of credit (iii)	10.900% - 13.250%	2025 - 2026	415,929
	Subtotal Lines of Credit and others			**Ps. 85,250,434**
	Total debt			**Ps. 567,585,631**
	Less: Short-term debt and current portion of long-term debt			**Ps. 104,210,738**
	Long-term debt			**Ps. 463,374,893**

EURIBOR = Euro Interbank Offered Rate
TIIE = Mexican Interbank Rate
CDI = Brazil Interbank Deposit Rate
TAB = Chilean weighted average funding rate
IBR = Colombia Reference Bank Indicator
IPCA = Brazil consumer price index
SOFR = Secured Overnight Financing Rate

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, 2023, and December 31, 2024 was approximately 5.94% and 6.14%, 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, 2023, and December 31, 2024, is as follows:

		2023		2024
Senior Notes	Ps.	95,821,829	Ps.	47,179,504
Lines of credit		65,141,774		57,023,548
Financial leases		—		7,686
Subtotal short term debt	**Ps.**	**160,963,603**	**Ps.**	**104,210,738**
Weighted average interest rate		7.01%		6.42%

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

Years		Amount
2026	Ps.	43,307,098
2027		25,693,358
2028		57,629,956
2029		60,514,144
2030		36,762,643
2031 and thereafter		239,467,694
Total	**Ps.**	**463,374,893**

(i) Senior Notes

The outstanding Senior Notes as of December 31, 2023, and December 31, 2024, are as follows:

Currency*		**2023**		**2024**
U.S. dollars	Ps.	143,528,274	Ps.	183,421,882
Mexican pesos		89,926,765		120,204,796
Euros		111,553,842		84,568,592
Pound sterling		47,315,652		55,827,006
Brazilian reais		28,788,006		32,731,458
Japanese yens		1,557,115		1,674,427
Chilean pesos		3,541,257		3,907,036

*Thousands of Mexican pesos.
*Includes secured and unsecured senior notes.

(ii) Commercial Paper

In August 2020, we established a Euro-Commercial Paper program for a total amount of €2,000 million. As of December 31, 2024, debt under this program aggregated to Ps. 26,158 million.

Additionally, under our Mexican Domestic Senior Notes program, we have an aggregated amount of Ps. 6,501 million in Commercial Paper in Mexican pesos as of December 31, 2024.

(iii) Lines of credit

As of December 31, 2023, and December 31, 2024, debt under lines of credit aggregated to Ps. 74,466 million and Ps. 85,228 million respectively, debt of which Ps. 6,088 million correspond to EuroTelesites.

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. $2,500 million maturing in 2026 and 2029, respectively. As long as the facilities are committed, a commitment fee is paid. As of December 31, 2024, the Company withdrew U.S.$ 600 million from the U.S. revolving syndicated credit facility. 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, 2024, 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, 2024, the Company was in compliance with all the covenants.

Non-cash consideration

As described in note 1 II c), the non-cash transaction related to the derecognition of exchangeable bonds through the conversion of KPN shares amounted to Ps. 34,569,415.

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.

In 2022, 2023 and 2024 the movement of 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, 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	Ps. 106,219,649	Ps. 9,222,438	Ps. 6,432,009	Ps. 121,874,096	Ps. 134,148,811

(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 Claro Chile, SpA 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	Ps. 106,582,513	Ps. 6,637,432	Ps. 348,375	Ps. 113,568,320	Ps. 125,169,156

	Right-of-use assets				Liability related to right-of-use of assets
	Towers & Sites	Property	Other equipment	Total	
As of January 1, 2024	**Ps. 106,582,513**	**Ps. 6,637,432**	**Ps. 348,375**	**Ps. 113,568,320**	**Ps. 125,169,156**
Additions and release	**69,238,564**	**5,007,853**	**481,822**	**74,728,239**	**74,430,110**
Business combination	**4,166,641**	**401,760**	**943,145**	**5,511,546**	**5,285,522**
Modifications	**20,750,663**	**3,644,901**	**6,460,657**	**30,856,221**	**31,996,863**
Depreciation	**(26,991,438)**	**(3,151,532)**	**(2,258,796)**	**(32,401,766)**	—
Interest expense	—	—	—	—	**16,594,964**
Payments	—	—	—	—	**(45,285,610)**
Translation adjustment	**6,050,342**	**900,839**	**246,637**	**7,197,818**	**4,912,223**
Balance at December 31, 2024	**Ps. 179,797,285**	**Ps. 13,441,253**	**Ps. 6,221,840**	**Ps. 199,460,378**	**Ps. 213,103,228**

At December 31, 2023 and 2024, the total of the right-of-use assets include an amount of Ps. 59,820,924 and Ps. 125,960,911 corresponding to related parties, respectively, and the total of lease liabilities include an amount of Ps. 61,881,679 and Ps. 131,170,623 corresponding to related parties, respectively. For the years ended December 31, 2022, 2023 and 2024, non-cash net additions to right-of-use assets and their related liabilities amounted to Ps.4,862,627, Ps. 3,111,591, and Ps. 298,129, respectively.

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

	2023	**2024**
Short term	Ps. 24,375,010	**Ps. 35,436,851**
Long term	100,794,146	**177,666,377**
Total	Ps. 125,169,156	**Ps. 213,103,228**

The Company's right of use long-term liability maturities as of December 31, 2024 are as follows:

Year ended December 31,

2026	**Ps. 25,309,238**
2027	**27,034,007**
2028	**24,127,674**
2029	**60,141,767**
2030	**20,138,132**
2031 and thereafter	**20,915,559**
Total	**Ps. 177,666,377**

During the years ended December 31, 2022, 2023 and 2024, the Company recognized expenses as follows:

	2022		
	Others	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

	2024		
	Others	**Related parties**	**Total**
Depreciation expense of right-of-use assets	**Ps. 16,046,897**	**Ps. 16,354,869**	**Ps. 32,401,766**
Interest expense on lease liabilities	**6,055,603**	**10,539,361**	**16,594,964**
Expense relating to short-term leases	**845**	—	**845**
Expense relating to leases of low-value assets	**2,288**	—	**2,288**
Variable lease payments	**94,352**	—	**94,352**
Total	**Ps. 22,199,985**	**Ps. 26,894,230**	**Ps. 49,094,215**

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

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

	At December 31,	
	2023	**2024**
Suppliers	Ps. 63,235,934	**Ps. 61,741,976**
Sundry creditors	88,637,103	**92,286,367**
Interest payable	6,616,584	**8,959,701**
Guarantee deposits from customers	1,455,109	**1,669,103**
Dividends payable	2,152,686	**2,266,987**
Total	Ps. 162,097,416	**Ps. 166,924,134**

As of December 31, 2024, the Company has recognized long-term accounts payable of Ps.17,224,845, primarily due for obligations related to the acquisition of operating licenses.

b) The balance of accrued liabilities at December 31, 2023 and 2024 are as follows:

	At December 31,	
	2023	**2024**
Current liabilities		
Direct employee benefits payable	Ps. 20,858,965	**Ps. 22,080,021**
Provisions	34,355,359	**34,953,816**
Total	Ps. 55,214,324	**Ps. 57,033,837**

The movements in contingencies for the years ended December 31, 2023 and 2024 are as follows:

	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

	Balance at December 31, 2023	Business combination	Effect of translation	Increase of the year	Applications		Balance at December 31, 2024
					Payments	Reversals	
Contingencies	**Ps. 34,355,359**	**Ps. 182,686**	**Ps. 437,201**	**Ps. 6,580,005**	**Ps. (4,659,801)**	**Ps. (1,941,634)**	**Ps. 34,953,816**

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, 2023 and 2024 are as follows:

	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

	Balance at December 31, 2023	Business combination	Effect of translation	Increase of the year	Applications		Balance at December 31, 2024
					Payments	Reversals	
Asset retirement obligations	**Ps. 10,117,928**	**Ps. 101,101**	**Ps. 749,725**	**Ps. 989,544**	**Ps. (76,166)**	**Ps. (369,353)**	**Ps. 11,512,779**

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, 2024, the total amounts equivalent to the contract period are detailed below:

Year ended December 31,	
2025	**Ps. 2,729,907**
2026	**10,321,999**
2027	**4,919,934**
2028	**4,544,245**
2029 and 2030	**10,044,890**
2031 and thereafter	**33,289,042**
Total	**Ps. 65,850,017**

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 - 2025, 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, 2024 and 2025. 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.

(1) Brazilian Tax Matters

As of December 31, 2024, certain Company's Brazilian subsidiaries had aggregate tax contingencies of Ps. 122,726,478 (R$37,494,960) for which the Company has established provisions of Ps. 19,766,355 (R$6,038,947) 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. 40,882,104 (R$12,490,156) aggregate contingencies and Ps. 4,099,157 (R$1,252,360) provisions related to value-added tax (Imposto sobre a Circulação de Mercadorias e Prestação de Serviços or "ICMS") assessments;

• Ps. 5,721,800 (R$1,748,104) aggregate contingencies and Ps. 3,381,922 (R$1,033,233) 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. 17,270,686 (R$5,276,479) aggregate contingencies and Ps. 5,688,116 (R$ 1,737,813) 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. 7,160,049 (R$2,187,513) aggregate contingencies and Ps. 103,818 (R$31,718) 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-appelable judicial resolutions, mainly;

• Ps. 13,583,389 (R$ 4,149,949) aggregate contingencies and Ps. 1,484,725 (R$453,608) 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. 6,134,007 (R$ 1,874,040) aggregate contingencies and Ps. 452 (R$138) 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. 1,999,637 (R$610,922) aggregate contingencies and Ps. 140,991 (R$ 43,075) 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. 4,718,515 (R$1,441,584) aggregate contingencies and Ps. 130,936 (R$40,003) 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. 4,800,645 (R$1,466,676) aggregate contingencies and Ps. 4,464,836 (R$1,364,081) 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. 20,243,236 (R$ 6,184,642) 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").

(2) 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 2024, Anatel calculated the monetary correction in a total amount of Ps. 15,913,938 (R$ 4,861,970). As of December 31, 2024, the Company has established a provision of Ps. 6,105,484 (R$ 1,865,326) 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,	
	2023	**2024**
Mexico	Ps. 119,265,063	**Ps. 145,277,743**
Puerto Rico	7,227,422	**6,954,741**
Brazil	7,401,235	**5,411,258**
Europe	8,919,884	**8,578,927**
Ecuador	479,762	**654,465**
El Salvador	113,508	**165,653**
Nicaragua	53,974	**71,266**
Honduras	55,295	**38,388**
Total	Ps. 143,516,143	**Ps. 167,152,441**

	For the year ended December 31,		
	2022	2023	**2024**
Mexico	Ps. 13,673,155	Ps. 14,601,940	**Ps. 16,074,164**
Puerto Rico	538,681	170,389	**535,051**
Brazil	587,552	369,624	**(228,547)**
Europe	1,176,028	1,750,101	**1,755,407**
Ecuador	(29,743)	40,498	**65,123**
El Salvador	14,384	15,190	**16,430**
Nicaragua	11,502	10,937	**13,387**
Honduras	7,593	13,257	**1,527**
Total	Ps. 15,979,152	Ps. 16,971,936	**Ps. 18,232,542**

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							
	2023				2024			
	DBO	Plan Assets	Effect of asset ceiling	Net employee benefit liability	**DBO**	**Plan Assets**	**Effect of asset ceiling**	**Net employee benefit liability**
Mexico	Ps. 293,551,400	Ps. (175,265,188)	Ps. —	Ps. 118,286,212	**Ps. 303,027,238**	**Ps. (159,328,024)**	**Ps. —**	**Ps. 143,699,214**
Puerto Rico	22,244,771	(15,017,349)	—	7,227,422	**24,608,173**	**(17,653,432)**	—	**6,954,741**
Brazil	15,045,247	(13,810,050)	4,055,040	5,290,237	**12,113,660**	**(13,054,352)**	**4,481,044**	**3,540,352**
Europe	3,384,633	—	—	3,384,633	**3,379,389**	—	—	**3,379,389**
Total	Ps. 334,226,051	Ps. (204,092,587)	Ps. 4,055,040	Ps. 134,188,504	**Ps. 343,128,460**	**Ps. (190,035,808)**	**Ps. 4,481,044**	**Ps. 157,573,696**

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, 2022, 2023 and 2024:

	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	Ps. 330,587,732	Ps. (208,526,619)	Ps. 6,064,069	Ps. 128,125,182

	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	Ps. 334,226,051	Ps. (204,092,587)	Ps. 4,055,040	Ps. 134,188,504

	At December 31, 2024			
	DBO	Plan Assets	Effect of asset ceiling	Net employee benefit liability
Balance at the beginning of the year	Ps. 334,458,153	Ps. (204,092,587)	Ps. 4,055,040	Ps. 134,420,606
Current service cost	1,889,699	—	—	1,889,699
Interest cost on projected benefit obligation	34,540,808	—	—	34,540,808
Expected return on plan assets	—	(20,306,050)	—	(20,306,050)
Changes in the asset ceiling during the period and others	—	—	357,182	357,182
Past service costs and other	(103,657)	139,115	—	35,458
Actuarial gain for changes in experience	(42,968)	—	—	(42,968)
Actuarial gain from changes in demographic assumptions	—	—	—	—
Actuarial gain from changes in financial assumptions	(23,068)	—	—	(23,068)
Net period cost	Ps. 36,260,814	Ps. (20,166,935)	Ps. 357,182	Ps. 16,451,061
Actuarial loss for changes in experience	13,338,950	—	—	13,338,950
Actuarial gain from changes in demographic assumptions	(3,654)	—	—	(3,654)
Actuarial gain from changes in financial assumptions	(3,018,488)	—	—	(3,018,488)
Changes in the asset ceiling during the period and others	—	—	345,672	345,672
Return on plan assets greater than discount rate (shortfall)	—	20,947,473	—	20,947,473
Recognized in other comprehensive income	Ps. 10,316,808	Ps. 20,947,473	Ps. 345,672	Ps. 31,609,953
Contributions made by plan participants	40,319	(40,319)	—	—
Contributions to the pension plan made by the Company	—	(548,872)	—	(548,872)
Benefits paid	(16,298,480)	15,970,322	—	(328,158)
Payments to employees	(24,325,925)	—	—	(24,325,925)
Plan changes	(847,269)	—	—	(847,269)
Effect of translation	3,816,947	(2,104,890)	(276,850)	1,435,207
Others	Ps. (37,614,408)	Ps. 13,276,241	Ps. (276,850)	Ps. (24,615,017)
Balance at the end of the year	343,421,367	(190,035,808)	4,481,044	157,866,603
Less short-term portion	(292,907)	—	—	(292,907)
Non-current obligation	Ps. 343,128,460	Ps. (190,035,808)	Ps. 4,481,044	Ps. 157,573,696

In the case of other subsidiaries in Mexico, the net period cost of other employee benefits for the years ended December 31, 2022, 2023 and 2024 was Ps. 126,735, Ps.120,843 and Ps. 657,868 respectively. The balance of other employee benefits at December 31, 2023 and 2024 was Ps. 978,851 and Ps. 1,578,529 respectively.

In the case of Brazil, the net period cost of other benefits for the years ended December 31, 2022, 2023 and 2024 was Ps. 166,503, Ps. 82,870, and Ps.685,287 respectively. The balance of employee benefits at December 31, 2023 and 2024 was Ps. 2,057,470 and Ps. 1,831,600, respectively.

In the case of Ecuador, the net period cost of other benefits for the years ended December 31, 2022, 2023 and 2024 was Ps. (29,743), Ps. 40,498 and Ps. 65,123 respectively. The balance of employee benefits at December 31, 2023 and 2024 was Ps. 479,762 and Ps. 654,465, respectively.

In the case of Central America, the net period cost of other benefits for the years ended December 31, 2022, 2023 and 2024 was Ps. 33,479, Ps. 39,384 and Ps. 31,344, respectively. The balance of employee benefits at December 31, 2023 and 2024 was Ps. 222,777 and Ps. 275,307, respectively.

Plan assets are invested in:

At December 31

	2023			2024		
	Puerto Rico	Brazil	Mexico	Puerto Rico	Brazil	Mexico
Equity instruments	42%	—	76%	53%	—	76%
Debt instruments	23%	91%	24%	12%	93.0%	24%
Others	35%	9%	—	35%	7%	—
	100%	100%	100%	100%	100%	100%

Included in the Telmex's net pension plan liability are plan assets of Ps. 175,265,188 and Ps. 159,328,024 as of December 31, 2023 and 2024, respectively, of which 49.3% and 45.8% during 2023 and 2024, 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. 3,396,589 and Ps. 33,858,384 during 2023 and 2024, respectively, attributable to a change in actuarial assumptions, and also a decrease in the fair value of plan investments from December 31, 2023 to December 31, 2024. The variation in fair value of the aforementioned related party pension plan investments approximated Ps. (6,965,748) and Ps. 21,428,270 during the years ended December 31, 2023 and 2024, respectively.

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

	2022				2023				**2024**			
	Puerto Rico	Brazil	Mexico	Europe	Puerto Rico	Brazil	Mexico	Europe	**Puerto Rico**	**Brazil**	**Mexico**	**Europe**
Discount rate and long- term rate return	5.42%	10.11% & 10.05%	11.5%	3.75%	5.13%	9.050% & 9.20%	11.65%	3.25%	**5.58%**	**11.4% & 11.07%**	**11.43%**	**2.75%**
Rate of future salary increases	2.75%	3.50%	2.8%	4.5%, 5.3% & 3.4%, - 4.6%	2.00%	3.50%	2.8%	6.0% & 3.6% - 5.4%	**2.00%**	**3.5%**	**2.8%**	**3.8%, 4.4% & 2.9% - 3.8%**
Percentage of increase in health care costs for the coming year	5.44%	9.71%			5.13%	9.71%			**5.53%**	**9.71%**		
Year to which this level will be maintained	NA	2031			NA	2032			NA	**2033**		
Rate of increase of pensions				1.90%				2.50%				**1.70%**
Employee turnover rate*				0.00% 1.03%				0.00%-0.91%				**0.00%- 0.90%**

* Depending on years of service

Biometric

Puerto Rico:
Mortality: RPI 2012, MSS 2024 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, 2024, 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, 2024 are as follows:

		-100 points		**+100 points**
Discount rate	Ps.	24,948,713	Ps.	(21,924,526)
Health care cost trend rat	Ps.	(254,926)	Ps.	287,834

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.

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. As of December 31, 2023 and 2024, A1 Telekom Austria Group paid Ps. 74,994 and Ps. 87,323 respectively, 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, 2023 and 2024, the balance of the DCP liability was Ps. 53,528 and Ps. 39,306 respectively. For the years ended December 31, 2022, 2023 and 2024 the cost of labor were Ps. 5,021, Ps. 3,846 and Ps. 3,046, 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 and 2024 to the social security system and the government in Austria amount to Ps. 1,105,037 and Ps. 1,169,174 respectively. In 2023 and 2024, contributions of the foreign subsidiaries into the respective systems range between 7% and 28% of gross salaries and amount to Ps. 560,777 and Ps. 651,574 respectively.

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 and 2024, the annual expenses for this plan amounted to Ps. 199,345 and Ps. 211,733 respectively.

As of December 31, 2023 and 2024, the liability related to this defined contribution plan amounted to Ps. 145,456 and Ps. 154,380, 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, 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**

	Balance at December 31, 2023	**Effect of translation**	**Increase of the year**	**Payments**	**Balance at December 31, 2024**
Long-term direct employee benefits	**Ps. 5,389,795**	**Ps. 619,696**	**Ps. 1,102,643**	**Ps. (2,066,976)**	**Ps. 5,045,158**

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, 2023 and 2024:

	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	—
Debt instruments at fair value through OCI (Note 4)	—	—	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. —

	December 31, 2024		
	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. 46,683,687**
Accounts receivable from subscribers, distributors, contractual assets and other (Note 5)	**179,615,497**	—	—
Related parties (Note 6)	**1,395,483**	—	—
Derivative financial instruments (Note 7)	—	**10,668,460**	—
Debt instruments at fair value through OCI (Note 4)	—	—	**13,908,873**
Total	**Ps. 181,010,980**	**Ps. 10,668,460**	**Ps. 60,592,560**
Financial Liabilities:			
Debt (Note 14)	**Ps. 567,585,631**	**Ps. —**	**Ps. —**
Liability related to right-of-use of assets (Note 15)	**213,103,228**	—	—
Accounts payable (Note 16)	**184,148,979**	—	—
Related parties (Note 6)	**3,701,960**	—	—
Derivative financial instruments (Note 7)	—	**22,185,709**	—
Total	**Ps. 968,539,798**	**Ps. 22,185,709**	**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, 2023 and 2024 is as follows:

	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 (Note 4)	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 (Note 15)	125,169,156	—	—	125,169,156
Derivative financial instruments (Note 7)	—	17,896,379	—	17,896,379
Total	Ps. 507,480,088	Ps. 125,627,198	Ps. —	Ps. 633,107,286

	Measurement of fair value at December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Equity investments at fair value through OCI and other short-term investments (Note 4)	**Ps. 46,683,687**	**Ps. —**	**Ps. —**	**Ps. 46,683,687**
Derivative financial instruments (Note 7)	—	**10,668,460**	—	**10,668,460**
Total current assets	**46,683,687**	**10,668,460**	—	**57,352,147**
Revalued of assets (Note 10)	—	—	**10,457,088**	**10,457,088**
Pension plan assets (Note 18)	**175,241,382**	**14,754,046**	**40,380**	**190,035,808**
Debt instruments at fair value through OCI (Note 4)	—	**13,908,873**	—	**13,908,873**
Total non-current assets	**175,241,382**	**28,662,919**	**10,497,468**	**214,401,769**
Total	**Ps. 221,925,069**	**Ps. 39,331,379**	**Ps. 10,497,468**	**Ps. 271,753,916**
Liabilities:				
Debt	**Ps. 453,237,685**	**Ps. 90,095,061**	**Ps. —**	**Ps. 543,332,746**
Liability related to right-of-use of assets (Note 15)	**213,103,228**	—	—	**213,103,228**
Derivative financial instruments (Note 7)	—	**22,185,709**	—	**22,185,709**
Total	**Ps. 666,340,913**	**Ps. 112,280,770**	**Ps. —**	**Ps. 778,621,683**

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. Until September 2024 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 Verizon in 2024 and 2023, and also KPN in 2023, 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, 2023 and 2024 was Ps. (9,420,419) and Ps. (2,111,926) 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 level 3 data, the information is mainly internal based on lease contracts entered into with independent third parties.

During the end of the period ended December 31, 2023 and 2024, 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, 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

	At December 31, 2023	**Cash flow**	**Foreign currency exchange and other**	**At December 31, 2024**
Debt	**Ps. 500,677,052**	**Ps. 29,309,744**	**Ps. 37,598,835**	**Ps. 567,585,631**
Liability related to right-of-use of assets	**125,169,156**	**(45,285,610)**	**133,219,682**	**213,103,228**
Total liabilities from financing activities	**Ps. 625,846,208**	**Ps. (15,975,866)**	**Ps. 170,818,517**	**Ps. 780,688,859**

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. 231,290 (nominal amount), represented as of December 31, 2024 by a total of 61,245,000,000 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, 2024 and 2023, the Company's capital stock was represented by 61,000,000,000 outstanding "B" shares and 62,450,000,000 outstanding "B" shares, respectively.

c) As of December 31, 2024 and 2023, 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 245,000,000 series "B" shares and 770,260,000 series "B" shares, respectively, 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 29, 2024, the Company's shareholders approved, among other resolutions, the payment of a dividend of Ps.$0.48 (forty-eight 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.$0.24 (twenty four peso cents) each, on July 15 and November 11, 2024, respectively.

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 to pay said dividend in two installments of Ps.$0.23 (twenty three peso cents) each, on July 17 and November 13, 2023, respectively.

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 (nominal amount). This reserve may not be distributed to shareholders during the existence of the Company, except as a stock dividend. As of December 31, 2024 and December 31, 2023, 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 Company's 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 29, 2024, the Company's annual shareholders meeting authorized an amount of Ps. 15 billion to repurchase the Company's own shares. On November 8, 2024, the Company's shareholders' meeting approved to increase by Ps. 15 billion the Company's share buyback fund. During the fiscal year ended on December 31, 2024, the Company repurchased 1,450,000,000 series "B" shares. At the end of 2024 and after considering the cancelation of shares approved by the shareholders meeting on November 8, 2024, the Company had in treasury 245,000,000 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) 2022	2023	**2024**
Net profit for the period attributable to equity holders of the parent from continuing operations	Ps. 82,878,406	Ps. 76,110,617	**Ps. 22,902,025**
Net loss for the period attributable to equity holders of the parent from discontinued operations	(6,719,015)	—	**—**
Net profit for the period attributable to equity holders of the parent	76,159,391	76,110,617	**22,902,025**
Weighted average shares (in millions)	63,936	63,049	**61,723**
Earnings per share attributable to equity holders of the parent continuing operations	Ps. 1.30	Ps. 1.21	**Ps. 0.37**
Loss per share attributable to equity holders of the parent discontinued operations	Ps. (0.11)	Ps. —	**Ps. —**

(1) Discontinued operations

Note 21. Components of other comprehensive (loss) income

The movement on the components of the other comprehensive (loss) income for the years ended December 31, 2022, 2023 and 2024 is as follows:

	For the years ended December 31,		
	2022	2023	**2024**
Controlling interest:			
Unrealized (loss) gain on equity investments at fair value, net of deferred taxes	Ps. (4,707,276)	Ps. (967,609)	**Ps. 3,485,814**
Translation effect of foreign entities	(31,086,965)	(37,399,680)	**55,098,397**
Translation effect by discontinued operations	5,193,281	—	**—**
Remeasurement of defined benefit plan, net of deferred taxes	(4,599,407)	(3,662,102)	**(27,929,881)**
Asset's revaluation surplus net of deferred taxes	—	497,628	**945,822**
Non-controlling interest of the items above	(3,734,066)	(3,885,410)	**7,844,264**
Other comprehensive (loss) income	Ps. (38,934,433)	Ps. (45,417,173)	**Ps. 39,444,416**

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

For the years ended December 31, 2022, 2023 and 2024, valuation of derivatives and other financial items are as follows:

	For the years ended December 31,		
	2022	2023	**2024**
Loss in valuation of derivatives, net (Note 7)	Ps. (28,639,687)	Ps. (10,268,520)	**Ps. (2,141,802)**
Capitalized interest expense (Note 10 c)	1,514,654	1,442,077	**1,622,958**
Commissions	(1,061,278)	(1,190,435)	**(1,787,308)**
Interest cost of labor obligations (Note 18)	(12,376,939)	(13,573,881)	**(14,116,698)**
Contractual earn-out from business combination (Note 4)	4,271,250	2,206,671	**14,856**
Interest expense on taxes	(190,822)	(220,983)	**(938,834)**
Recognized dividend income [1] (Note 4)	6,155,993	4,551,827	**2,779,138**
Loss on exchange of KPN shares (Note 4)	—	—	**(2,566,239)**
Contractual compensation from business combination	—	(647,013)	**—**
Loss from the acquisition of Claro Chile, SpA (Note 12 a)	—	—	**(781,355)**
Impairment to notes receivable from joint venture (Note 12 b)	—	(12,184,562)	**(4,594,792)**
Recycling valuation of VTR Bonds (Note 12 a)	—	—	**4,674,598**
Impairment of joint venture (Note 12 b)	—	(4,677,782)	**—**
Allowance of doubtful accounts [2]	—	(1,051,288)	**(1,324,469)**
Gain on net monetary positions	11,538,061	9,321,480	**27,387,169**
Other financial cost [3]	(327,451)	(522,259)	**(2,608,382)**
Total	Ps. (19,116,219)	Ps. (26,814,668)	**Ps. 5,618,840**

(1) Dividend received during 2022, 2023 and 2024 by, Ps. 5,426,370, Ps. 4,590,313, and Ps. 2,779,138 respectively.
(2) This figure is related to certain uncollectible balances.
(3) Excludes discontinued operations of Chile and Panama for the year ended 2022. (See note 2ac).

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, Chile, the Dominican Republic, Puerto Rico, Austria, Croatia, Bulgaria, Belarus, Macedonia, 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, Uruguay and Chile (see Note 1, item II, j)), 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, Uruguay and Chile (see Note 12). 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.

As of and for the year ended December 31, 2022 (in Ps.):	Mexico	Telmex	Brazil	(2) Southern Cone Argentina	(2) Southern Cone Uruguay and Paraguay	Colombia	Andean	(1) Central America	Caribbean	Europe	Eliminations	Consolidated total
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 (loss)	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
Rights of use, net	13,376,913	341,761	41,889,175	10,093,774	3,414,583	3,454,148	10,654,759	20,937,724	3,904,201	14,089,596	(282,538)	121,874,096
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
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
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 (Claro Chile, SpA joint venture)

As of and for the year ended December 31, 2023 (in Ps.):	Mexico	Telmex	Brazil	Southern Cone		Colombia	Andean	Central America	Caribbean	Europe	Eliminations	Consolidated total
				Argentina	Uruguay and Paraguay							
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 (loss)	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
Rights of use, net	5,169,432	220,565	40,606,564	7,983,658	2,374,873	3,965,376	13,509,229	17,107,790	6,669,681	16,115,920	(154,768)	113,568,320
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
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
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

As of and for the year ended December 31, 2024 (in Ps.):	Mexico	Telmex	Brazil	Southern Cone (1) Argentina	Southern Cone (1) Uruguay, Paraguay and Chile	Colombia	Andean	Central America	Caribbean	Europe	Eliminations	Consolidated total
External revenues	252,179,477	90,710,597	165,401,035	39,574,605	8,025,389	71,436,983	51,284,298	48,136,010	35,181,218	107,290,972	—	869,220,584
Intersegment revenues	12,850,407	17,009,409	4,889,447	108,973	25,606	364,005	140,126	105,832	1,169,243	388,927	(37,051,975)	—
Total revenues	265,029,884	107,720,006	170,290,482	39,683,578	8,050,995	71,800,988	51,424,424	48,241,842	36,350,461	107,679,899	(37,051,975)	869,220,584
Depreciation and amortization	25,628,734	14,935,037	42,956,936	11,737,247	3,932,327	16,069,344	10,697,841	11,814,612	7,215,207	23,409,159	(4,268,083)	164,128,361
Operating income (loss)	89,445,892	14,745,648	30,925,701	1,557,289	(2,353,311)	9,644,694	8,112,560	7,536,522	5,876,774	16,346,663	(1,738,342)	180,100,090
Interest income	22,978,028	1,412,233	2,069,164	1,093,853	14,055	572,336	2,457,448	617,545	1,870,519	412,679	(24,489,640)	9,008,220
Interest expense	37,936,534	4,600,341	24,096,598	2,518,511	431,181	4,034,032	2,329,634	1,103,466	1,374,621	2,160,180	(24,565,344)	56,019,754
Income tax	16,661,724	2,496,264	(3,271,970)	9,953,687	(1,459,393)	1,481,320	2,680,751	2,058,918	2,665,185	2,145,866	(173,909)	35,238,443
Equity interest in net result of associated companies	(5,294,505)	49,924	44,122	—	—	—	—	(987)	—	22,334	—	(5,179,112)
Net profit (loss) attributable to equity holders of the parent	(26,212,930)	(5,237,369)	(4,412,015)	6,105,737	(1,365,108)	2,291,033	5,469,348	5,565,820	3,324,641	12,051,439	25,321,429	22,902,025
Assets by segment	1,022,191,247	257,019,909	350,641,199	92,425,415	67,214,434	136,037,736	109,408,583	115,513,670	110,510,952	197,030,441	(664,072,629)	1,793,920,957
Plant, property and equipment, net	45,781,814	154,257,837	139,860,917	44,007,209	36,280,537	53,548,458	35,887,323	55,113,984	41,501,202	99,353,054	(2,264,994)	703,327,341
Revalued of assets	—	—	—	—	—	7,954,569	—	—	—	2,502,519	—	10,457,088
Rights of use, net	81,713,962	193,632	35,137,224	8,941,870	7,973,991	4,771,008	15,072,246	20,238,997	6,900,369	18,561,879	(44,800)	199,460,378
Goodwill	26,497,724	215,381	27,897,869	201,940	4,735,752	9,677,519	4,720,170	6,328,845	14,186,723	62,374,446	—	156,836,369
Licenses and rights, net	9,331,883	73,248	26,611,997	20,464,792	1,938,693	20,291,075	4,057,611	5,164,105	9,936,893	19,155,291	—	117,025,588
Liabilities by segments	733,673,637	205,016,281	287,411,028	56,329,087	40,851,110	78,608,757	61,627,902	42,458,437	44,392,804	104,786,220	(293,418,627)	1,361,736,636

(1) Includes the acquisitions of Claro Chile, SpA (see note 1, item II, j)

Note 24. Recently Issued Accounting Standards

New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the consolidated financial statements and notes to the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Note 25. Subsequent Events

On May 14, 2025, the shareholders approved the payment of a dividend of Ps.0.52 (fifty-two peso cents) per share from the accumulated earnings account, payable in two equal installments, to each of the series “B” shares, subject to adjustments arising from the repurchase or placement of its own shares, or other corporate events; and the establishment of the Company’s shares buyback fund in the amount of Ps.10 billion, adding to such amount the buyback program fund’s balance as of such date, which may be used as of the date of this meeting and concluding on the date of the annual meeting that approves the Company´s operations for the fiscal year 2025.

BYLAWS OF AMÉRICA MÓVIL,

SOCIEDAD ANÓNIMA BURSÁTIL DE CAPITAL VARIABLE

ARTICLE ONE.- The name of the Company is "AMÉRICA MÓVIL," which shall be followed by the words "SOCIEDAD ANÓNIMA BURSÁTIL DE CAPITAL VARIABLE" or their abbreviation, "S.A.B. DE C.V."

ARTICLE TWO.- The domicile of the Company is Mexico City, which shall be the seat of its management and its effective center of operations. However, the Company may establish offices, branches or agencies anywhere in the United Mexican States and abroad, or agree to submit to the laws of any jurisdiction within the United Mexican States or any foreign jurisdiction, or to the jurisdiction of the competent courts therein in connection with any legal or other act, or consent to the delivery of all types of judicial or extra-judicial notifications or notices of process at any given address in the United Mexican States or abroad, or appoint either general or special attorneys-in-fact for purposes of the receipt of any such notification or notice or for any other purpose in the United Mexican States or abroad, without being deemed to have changed its domicile as a result.

ARTICLE THREE.- The purposes of the Company are:

(a) To promote, incorporate, organize, exploit, acquire and hold ownership interests in the capital or assets of all types of domestic or foreign industrial, commercial, service or other companies, partnerships or entities, and to participate in their management or liquidation.

(b) To acquire, in any legal capacity whatsoever, shares of stock of or partnership, ownership or other interests in all types of companies or entities, whether upon their organization or thereafter; to transfer, dispose of or trade in any such shares or partnership or other interests, including any other negotiable instruments; and, if the shares of stock of the Company are registered at the National Securities Registry (*Registro Nacional de Valores*), to repurchase such shares in accordance with the general rules issued by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*).

(c) To build, install, maintain, operate and exploit public telecommunications networks in order to provide all types of telecommunications services and any service which involves the transmission or conduction of video, voice or data signals or any other content, provided that the Company holds the requisite concessions and permits.

(d) To acquire direct dominion over real property, subject to Article 27 (twenty-seven) of the Political Constitution of the United Mexican States and to the Foreign Investment Law (*Ley de Inversión Extranjera*) and its Regulations.

(e) To grant and take under lease all types of real property and rights thereto, and to engage in all types of legal acts intended to secure or allow the use and/or enjoyment of real property.

(f) To acquire, dispose of and engage in any other legal acts in respect of any such items of personal property, personal rights, machinery, equipment and tools as may be necessary or advisable to achieve its corporate purposes.

(g) To engage in any legal acts in respect of credits or rights.

(h) To engage in any legal acts relating to patents, trademarks, trade names or any other intellectual property right.

(i) To render and retain all types of technical, scientific and administrative advisory and assistance services.

(j) To issue bonds and debentures.

(k) To establish branches, agencies and offices in the United Mexican States or abroad.

(l) To act as commission or other agent or representative for Mexican or foreign individuals or business entities.

(m) To lend or borrow money.

(n) To accept, issue, guarantee and/or endorse all types of negotiable instruments.

ñ) To grant all such types of guaranties in respect of obligations of third parties, including those of its subsidiaries or of unrelated companies, whether domestic or foreign, including through the creation of real rights and deeds of trust, as may be necessary or advisable to achieve its corporate purposes.

(o) To guarantee by any legal means whatsoever, for or without consideration, the satisfaction of the obligations of unrelated natural or legal persons, whether domestic or foreign, including through the creation of real rights and deeds of trust, and to act as co-obligor of unrelated natural or legal persons, whether domestic or foreign.

(p) To perform any act or enter into any contract which is in furtherance of its corporate purposes and is permitted by law of a limited liability company (*sociedad anónima*).

ARTICLE FOUR.- The duration of the Company shall be indefinite.

ARTICLE FIVE.- The Company is of Mexican nationality. All current or future foreign shareholders of the Company formally agree with the Ministry of Foreign Affairs (*Secretaría de Relaciones Exteriores*) (or any successor thereto) of the United Mexican States to be regarded as Mexican as with respect to the shares of stock of the Company acquired or held by them, to the items of property, rights, concessions, participations or interests held by the Company, or to the rights and obligations arising under the contracts with Mexican authorities to which the Company is a party. Consequently, all current or future foreign shareholders agree not to seek protection from their governments under penalty, otherwise, of forfeiture of the equity interests acquired by them in favor of the Nation.

The shares of stock issued by the Company may not be acquired by foreign governments or countries, under penalty of being rendered null and void and of no value whatsoever to their holders upon their acquisition. Minority equity interests held in the form of common shares of stock issued by the Company, by foreign state-owned enterprises that exist as their own entities and have their own assets, shall not be regarded as held by a foreign government or country; provided, that solely by reason of its acquisition of any such interest or participation in the Company any such foreign enterprise shall be deemed to have agreed to be regarded as Mexican as with respect to such interest or participation and to not seek or accept any protection from or diplomatic intervention by its country of origin, any other foreign country or any public or private international body, under penalty of forfeiture of such interest or participation in favor of the Nation.

ARTICLE SIX.- The capital stock is variable. The minimum fixed portion of the capital stock, which is not subject to withdrawal, amounts to **MXN 231,289,892.26 (two hundred thirty-one million two hundred eighty-nine thousand eight hundred ninety-two pesos and twenty six cents)**, divided into an aggregate of **61,245,000,000 (sixty-one billion two hundred and forty-five million)** no-par value Series "B" registered common shares, of which are fully paid and non-assessable.

The variable portion of the capital stock is for an unlimited amount and shall be divided into any such number of no-par value registered common shares as may be determined at the ordinary general shareholders' meeting at which the issuance of such shares is approved.

The Company shall be subject to the provisions contained in the Securities Market Law (*Ley del Mercado de Valores*) as with respect to all matters pertaining to its capital stock and shares.

ARTICLE SEVEN.- The Company may acquire shares of its own stock or instruments representing such shares irrespective of the prohibition contained in the first paragraph of Article 134 (one hundred thirty-four) of the General Law on Companies (*Ley General de Sociedades Mercantiles*), provided that all of the requirements set forth in the Securities Market Law and other applicable statutes are met at the time of the relevant transaction.

The maximum amount of funds that may be used each year to acquire shares of the Company's own stock or negotiable instruments representing such shares shall be determined at the ordinary general shareholders' meeting; provided, only, that the aggregate amount of funds that may be used for such purpose may in no event exceed the aggregate amount of the net profits of the Company, including any retained earnings.

The acquisition and disposition of shares or negotiable instruments representing shares of the Company's stock shall be carried out in accordance with the applicable statutes.

For as long as such shares or negotiable instruments are held by the Company, they may not be voted at any shareholders' meeting and none of the corporate or economic rights conferred by them may be exercised.

Any shares or negotiable instruments representing shares of the Company's own stock being held by the Company, or, as the case may be, any unsubscribed shares being held thereby in its treasury, may be sold to the public without need for any resolution of the shareholders at a shareholders' meeting or of the Board of Directors, irrespective of the provisions contained in Article 132 (one hundred thirty-two) of the General Law on Companies.

The Company shall keep a stock ledger and shall regard those who are registered therein as the owners of its shares. The Company will record in such ledger, at the request of any interested party and upon receipt of the requisite evidence, any transfer of shares that is carried out in accordance with these bylaws and the applicable statutes. The stock ledger may be kept at one of the securities depository institutions regulated by the Securities Market Law, which shall make the relevant entry in the terms and for the purposes set forth in articles 128 (one hundred twenty-eight) and 129 (one hundred twenty-nine) of the General Law on Companies, which entry shall be supplemented with the certificates issued by the members of the relevant securities depository.

Pursuant to Article 48 (forty-eight) of the Securities Market Law and Article 130 (one hundred thirty) of the General Law on Companies, as a deterrent against any acquisition of shares that would result in the ability of any shareholder or third party to control the Company directly or indirectly within the meaning of the Securities Market Law, it is hereby stipulated that any acquisition of shares of stock issued by the Company or securities or other negotiable instruments issued in respect of or rights to such shares, in a single transaction or a series of related transactions over any period of time whatsoever, or by a group of related shareholders acting in concert, shall require prior approval by the Board of Directors, in its sole discretion, if the number of shares or the rights to be acquired account for ten percent (10%) or more of the voting shares of stock issued by the Company.

To such effect, the person or group of persons intending to acquire ten percent (10%) or more of the voting shares of stock issued by the Company must request the aforementioned approval in writing through the Chairman and the Secretary of the Board of Directors of the Company. Such request shall include, at least, the following information: (i) a declaration of acceptance of and submission to the terms of the bylaws of the Company and to the discretionary authorization process described in the foregoing Article; (ii) the number of shares issued by the Company then held by the person or group that intends to carry out the acquisition, and the series to which such shares belong; (iii) the number of shares to be acquired and the series to which they belong; (iv) the identity and nationality of each prospective transferee; and (v) a statement as to whether such person or group intends to acquire a significant influence over or the control of the Company, as such terms are defined in the Securities Market Law. The Board of Directors may request any additional information it may deem necessary or advisable for purposes of making a decision with respect thereto.

If the Board of Directors declines to grant the approval required by the foregoing Article, it shall designate one (1) or more purchasers for the shares, who shall be required to pay to the relevant party the price reported for such shares by the stock exchange. If the shares are not registered at the National Securities Registry, the purchase price shall be determined in accordance with Article 130 (one hundred thirty) of the General Law on Companies.

The Board of Directors must issue its decision no later than three (3) months after the date of receipt of the request for approval or, as the case may be, the date of receipt of the additional information it requested, taking into consideration (i) any such criteria as it may deem in the best interest of the Company, its operations and the long-term prospects of the Company and its subsidiaries; (ii) that the economic benefits derived from the enforcement of the foregoing Article may not be exclusive of any one (1) or more shareholders other than the person who intends to acquire the control of the Company; and (iii) that the acquisition of the control of the Company may not be precluded in absolute terms.

The Company may not take any action intended to preclude the exercise of the financial rights of the transferee or which is violation of the provisions of the Securities Market Law relating to mandatory purchase offers. Notwithstanding the above, any person who may have acquired shares of stock of the Company or securities or other negotiable instruments, or rights representing such shares, in violation of the provisions contained in the preceding paragraph, shall be required to pay to the Company liquidated damages in an amount equal to the aggregate price of the shares or securities or other negotiable instruments held by such person directly or indirectly or which were the subject matter of the illicit transaction. If no consideration shall have been involved in the transactions that may have resulted in the acquisition of shares, securities or other negotiable instruments, or rights representing in excess of ten percent (10%) of the capital stock and absent the approval required by this Article, the amount of liquidated damages shall be equal to the market value of such shares, securities or other negotiable instruments, or rights.

For as long as the shares of stock issued by the Company are registered at the National Securities Registry, any transaction executed through the stock exchange shall be subject, in addition to the aforementioned requirement, to the provisions contained in the Securities Market Law and the rules issued thereunder by the National Banking and Securities Commission. For the avoidance of doubt, it is hereby stipulated that transfers of Company shares that do not result in the acquisition of an ownership interest equal to or greater than ten percent (10%) of the voting shares issued by the Company, by any one person or group of persons acting in concert and which are carried out through a stock exchange, shall not require of prior approval by the Board of Directors of the Company. Any person or group of persons who shall have acquired or attained a material ownership interest in the Company, without having first conducted a public purchase offer in accordance with the Securities Market Law, shall not be entitled to exercise the corporate rights conferred by the relevant voting securities and the Company shall be authorized to refuse to register such shares in the ledger referred to in articles 128 (one hundred twenty-eight) and 129 (one hundred twenty-nine) of the General Law on Companies.

Consequently, the persons intending to make an acquisition which requires the conduction of a public purchase offer in accordance with the Securities Market Law must secure the approval of such transaction by the Board of Directors prior to the commencement of the offering period. In any event, the transferees must at all times disclose the existence of the foregoing procedure for securing the prior approval of the Board of Directors in connection with any acquisition of shares representing ten percent (10%) or more of the capital stock of the Company.

In addition, any change of control of the Company shall require prior written approval by a majority of the members of the Board of Directors who were appointed to their positions prior to the occurrence of the relevant change of control event, by means of a resolution adopted at a board meeting called for that specific purpose in accordance with these bylaws.

The provisions contained in the foregoing Article are in addition to and not in lieu of any notice, notification and/or approval required to be given, made or obtained by the prospective transferees pursuant to the applicable statutes.

The Board of Directors may determine in its sole discretion that certain persons are acting as a group or in concert for purposes of this Article. Upon any such determination by the Board of Directors, the relevant persons shall be considered as one and the same for purposes of this Article.

For as long as the shares of stock issued by the Company are registered at the National Securities Registry, the legal persons controlled by the Company may not acquire, directly or indirectly, any shares of stock issued by the Company or negotiable instruments representing such shares, except for acquisitions thereof (i) through investment funds, (ii) by companies in which the Company holds a majority of the shares of stock, in connection with stock option or stock purchase plans established or designed for the benefit of officers or employees of such companies or of the Company, subject to the limitations and other requirements set forth in the Securities Market Law and the general rules issued by the National Banking and Securities Commission, or (iii) as otherwise permitted by the Securities Market Law and other applicable statutes.

Pursuant to the Securities Market Law and the general rules issued by the National Banking and Securities Commission, for as long as the shares of stock of the Company are registered at the National Securities Registry, in the event of cancellation of such registration at the request of the Company or pursuant to a resolution adopted by the National Banking and Securities Commission in accordance with the applicable statutes the Company shall be required to conduct a public purchase offer in accordance with Article 108 (one hundred eight) of the Securities Market Law, which shall be directed solely to the holders of shares or negotiable instruments representing shares, excluding the members of the controlling group of shareholders, as of (i) the date of relevant notice from the National Banking and Securities Commission, if the registration is canceled by resolution thereof, or (ii) the date of the resolution adopted at the extraordinary general shareholders' meeting, if the registration is canceled voluntarily.

If upon consummation of the public purchase offer but prior to the cancellation of the registration of the shares of stock of the Company or other securities issued in respect thereof at the National Securities Registry, the Company has yet to acquire one hundred percent (100%) of its paid-in capital, the Company shall be required to transfer to a trust, for a period of time lasting no less than six (6) months from the date of cancellation of such registration, an amount sufficient to purchase, at a price equal to the offer price, all of the shares that were not tendered by their holders in connection with the public purchase offer.

Such purchase offer shall be carried out in accordance with the applicable statutes. In any event, the voluntary cancellation of the registration of the Company's shares of stock at the National Securities Registry shall be subject, in addition to the requirements set forth in the Securities Market Law and other applicable statutes, to (i) its prior approval by the National Banking and Securities Commission and (ii) its approval by the affirmative vote of no less than ninety-five percent (95%) of the outstanding capital at an extraordinary general shareholders' meeting.

ARTICLE EIGHT.- The minimum fixed capital of the Company may not be increased or decreased except upon a resolution adopted at the extraordinary general shareholders' meeting or by any other means permitted by the applicable statutes, and upon the amendment of these bylaws, the formalization of such amendment by a notary public of the Company's choice and the registration thereof at the Public Registry of Commerce (*Registro Público de Comercio*) for the Company's domicile. The variable capital of the Company may be increased or decreased without need for any amendment of these bylaws, provided that the relevant increase or decrease is approved at the ordinary general shareholders' meeting or by any other means permitted by the applicable statutes and is formalized as described hereinabove, and without need for any registration at the Public Registry of Commerce for the Company's domicile.

The formalities referred to hereinabove as with respect to the increase or decrease of the capital of the Company need not be observed in the event of an increase or decrease under Article 56 (fifty-six) of the Securities Market Law.

All capital increases and decreases shall be recorded in the ledger maintained for such purpose by the Company.

ARTICLE NINE.- The Company may issue unsubscribed shares, which shares shall be held in the Company's treasury for delivery upon their subscription. The Company may also issue and hold in its treasury unsubscribed shares for their public placement, subject to the satisfaction of the requirements set forth in Article 53 (fifty-three) of the Securities Market Law. Pursuant to Article 53 (fifty-three) of the Securities Market Law, the right of first refusal referred to in Article 132 (one hundred thirty-two) of the General Law on Companies will not be available in the event of a capital increase in connection with a public offering.

ARTICLE TEN.- No capital increase shall be authorized unless and until all of the shares that were issued in connection with the immediately preceding increase have been fully subscribed and paid for, without prejudice of the provisions governing the issuance of unsubscribed shares, except where, pursuant to a resolution adopted at the shareholders' meeting at which the issuance of such shares was approved, such shares are to be used to satisfy obligations incurred by the Company with the consent of its shareholders. Concurrent with the adoption of the resolutions relating to a capital increase, the shareholders, at the shareholders' meeting at which such increase is approved, shall determine the terms and conditions for such increase, the amount of the capital contribution per share that shall be due and payable by the subscribers of the relevant shares and the amount of the premium per share, if any, that shall be due and payable by such subscribers in addition to their capital contributions.